



**SIXTH NATIONAL ASSEMBLY**

**PARLIAMENTARY**

**DEBATES**

**(HANSARD)**

**FIRST SESSION**

**TUESDAY 20 DECEMBER 2016**

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## THE CABINET

**(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, Minister of External Communications
Hon. Ivan Leslie Collendavelloo, GCSK, SC	Deputy Prime Minister, Minister of Energy and Public Utilities, Minister of Tourism
Hon. Showkutally Soodhun, GCSK	Vice-Prime Minister, Minister of Housing and Lands
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, Minister of Arts and Culture
Hon. Marie Joseph Noël Etienne Ghislain Sinatambou	Minister of Technology, Communication and Innovation, Minister of Environment, Sustainable Development, and Disaster and Beach Management
Hon. Ravi Yerrigadoo	Attorney General
Hon. Mahen Kumar Seeruttun	Minister of Agro-Industry and Food Security
Hon. Ashit Kumar Gungah	Minister of Industry, Commerce and Consumer Protection Minister of Civil Service and Administrative Reforms

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, Minister of Gender Equality, Child Development and Family Welfare
Hon. Premdutt Koonjoo	Minister of Ocean Economy, Marine Resources, Fisheries, Shipping and Outer Islands
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	
Deputy Chairperson of Committees	Hurreeram, Hon. Mahendranuth Sharma
Clerk of the National Assembly	Lotun, Mrs Bibi Safeena
Deputy Clerk	Ramchurn, Ms Urmeelah Devi
Clerk Assistant	Gopall, Mr Navin
Hansard Editor	Jankee, Mrs Chitra
Serjeant-at-Arms	Pannoo, Mr Vinod

**MAURITIUS**

**Sixth National Assembly**

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**FIRST SESSION**

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**Debate No. 39 of 2016**

**Sitting of 20 December 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. Prime Minister's Office –**

Certificate of Urgency in respect of the following Bills (*In Original*) –

- (a) The Constitution (Amendment No. 3) Bill (No. XXXIV of 2016)
- (b) The Prosecution Commission Bill (No. XXXV of 2016)
- (c) The Sports Bill (No. XXXVI of 2016); and
- (d) The Sugar Industry Efficiency (Amendment) Bill (No. XXXVII of 2016)

**Ministry of Finance and Economic Development –**

The Annual Report and Audited Accounts of the Sugar Insurance Fund Board for the year 2015.

**B. Ministry of Youth and Sports –**

The Annual Report of the National Youth Council for the year ended 31 December 2015.

**C. Ministry of Public Infrastructure and Land Transport –**

The Road Traffic (Prescribed Form) Regulation 2016 (Government Notice No. 255 of 2016).

**D. Ministry of Local Government –**

- (a) The District Council of Flacq (Fees, Dues and other charges for Classified Trades) Regulation 2016. (Government Notice No. 256 of 2016).
- (b) The District Council of Black River (Fees for Classified Trades) (Amendment) Regulation 2016. (Government Notice No. 257 of 2016).
- (c) The District Council of Rivière du Rempart (Fees for Classified Trades) (Amendment) Regulation 2016. (Government Notice No. 258 of 2016).

## ORAL ANSWERS TO QUESTIONS

**Madam Speaker:** Hon. Members, the Table has been advised that PQ No. B/1181 in regard to the proposed setting up of a Responsible Gambling and Capacity Building Fund will be replied by the Rt. hon. Prime Minister, time permitting. Hon. Osman Mahomed!

### TELECOMMUNICATIONS - INTERNATIONAL LONG DISTANCE CALLS - TARIFFS

**(No. B/1163) Mr Osman Mahomed (Third Member for Port Louis South & Port Louis Central)** asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether, in regard to the international long distance calls, he will, for the benefit of the House, obtain from the Information Communication Technologies Authority, information as to the percentage increase of the recent revision in the tariffs thereof on Madagascar, Seychelles, Tanzania and Zimbabwe respectively applied by the telecommunication companies, indicating if an impact assessment thereof on the regional integration endeavour at the individual and business community levels respectively has been carried out.

**The Prime Minister:** Madam Speaker, I am informed by the Information and Communication Technologies Authority that, since 2015, it has received applications for the revision of tariffs for international long distance calls over selected destinations from three operators, namely Hot Link, Mauritius Telecom and Emtel. The increases in tariffs range from 20% to 217% for different services. The detailed information on the corresponding percentage of increase in tariffs of selected destinations by these operators is being tabled.

The increases in above-mentioned tariffs are mainly due to increase in termination rates applied by overseas telecom operators for terminating the calls in their respective destinations.

The setting of these termination rates are outside the regulatory control of the Information and Communication Technologies Authority as the latter does not approve these overseas termination rates.

I am further informed that not all operators have applied for increase in tariffs for the selected destinations despite these increases. Consumers still have the choice to shift to other operators practising more competitive rates.



Madam Speaker, I am also informed that no impact assessment of the tariffs increases on the regional integration endeavour at the individual and business community levels has been carried out yet. Besides, the Authority is not in the presence of any representations to that respect.

However, I am given to understand that the Indian Ocean Commission has been approached by the private sector operators of the countries of the region to address the issue of high costs of tariffs of communications being practised. As such, at the Economic Forum held in June 2016 in Madagascar, discussions were held with the members of the Indian Ocean Commission with a view to formulating a regional strategy to address this issue.

**Madam Speaker:** Yes, hon. Osman Mahomed!

**Mr Osman Mahomed:** Thank you, Madam Speaker. There are 4,000 expatriates involved - since the Rt. hon. Prime Minister mentioned Madagascar - for Madagascar and a lot of bilateral businesses going on and operators are complaining that there is a huge impact. The Rt. hon. Prime Minister has mentioned 217% which is a very high figure. Now, can the Rt. hon. Prime Minister kindly look into the matter with ICTA so that a more reasonable tariff be applied soon in consultation with the main stakeholders like MEXA, Enterprise Mauritius and Business Mauritius?

**The Prime Minister:** Well, I don't see why I should talk to ICTA because from the information they have given, they have nothing to do with these increases.

**Madam Speaker:** Hon. Jhuboo!

**Mr Jhuboo:** Thank you, Madam Speaker. People who do not have access to internet, use their phone to communicate. Others use Skype, WhatsApp, Messenger. An increase in the price is detrimental to the poor person. Can we know from the Rt. hon. Prime Minister whether ICTA has carried out a survey, an analysis on the number of users using the traditional method and the ones using the latest technologies?

**The Prime Minister:** I will have to ask this from ICTA.

**Madam Speaker:** Hon. Osman Mahomed, last question!

**Mr Osman Mahomed:** Again, on this question of ICTA, the Rt. hon. Prime Minister has mentioned that ICTA has got nothing to do with this. But from Press notices, it is clearly spelt out that -

“The companies – I don’t mention names – hereby give public notification in accordance with new subsection 31 7(d) of the Information and Communication Technologies Act 2001 as amended”.

So, this is based on ICTA law. I am going to table it for the information of the Rt. hon. Prime Minister.

**Madam Speaker:** Next question, hon. Rughoobur!

### **FOND DU SAC – DRAINS - CONSTRUCTION**

**(No. B/1166) Mr S. Rughoobur (Second Member for Grand’ Baie & Poudre d’Or)** asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether, in regard to the project for the construction of drains in Fond du Sac by the National Development Unit, he will state where matters stand as to the implementation thereof.

**The Prime Minister:** Madam Speaker, I am informed that Mega Design Ltd has been appointed as consultant for the project of construction of drains in Fond du Sac and the latter has already submitted the Preliminary Design Report in November 2016.

The Preliminary Design Report is presently being examined at the level of the NDU. Meetings will be held shortly with the relevant stakeholders such as the District Council of Pamplemousses, the Water Resources Unit, the Ministry of Agro Industry and Food Security, the Sugar Estates and sugarcane planters who will be affected by the implementation of this project.

The consultant will then be requested to finalise the detailed design and the bidding document by end of March 2017. Tender procedures are expected to be initiated in April 2017 and the works will take about one year after award of the contract.

**Madam Speaker:** Next question, hon. Ramano!

**RESPONSIBLE GAMBLING AND CAPACITY BUILDING FUND – SETTING UP**

(No. B/1181) Mr K. Ramano (Third Member for Belle Rose & Quatre Bornes) asked the Minister of Finance and Economic Development whether, in regard to the proposed setting up of a Responsible Gambling and Capacity Building Fund, he will state where matters stand.

**The Prime Minister:** Madam Speaker, with your permission, I shall reply to this question.

The strategy of this Government is to inculcate the notion of a responsible gambling code of conduct, in view of the obvious fact that it will be very difficult for any Government to completely eradicate gambling. To this end, the intent is to provide the framework for responsible gambling.

The Responsible Gambling and Capacity Building Fund has been set up for this purpose.

I am advised that the Gambling Regulatory Authority and the Mauritius Revenue Authority are working closely to finalise the modalities of the collection and the transfer of the 2% Levy imposed on all gaming operators, except for Lottotech Ltd. This process will be completed by mid-January 2017, following the revision of the Memorandum of Understanding between these two Authorities.

Madam Speaker, in parallel, the Authority is in the process of holding consultations and engaging with the partners/stakeholders of the industry and the civil society at large, to develop the framework for responsible gambling.

In addition, I am informed that the Gambling Regulatory Authority is already implementing its Roadmap on Responsible Gambling.

I wish to inform the House that the Managing Committee of the Fund is being constituted. I also wish to inform the House that I shall request the Director of Audit to audit the accounts of the Responsible Gambling and Capacity Building Fund, to ensure transparency.

**Mr Ramano:** Madame la présidente, est-ce que je peux savoir de l'honorable Premier ministre s'il est envisagé un *responsible Gambling Act* pour encadrer et aussi responsabiliser les joueurs et aussi les opérateurs des jeux, comme cela existe aux Etats Unis?

**The Prime Minister:** Well, I will suggest this to the authorities concerned.

**Madam Speaker:** Hon. Members, the Table has been advised that PQ B/1188 in regard to Enterprise Mauritius will be replied by the hon. Minister of Industry, Commerce and Consumer Protection; PQ A/46 in regard to the installation of GSM gateways for mobile phones to the existing PABX telephone systems of Ministries, Government Departments, parastatal bodies and local authorities will be replied by the hon. Minister of Technology, Communication and Innovation; PQ B/1176 has been withdrawn. Hon. Osman Mahomed!

### **NATURAL DISASTERS – GLOBAL RISKS REPORT 2016**

**(No. B/1169) Mr Osman Mahomed (Third Member for Port Louis South & Port Louis Central)** asked the Minister of Civil Service and Administrative Reforms, Minister of Environment, Sustainable Development, and Disaster and Beach Management whether, in regard to natural disasters, he will state how Mauritius is faring in the light of the findings of the Global Risks Report 2016 of the World Economic Forum.

**The Minister of Technology, Communication and Innovation (Mr E. Sinatambou):** Madam Speaker, I am informed that in its 11<sup>th</sup> Edition, the Global Risks Report 2016 has drawn attention to ways in which global risks could evolve and interact in the next decade. Apparently, the risks which the Report has been highlighting over the past decade are starting to manifest themselves in new, and sometimes unexpected ways thus harming people, institutions and economies. Moreover, warming climate is likely to raise this year's temperature by one degree Celsius. The Global Risks Report thus caused for action to build resilience.

The top six most impactful risks identified in the Report are as follows –

- (i) Failure of climate change mitigation and adaptation;
- (ii) Weapons of mass destruction;
- (iii) Water crisis;
- (iv) Large scale involuntary migration;
- (v) Severe energy price shock, and

- (vi) High structural unemployment and underemployment.

Mauritius as a Small Island Developing State (SIDS) is exposed to natural hazards as all other SIDS. In fact, as per the World Risks Report 2016, Mauritius is ranked 13<sup>th</sup> out of 171 countries in terms of exposure to natural disasters. In its endeavour to strengthen resilience and reduce the risks and vulnerabilities to disasters, the Republic of Mauritius has taken various bold measures in line with the Sendai Framework 2015-2030. In this respect, Madam Speaker –

- (i) Government has brought under one Ministry sustainable development, climate change and disaster management to ensure convergence among those three cross-cutting issues.

- (ii) the National Disaster Risk Reduction and Management Act was promulgated in July 2016 and this legislation provides for –

- (a) a National Disaster Risk Reduction and Management Council, a National Disaster Risk Reduction and Management Centre, a Local Disaster Risk Reduction and Management Committee, a Rodrigues Disaster Risk Reduction and Management Council, a Rodrigues Disaster Risk Reduction and Management Centre and a Disaster Management Coordinator for Agalega and Cargados Calajos.

Moreover, a National Emergency Operations Command is established within the National Disaster Risk Reduction and Management Centre.

**Mr Osman Mahomed:** Well, 13<sup>th</sup> of 171 countries, so we are very exposed in terms of the assessment. Now, the hon. Minister has mentioned a lot of measures. Can the hon. Minister enlighten the House about where we are in the implementation of the Inundation Flooding Landslide National Risk Profile which is being managed by the Ministry at the moment, to which hon. Dayal, when he was Minister, replied to my question that it comes in two cycles and implementation is ongoing? May I know from the hon. Minister the stages that we have reached because given that our ranking has deteriorated over the period from last to this year?

**Mr Sinatambou:** Well, may I, first of all, start by saying, Madam Speaker, that our ranking in terms of vulnerability to natural disasters is just a matter of fact, it is our location, it is the nature of the country. So, it is not a failure to take measures which renders us less or more vulnerable. Now, as to the status of the matter asked by the hon. Member, he will

appreciate that I only took cognizance of this Parliamentary question last night and I will, therefore, request him to come with a substantive question on the issue.

**Madam Speaker:** Next question, hon. Osman Mahomed!

### NATURAL DISASTERS – DANGER ZONE MAPS

**(No. B/1170) Mr Osman Mahomed (Third Member for Port Louis South & Port Louis Central)** asked the Minister of Civil Service and Administrative Reforms, Minister of Environment, Sustainable Development, and Disaster and Beach Management whether, in regard to natural disasters, he will state where matters stand as to the development of high resolution danger zone maps aiming at reducing risks thereof in Mauritius, following the consultations held by the National Disaster and Risk Reduction Management Centre for the adoption of a sound development a

**The Minister of Technology, Communication and Innovation (Mr E. Sinatambou):** Madam Speaker, I am informed that the Disaster Risk Reduction Strategic Framework and Action Plan (DRR Report) was commissioned as part of the Africa Adaptation Programme funded by the Government of Japan. The main aim of that project was to develop an inundation, flooding and landslide national risk profile for the Republic of Mauritius.

In this respect, the Report has recommended through its Action H2 (Developing of danger zoning plans), that in order to promote land use planning and take measures to reduce flood, landslide and coastal inundation risks, it is necessary to have danger maps with detailed scale of 1:5,000 to 1:10,000. The production of these high resolution flood, landslide and coastal inundation danger zone maps and plans requires the following steps –

- (i) Creation of topographic maps with scale 1:5,000 to 1:10,000;
- (ii) Aerial survey to produce a high resolution Digital Elevation Model using modern technology such as drones;
- (iii) Detailed hydrological and hydraulic modeling;
- (iv) Production of the danger zone maps, and
- (v) Preparation of the danger zone plans.

The Ministry has already requested the Ministry of Housing and Lands to produce the topographic maps of scale of 1:5,000 for pre-identified priority areas. Several working

sessions have already been held between the National Disaster Risk Reduction and Management Centre (NDRRMC) of the Ministry and the Ministry of Housing and Lands.

Topographic maps for the areas of Flic-en-Flac and Fond du Sac have already been produced by the Ministry of Housing and Lands and the latter is now working on the production of topographic maps for the other priority areas prone to flooding.

**Madam Speaker:** Yes! No supplementary question? Next question, hon. Osman Mahomed!

### ***LE DAUGUET - NATURE TRAIL***

**(No. B/1171) Mr Osman Mahomed (Third Member for Port Louis South & Port Louis Central)** asked the Minister of Civil Service and Administrative Reforms, Minister of Environment, Sustainable Development, and Disaster and Beach Management whether, in regard to the transformation of *Le Dauguet*, in Port Louis, from a *Promenade de Santé* since September 2001 into a Nature Trail since 30 October 2015, he will state the –

- (a) scope of the works undertaken therefor, giving a breakdown of the associated costs thereof, including in respect of the inaugural ceremony thereof in October 2015, and
- (b) the new name thereof, if any.

**The Minister of Technology, Communication and Innovation (Mr E. Sinatambou):** Madam Speaker, I am informed that the *Promenade de Santé* at *Le Dauguet*, in Port Louis, is now known as *Le Dauguet* Nature Trail. Prior to the inaugural ceremony, the following works were carried out at *Le Dauguet* Nature Trail –

- (i) upgrading of existing amenities such the uplifting of the existing kiosk, varnishing and painting of handrails, painting of Watchman Post...

**Mr Shakeel Mohamed:** On a point of Order, Madam Speaker! I just wanted to know from you, because I understand the hon. Minister Sinatambou has only been given the question only last night, which we sympathise with him for that, but, what I would like to know is: has he been officially appointed, given the portfolio by the President of the Republic for this particular Ministry?

**Madam Speaker:** Let me reply to this by saying that it is an internal arrangement which has been made and, pending any decision which is taken, the hon. Minister has the right to reply to questions which have been asked.

**Mr Shakeel Mohamed:** The point of order which I am taking, Madam Speaker, is as follows: yes, the hon. Minister is totally entitled to replace a colleague Minister of his who is absent. At this particular moment, it will be the only parameters within which that he would be allowed to answer this question as Minister of Civil Service replacing him. But, as it stands right now, there is no Minister of Civil Service, he cannot, therefore, be asked to replace a position that does not exist. If the principal position itself is not filled out, he cannot be asked to replace a position that is empty. Therefore, I would ask for an official ruling on it because, in my humble view, it has to be the President of the Republic who appoints a Minister and it is only then that he can replace that Minister. He can't be asked to replace someone whose position does not exist!

**Madam Speaker:** Let me reply to this because it is a matter which has been decided by the Leader of the House and it is up to the Leader of the House who decides, who replies to what question pending any arrangement which is being made...

*(Interruptions)*

This is being...

*(Interruptions)*

This is...

*(Interruptions)*

This is my ruling and it is such!

**Mr Shakeel Mohamed:** But, Madam Speaker, what I would like to know...

*(Interruptions)*

**Madam Speaker:** Now, let...

*(Interruptions)*

**Mr Shakeel Mohamed:** Madam Speaker, give us a ruling!

**Madam Speaker:** Please, sit down! I have already given my ruling and I don't want to come back on it again. Now, if there is anything which the hon. Prime Minister wishes to say...



**The Prime Minister:** May I be allowed to inform the House that the needful has been done. I have already sent the letter early this morning to the President and I have no doubt that the President must have already approved it.

*(Interruptions)*

**Mr Shakeel Mohamed:** The Rt. hon. Prime Minister said, I totally understand why he said that because he himself realises that this is a very important step. That is why he sent the letter. So, are we still operating within this position of doubt that this has not been done or are we sure that it has been done?

*(Interruptions)*

Note the time!

**Madam Speaker:** Hon. Shakeel Mohamed, I have already said that there should be no discussion on any ruling which I have given. I have already given my ruling and I don't think there should be any debate on a ruling which the Speaker gives!

**Mr Sinatambou:** Thank you, Madam Speaker.

*(Interruptions)*

Prior to the...

*(Interruptions)*

**Madam Speaker:** Order, please!

*(Interruptions)*

Order! Yes, hon. Etienne Sinatambou, please proceed!

**Mr Sinatambou:** Thank you, Madam Speaker. Prior to the inaugural ceremony the following works were carried out at Le Dauguet nature trail –

- (i) the upgrading of existing amenities such as uplifting of existing kiosks, varnishing and painting of handrails, painting of watchman's post and fixing of new signboards;
- (ii) upgrading of the parking area;

- (iii) ante termite operation along the nature trail and surrounding areas;
- (iv) the lopping of branches, cutting of overgrown creepers and removal of invasive vegetation;
- (v) planting of decorative and medicinal plants, and
- (vi) the construction of toilet blocks.

I am informed, Madam Speaker, that a total sum of Rs812,937.86 has been disbursed for this project.

**Madam Speaker:** Yes, hon. Osman Mahomed!

**Mr Osman Mahomed:** Since the Minister has just been appointed, it is safe for me to say that the main job that was done there is the construction of toilets and since the period it has been constructed until today, the information given to me is that it is not operational. Can the hon. Minister look into this?

**Mr Sinatambou:** Well, I will certainly give instructions for those concerned to go and make a relevant visit for the Member to be kept informed.

**Madam Speaker:** Next question, hon. Dr. Sorefan!

#### **BOATS – LICENSE**

**(No. B/1172) Dr. R. Sorefan (Fourth Member for La Caverne & Phoenix)** asked the Deputy Prime Minister, Minister of Tourism and External Communications whether, in regard to the licensing of boats, he will –

- (a) give a list of the owners thereof whose licences have not been renewed on the expiration thereof in January 2016, indicating the reasons therefor in each case, and
- (b) table the names of those who have since left Mauritius for Madagascar, if any.

**The Vice-Prime Minister, Minister of Energy and Public Utilities (Mr I. Collendavelloo):** Madam Speaker, with your permission, I shall reply to the question.

I wish to inform the House that in accordance with Part V and Part VI of the Tourism Authority Act 2006, the Tourism Authority has the mandate to solely register, license and

regulate the use of pleasure crafts. Owners of boats involved in fishing activities are licensed by the Ministry of Ocean Economy, Marine Resources, Fisheries, Shipping and Outer Islands. Accordingly, my reply will be limited to the licensing of pleasure crafts.

Regarding part (a) of the question, I have been informed by the Tourism Authority that a total of 548 pleasure craft licences expired in January 2016 and were not renewed by the owners. I am tabling the list.

I have also been informed that all licences that have expired in 2016 and in respect of which the owners have applied for renewal, have been renewed.

Concerning part (b) of the question, I wish to point out that the responsibility of the Tourism Authority is to ensure that all pleasure craft activities are carried out by professionals and competent individuals in a safe and orderly manner in accordance with the existing laws and regulations. I am further advised that operators of pleasure crafts are allowed to navigate up to 12 Nautical Miles (NM) off the coast and that the monitoring of incoming and outgoing boats in Mauritian waters falls within the ambit of the National Coast Guard.

**Madam Speaker:** Hon. Dr. Sorefan!

**Dr. Sorefan:** Thank you, Madam Speaker. Can the hon. Vice-Prime Minister inform the House - I don't think whether he has got the answer, but anyway, to look into it - whether recently one boat left Mauritius for Madagascar and this boat was in the name of a company, I won't mention it, which when I checked at the Registrar's office, he did renew his licence but still he left Mauritius for Madagascar and probably you know where I am getting, he was implicated in the drugs from Madagascar to Reunion Island?

**Mr Collendavello:** As I have said, Madam Speaker, pleasure crafts cannot go more than off 12 miles of the coast of Mauritius. If they do so, then the National Coast Guard takes maximum precautions to avoid all these escapes, all these fugitive boats. But, the National Coast Guard cannot have a boat every 100 metres of the sea and these people are of great acumen for evading that sort of surveillance.

**Madam Speaker:** Hon. Ganoo!

**Mr Ganoo:** Madam Speaker, I am very alive to the fact that the hon. Vice-Prime Minister is not the substantive Minister, but is the Vice-Prime Minister aware that recently

many representations have been made against this new policy framework which has been proposed by his Ministry in regard to the pleasure craft owners? In fact, there has been a matter which has gone to Court also and there has even been demonstration on the streets by the pleasure craft owners with regard to this proposed new policy framework. So, is the Ministry intending to react to these representations made regarding the new proposed regulations and the new framework?

**Mr Collendavelloo:** The information is mainly that it is in Court but that does not take us very far. I will have to look into it as the hon. Member will appreciate, it is only a few minutes ago that I took cognizance of the file. I am unable to assist. I am sorry about it.

**Madam Speaker:** Hon. Dr. Sorefan!

### SICOM - LEGAL ADVICE

**(No. B/1173) Dr. R. Sorefan (Fourth Member for La Caverne & Phoenix)** asked the Minister of Financial Services, Good Governance and Institutional Reforms whether, in regard to the legal advice sought by the State Insurance Company of Mauritius in respect of the reply to Parliamentary Question B/901 of 15 November 2016, he will, for the benefit of the House, obtain from the Company, information as to from whom legal advice has been sought.

**Mr Bhadain:** Madam Speaker, I am informed by SICOM that the legal advice was sought from Me Rishi Pursem. I am also informed that the Board of SICOM has, at its meeting of 21 November 2016, resolved that the reply to the previous Parliamentary Question No. B/901 could be given and I have also checked with the Attorney General's Office in relation to the Data Protection laws. So, the information can now be provided as follows that legal fees was paid by SICOM to four members of the Director of Public Prosecution's Office from 2005 to 2012 and these four members of the DPP's Office have obtained a total amount Rs3,497,650 in total.

**Dr. Sorefan:** May we know the four members who got about Rs3.4 m. for legal fees, please?

**Mr Bhadain:** Yes, Madam Speaker –

Mr Manrakhan Rs575,000;

- Mrs Moolnah Rs553,150;
- Mr Lallah Rs494,500, and Madam Speaker,
- Mr Satyajit Boolell Rs1,875,000 from SICOM.

*(Interruptions)*

**Madam Speaker:** Yes, next question, hon. Jahangeer!

#### **CWA - DEPUTY CHIEF OPERATION OFFICER**

**(No. B/1175) Mr B. Jahangeer (Third Member for Rivière des Anguilles & Souillac)** asked the Vice-Prime Minister, Minister of Energy and Public Utilities whether, in regard to the Central Water Authority, he will, for the benefit of the House, obtain therefrom, information as to if the post of Deputy Chief Operation Officer thereof has been filled and, if so, indicate the name of the incumbent thereof.

**The Vice-Prime Minister, Minister of Energy and Public Utilities (Mr I. Collendavelloo):** Madam Speaker I am informed by the Central Water Authority that there is no post of Deputy Technical Director on its establishment.

**Madam Speaker:** Yes, next question, hon. Jahangeer!

#### **VICTORIA STATION PROJECT - BID EXERCISE**

**(No. B/1176) Mr B. Jahangeer (Third Member for Rivière des Anguilles & Souillac)** asked the Minister of Public Infrastructure and Land Transport whether, in regard to the Victoria Station Project, he will state if a bid exercise has been carried out for the selection of the consulting architectural firm therefor and, if so, indicate the outcome thereof.

*(Withdrawn)*

#### **EX-BOIS CHERI CO-OPERATIVE STORES SOCIETY – BUILDING - RENT**

**(No. B/1177) Mr B. Jahangeer (Third Member for Rivière des Anguilles & Souillac)** asked the Minister of Local Government whether, in regard to the building housing the ex-cooperative bank located at Bois Cheri, he will state where matters stand as to the proposed renting thereof.

**The Minister of Local Government (Dr. A. Husnoo):** Madam Speaker, I wish to refer the hon. Member to the reply I made on 12 July 2016 to Parliamentary Question B/750

on this issue and wherein it was pointed out that the Caretaker Board of the ex-Bois Cheri Co-operative Stores Society Ltd had agreed to rent the first floor of the building to the District Council of Savanne for use as a Village Hall.

I am informed that the procedures stipulated in the Co-operative Act 2005 for the sale, rent and disposal of an immovable property belonging to the Co-operative Society are quite lengthy and the Caretaker Board has on 03 November 2016 – thus last month – obtained the valuation report which has recommended the rental value of the building at Rs2,000 monthly.

I am further informed that a meeting of the General Assembly of the Society has been scheduled in early January 2017 so that approval can be obtained for the renting of the building to the District Council of Savanne, after signature of an appropriate lease agreement.

### **CENTRAL WASTE INCINERATOR - CONSTRUCTION**

**(No. B/1178) Mr B. Jahangeer (Third Member for Rivière des Anguilles & Souillac)** asked the Minister of Health and Quality of Life whether, in regard to the expired medicines and other medical wastes, he will state where matters stand as to the proposed construction of a central waste incinerator for the disposal thereof.

**The Minister of Health and Quality of Life (Mr A. Gayan):** Madam Speaker, with regard to expired medicines, may I refer the hon. Member to the reply I made on 29 March 2016 to PQ B/38 and to the list of expired drugs which I had tabled.

I wish to reiterate that all the expired drugs for the years from 2006 to 2012 have already been disposed of. The remaining expired drugs for the years from 2013 to 2016 estimated at Rs40 m. which are still to be disposed of are presently stored at the Ministry's sub store at Les Guibies, Pailles under safe conditions. My Ministry has requested the Ministry of Environment, Sustainable Development, Disaster and Beach Management on 28 November to convey approval for the disposal of the medicines at the Mare Chicose Landfill or any other suitable waste disposal site. We are still awaiting the clearance.

As regards disposal of other medical waste, appropriate measures are being taken at the level of the hospitals to maintain the incinerators in good working condition.

As far as the proposed construction of the central medical waste incinerator is concerned, I wish to inform the House that a portion of land of an extent of 2A50 at La Chaumière has already been identified and vested in my Ministry for the construction of the National Healthcare Waste Disposal Facility. As the proposal of my Ministry for GEF assistance has not been retained, arrangements are now being made to make use of funds from my Ministry for the financing of consultancy service to embark on the project.

A Committee comprising representatives of all relevant Ministries and Departments is completing work to finalise the terms of reference for the procurement of consultancy service for the project. The terms of reference will be finalised by the end of this week. Thereafter, procedures will be followed to award the tender for consultancy service for the project.

**Mr Osman Mahomed:** This much awaited central waste incinerator has a new turn of event because GEF is not funding. So, may we now from the hon. Minister the revised timing at the end of which the incinerator will be up and running?

**Mr Gayan:** Well, as I have just stated in the House, we are waiting for the terms of reference to be finalised by the end of this week and once it is done, then the tender procedures will be on. I hope it is done as fast as possible.

**Mr Fowdar:** Can I ask the hon. Minister whether the incinerator is going to be put available for the private sector, and if so, whether they are going to be charged any sort of fees and whether the modalities for the fees have been fixed?

**Mr Gayan:** Well, it is premature for me to say what kind of system will be put in place, but one of the options being examined is a BOT kind of thing, where, of course, all medical wastes will have to be centralised to that particular facility and anybody making use of that facility under the BOT scheme or some other scheme, will have to pay for the services.

**Mr Ganoo:** The hon. Minister has replied in his answer that needful is done to maintain the existing incinerators in all the hospitals. In view of the fact that a few weeks ago, I raised a question on the Candos Hospital and the nuisance that the incinerator has been causing to the habitants of Residence Kennedy, may I ask him to see to it that this incinerator is properly maintained so that this hospital is no longer a source of nuisance to Residence Kennedy, please?

**Mr Gayan:** I will certainly do that, Madam Speaker.

#### **SICOM - PROPERTIES - LESSEES**

**(No. B/1179) Dr. R. Sorefan (Fourth Member for La Caverne & Phoenix)** asked the Minister of Financial Services, Good Governance and Institutional Reforms whether, in regard to the properties acquired by the State Insurance Company of Mauritius Ltd. prior to 2005, he will, for the benefit of the House, obtain from the Company, information as to the –

- (a) respective locations thereof and
- (b) names of the lessees thereof, indicating the quantum of rent payable by the said lessees since the acquisition of the said properties by the Company.

**Mr Bhadain:** Madam Speaker, I am informed that the following properties have been acquired by SICOM prior to 2005 –

- (i) half a floor at St James Court was acquired in April 1999 from St Denis Investment Ltd. for a sum of Rs28,904,000;
- (ii) ex-Rey & Lenferna building at Edith Cavell Street, Port Louis was acquired in June 1999 from Rey & Lenferna Ltd. for a sum of Rs45,540,000 and
- (iii) 546 square metres of land in Port Louis situate at Corner Chevreau and Rev Lebrun streets Port Louis was acquired in September 2002 from Rose Baccara Ltd. for a sum of Rs25,006,000.

With regard to the names of the lessees and the quantum of rent payable for the office space at St James Court, this has been leased to the European Community which was already there when SICOM acquired the space. The quantum of rent received over the 17-year period amounts to Rs63.9 m.

The premises at Rey Lerferna is not leased out and is being used by SICOM for archiving and parking purposes. The quantum of rent received to date from parking activities is Rs41.1 m. The SICOM building number 2 is a 13-floor building of gross area 9.500 square metres built on the land at Corner Chevreau and Rev Lebrun streets, Port Louis, is leased to the Ministry of Civil Service and Administrative Reforms as from 01 October 2014. The Law Reform Commission as from 01 June 2014 and SICOM General Insurance as from 01 July 2015. The quantum of rent received by SICOM to date is Rs49.9 m.

**Dr. Sorefan:** Will the hon. Minister inform the House - I did not get the names exactly - whether the company at St James Court took half part of the floor. Is it St Denis? Can the hon. Minister inform us who is the shareholder of that company?

**Mr Bhadain:** Madam Speaker, the company is indeed St Denis Investment Ltd which was paid Rs28.9 m. for half a floor at St James Court and the shareholders are Sir Hamid Moollan Q. C., Fong Sing James Clifford, Fong Sing Derrick, and Fong Sing Lo Jennifer and a company called TNG Ltd.; each holding 160,000 ordinary shares.

**Dr. Sorefan:** Regarding the Rey & Lenferna building, will the hon. Minister confirm whether this is a *patrimoine* site?

**Mr Bhadain:** This is what?

**Dr. Sorefan:** Protected by national site. Will the hon. Minister confirm whether the Rey & Lenferna building, prior to purchasing it and whether it was on the list of heritage sites, and if so, why SICOM went for it? Because they cannot develop this piece of land bought to the tune of Rs41 m.?



**Mr Bhadain:** I am not aware whether it was on the list of heritage sites. I will certainly have a look at that and then inform the House accordingly.

### **REGULATORY SANDBOX LICENCE - INTRODUCTION**

**(No. B/1180) Mr K. Ramano (Third Member for Belle Rose & Quatre Bornes)** asked the Minister of Finance and Economic Development whether, in regard to the Regulatory Sandbox Licence, he will state if same has been introduced and, if so, indicate the guidelines prescribed therefor, if any.

**Mr Jugnauth:** Madam Speaker, the Regulatory Sandbox Licence offers the possibility for an investor to conduct a business activity for which there are no adequate provisions under any enactment in Mauritius. This budgetary measure was announced to signal the Government's intent to be proactive to the latest trends in technology.

Following announcement of this budgetary measure, the Investment Promotion Act was duly amended through the Finance (Miscellaneous Provisions) Act 2016 and proclaimed on 20 October 2016. The amendment makes provisions for guidelines to be issued by the Board of Investment.

The guidelines were, in fact, issued on 27 October 2016 and posted on the website of the BOI and are thus already available to the general public.

The guidelines make provision for, *inter alia*, the application process, the selection criteria, general safeguards, terms and conditions, conditions for licence revocation and suspension, and mechanisms for project approval, monitoring and reporting.

I am also informed that there is a dedicated online service at the BOI to receive applications for Regulatory Sandbox Licences. A number of promoters are already holding discussions with the Board of Investment on projects relating to Fintech and life sciences.

**Madam Speaker:** Next question, hon. Ganoo!

### **QUATRE BORNES - FIRE STATION – RELOCATION**

**(No. B/1182) Mr K. Ramano (Third Member for Belle Rose & Quatre Bornes)** asked the Minister of Local Government whether, in regard to the proposed construction of a new Fire Station in Quatre Bornes, he will, for the benefit of the House, obtain from the Fire and Rescue Services, information as to where matters stand.

**Dr. Husnoo:** Madam Speaker, I wish to refer the hon. Member to the reply I made on 19 April 2016 to Parliamentary Question B/238 on this issue wherein I mentioned that the relocation of the Quatre Bornes Fire Station has been approved by the Government on 26 February 2016.

I wish to inform the House that a provision of Rs5 m. has been made in the budget 2016/2017 of the Mauritius Fire and Rescue Service for the project to start. Funds to the tune of Rs35 m. and Rs17 m. are planned in the Estimates 2017/2018 and 2018/2019 respectively for the implementation of this project.

My Ministry has on 28 November, this year, that is, 2016, requested the Ministry of Housing and Lands to expedite procedures for the acquisition of the plot of land of the extent of one *arpent* identified along Avenue Tulipes, Quatre Bornes for the timely implementation of this project. I am informed that procedures are underway, in this respect.

I am further informed that once the land is acquired and vested in the Mauritius Fire and Rescue Service, the necessary designs and plans will be prepared to enable the launching of bids.

**Madam Speaker:** Yes, hon. Osman Mahomed!

**Mr Osman Mahomed:** Thank you, Madam Speaker. Avenue Tulipes, if I am not mistaken, is in Sodnac. Has a Traffic Impact Assessment been carried out duly because in case of fire, fire trunks need to be able to move properly and swiftly? Has a proper traffic Impact Assessment been conducted before finalising the choice of the plot of land?

**Dr. Husnoo:** Actually, Avenue Tulipes starts from St Jean and goes up to Sodnac and there is a roundabout which has been recently built along Avenue Tulipes. So, I think the road system is fairly well developed in that part of Quatre Bornes.

**Madam Speaker:** Hon. Dr. Sorefan!

**Dr. Sorefan:** Thank you, Madam Speaker. Can the hon. Minister inform the House whether this one *arpent* of land, which is going to be compulsorily acquired, has been gazetted because the hon. Minister said he has expedited matter through the Ministry of Housing and Lands?

**Dr. Husnoo:** As I mentioned, on 28 November this year, we have contacted the Ministry of Housing and Lands and they are going to expedite matter. So far, I don't know whether it is gazetted or not, but I have not heard from the Ministry of Housing and Lands.

**Madam Speaker:** Hon. Osman Mahomed!

**Mr Osman Mahomed:** Thank you, Madam Speaker. The hon. Minister has expressed his opinion about the road structure there. He is not an expert and I am not an expert as well. Is he not of the view that being given this is a crucial matter, a due and proper Traffic Impact Assessment needs to be done?

**Dr. Husnoo:** I take the point of the hon. Member. I can assure him, I stay near Tulipes Avenues and I know what I was talking about. I know the width of that road as well.

**Madam Speaker:** Last question on this issue, hon. Dr. Sorefan!

**Dr. Sorefan:** Can the hon. Minister table a site plan of this location for us to know where exactly it will be?

**Dr. Husnoo:** Sure. I will contact the Ministry of Housing and Lands and try to submit it.

**Madam Speaker:** Next question, hon. Ganoo!

#### **APOLLO BRAMWELL HOSPITAL - ACQUISITION**

**(No. B/1184) Mr A. Ganoo (First Member for Savanne & Black River)** asked the Minister of Finance and Economic Development whether, in regard to the former Apollo Bramwell Hospital, he will, for the benefit of the House, obtain from the NIC Healthcare Ltd., information as to if the preferred bidder has now been selected for the acquisition thereof and, if so, indicate if any contract has been signed between the NIC Healthcare Ltd and the latter and, if so, indicate the terms and conditions thereof.

**Mr Jugnauth:** Madam Speaker, I am informed by the NIC Healthcare Ltd that CIEL Healthcare Africa Limited has been selected as the preferred bidder for the acquisition of the business of the Apollo Bramwell Hospital. In this respect, CIEL Healthcare Africa Limited has offered Rs700 m. and an annual rental of Rs60 m. for the Hospital Business.

Accordingly, on 16 December 2016, an escrow agreement was signed between NIC Healthcare British American Hospital Enterprise Limited and CIEL Healthcare Africa Limited.

CIEL Healthcare Africa has proposed to operate the hospital as from 01 January 2017.

Madam Speaker, I am informed that new contracts of employment will be offered to all the existing employees of the hospital on terms and conditions which will not be less favorable than the present contracts of employment. The Assets Purchase Agreement is expected to be finalised and signed on 23 December 2016.

As far as the lease agreement is concerned, same will be signed shortly. According to this Agreement, CIEL Health Africa Limited has the option to buy the Hospital Building.

Following signature of the lease agreement and deed of transfer of movable assets, funds would be transferred from the escrow account to the bank account of NIC Healthcare Ltd.

Madam Speaker, I wish to inform the House that it would not be appropriate at this stage to reveal more details regarding the terms and conditions of the sale given that not all the legal documents have yet been signed.

**Madam Speaker:** Hon. Ganoo!

**Mr Ganoo:** I have just one question to the hon. Minister. With regard to the contracts of employment which will be signed by the employees, can the hon. Minister indicate to the House whether there have been any complaint or representation made by the employees?

**Mr Jugnauth:** Disagreement on what issue?

**Mr Ganoo:** On the terms and conditions!

**Mr Jugnauth:** No, as I said, the terms and conditions will not be less favourable than what were prescribed by Apollo Bramwell Hospital. So, I don't see there is any issue, unless they would want to have a more favourable contract of employment.

**Madam Speaker:** Hon. Jhuboo!

**Mr Jhuboo:** Being given that CIEL owns La Clinique Darné and now Apollo Bramwell, and there could be *une situation de monopole*, could the hon. Minister reassure the

House that some parameters are put in place just to give the assurance to the public that they don't practice unfair prices?

**Mr Jugnauth** Well, there are institutions that will look at the issue and it will be for those institutions to, of course, take any stand with regard to the issue that has been raised by the hon. Member.

**Madam Speaker:** Hon. Barbier!

**Mr Barbier:** Madam Speaker, can the hon. Minister inform the House whether - concerning the modality of payment - the Rs700 m. that he just mentioned is going to be a one-off payment or payment by instalment or otherwise? If we can be provided with these information?

**Mr Jugnauth:** According to my information, it will be a one-off payment because the total amount of Rs700 m. has already been transferred to an escrow account. Therefore, it is that sum that is going to be transferred, finally, upon signature to the account of the NIC Healthcare.

**Madam Speaker:** Hon. Fowdar!

**Mr Fowdar:** Can I ask the hon. Minister whether CIEL Africa was the only bidder or the highest bidder and, if it is the highest bidder, whether there has been an assessment at the level of the Ministry to see that the bid is feasible or we need to look for other bidders?

**Mr Jugnauth:** The other company that had made proposals was Lenmed from South Africa. In fact, the Lenmed's proposal, initially, was a better proposal than the CIEL's proposal, but ultimately, they were not in a position to pay all the money that they have proposed. Therefore, the next bidder was asked whether they would review their bid, which they did. In fact, the Rs700 m. is much better than all the other bids that we have ever received for this going concern.

**Mr Ganoo:** Now that this matter is more or less settled, can the hon. Minister tell us whether NIC Healthcare is envisaging any civil suit against Omega Ark?

**Mr Jugnauth:** I would say that the matter is not yet settled because I have said that I am not going to provide other details with regard to this until final agreement is signed and that the money is transferred. It can be in an escrow account, but it is not yet in the account of

the NIC Healthcare. Now, with regard to the issue of a civil suit, it will be for the NIC Healthcare, of course, I will pass on this suggestion. If there are grounds, they will look at it.

**Madam Speaker:** Next question, hon. Ganoo!

### **NTAN CORPORATE ADVISORY PTE LTD - REPORT**

**(No. B/1185) Mr A. Ganoo (First Member for Savanne & Black River)** asked the Minister of Finance and Economic Development whether, in regard to the final nTan Report submitted to Government, he will state the measures that have been taken in relation thereto as at to date, if any.

**Mr Jugnauth:** Madam Speaker, first of all, I hope that the hon. Member is referring to the last nTan Report because there have been other reports in the past with regard to the Mauritius Commercial Bank. So, that's why I am going to reply with the last report.

I am informed that the services of nTan Corporate Advisory Pte Ltd of Singapore were enlisted by the Bank of Mauritius to examine the facts, *inter alia*, behind the complex financial transactions carried out by Bramer Banking Corporation Ltd in receivership, its related parties, affiliates, shareholders, directors and its connection with other financial institutions. On 30 May 2016, nTan Corporate Advisory Pte Ltd submitted its final report to the Bank of Mauritius, nTan Report identified numerous weaknesses and shortcomings and the Bank of Mauritius has been addressing those weaknesses and shortcomings with a series of more stringent regulatory and supervisory framework as follows –

- (i) The laws have already been amended to empower the Bank of Mauritius to carry out consolidated supervision. For example, the Bank of Mauritius has been invested with the power to regulate ultimate and intermediate group holding companies as well as issue instructions to these group holding companies;
- (ii) The definition of affiliate was extended to include the different types of corporate and group structures as well as connected entities;
- (iii) The Bank of Mauritius can call for additional and specific information from the financial institution and its affiliates;
- (iv) The Banking Act 2004 was amended in September 2016 to make the rotation of firms of auditors as opposed to partners of the audit firm mandatory. Where a firm of auditors has been responsible for the audit of a financial institution for a continuous period of five years or less, that firm shall not be entrusted

with the responsibility of the audit of the same financial institution before a period of five years from the date of termination of his last audit assignment;

- (v) In line with international trend, the bank has, in August 2016, been empowered with the consent of the Director of Public Prosecutions to impose a penalty on the Directors, CEOs or other senior officers who, in the opinion of the Central Bank, would be considered personally liable for causing any financial loss to the bank. The CEO, Directors, other senior officers would be required to pay a monetary penalty in this respect;
- (vi) The Bank of Mauritius has sought technical assistance from the World Bank to implement a formal and comprehensive risk-based supervisory framework. The new framework will enable timely assessment of risky areas of banking institutions and trigger corrective action in a more proactive manner;
- (vii) The Governor of the Bank has, during his recent mission to the IMF, secured assistance from the Fund to incorporate a new section on crisis management and resolution and to revamp the banking laws, in general, in order to align them with the present economic realities, and
- (viii) Strengthening of coordination between the Bank of Mauritius, the Financial Services Commission and the Ministry of Finance and Economic Development and the Ministry of Financial Services, Good Governance and Institutional Reforms.

**Mr Ganoo:** Can the hon. Minister inform the House how much has this report cost to the Bank of Mauritius?

**Mr Jugnauth:** I do not have this information, but I can find out and circulate it.

**Mr Ganoo:** Last question. The hon. Minister has summarised the different measures and proposals which have been suggested in the report indicating that some of them have been implemented. But the question I want to put to the hon. Minister is the following: did the report detect or find any breaches of the law which have been committed by any companies/corporates and, if so, whether any action has been taken as a result of these findings?

**Mr Jugnauth:** Well, what I can say is that the Interim Report, in fact, has been published and there is a final report which has not been published because of the ongoing case. Therefore, what I can say is that there are a number of findings from nTan. I think it

will be quite lengthy and I would be taking the time of the House to go through all these findings. What I can do is make a summary and then circulate it to the House.

**Madam Speaker:** The Table has been advised that PQ B/1197 has been withdrawn. Next question, hon. Sesungkur!

### **CEB - GENERAL MANAGER - TEMPORARY LEAVE OF ABSENCE**

**(No. B/1190) Mr R. Bhagwan (First Member for Beau Bassin & Petite Rivière)** asked the Vice-Prime Minister, Minister of Energy and Public Utilities whether, in regard to the General Manager of the Central Electricity Board, he will, for the benefit of the House, obtain from the Board, information as to the arrangements that have been made for the temporary replacement thereof during his absence, giving details thereof.

**Reply:** I am informed by the Central Electricity Board that it has approved the General Manager's request for temporary leave of absence as from 10 November 2016.

During the period of his absence, the following arrangements have been made, *viz* –

- Mr C. Dabeedin, Transmission and Distribution Manager, is vested with overall responsibility for the Transmission and Distribution Department and the Customer Service Department;
- Mr S. Mukoon, Production Manager, is vested with overall responsibility for the Production Department and Corporate Planning and Research Department as well as the Non-Utility Generation Planning Departments, and
- Mr K. Balgobin is vested with overall responsibility for the Finance, Supply Chain, Human Resources, Corporate Administration, IT/MIS Departments.

These arrangements will be reviewed at the end of January 2017. The CEB Board has set up a Supervising Committee composed of the Chairman of the Board and Mr R. Bikoo, Director General of my Ministry. Mr Bikoo is also a member of the Board. This Committee will maintain an oversight of the organisation.

The situation will be reviewed in January 2017.

### **CEB – COMPACT FLUORESCENT LAMPS – PROCUREMENT**

**(No. B/1191) Mr D. Sesungkur (First Member for Montagne Blanche & GRSE)** asked the Vice-Prime Minister, Minister of Energy and Public Utilities whether, in regard to



the procurement of Compact Fluorescent Lamps (CFL) in 2013, he will, for the benefit of the House, obtain from the Central Electricity Board, information as to the –

- (a) total contract value thereof, and
- (b) name and qualifications of the then General Manager of the Board.

**The Vice-Prime Minister, Minister of Energy and Public Utilities (Mr I. Collendavelloo):** Madam Speaker, I am informed by the Central Electricity Board that no Compact Fluorescent Lamps (CFLs) have been procured in 2013. The General Manager in 2013 was Mr Shiam Krisht Thannoo. He is holder of a BTech Honours and a Master in Business Administration.

**Mr Sesungkur:** Can the hon. Vice-Prime Minister confirm if the current General Manager is on leave and, if so, who is replacing him right now?

**Mr Collendavelloo:** I am sorry, Madam Speaker, how can that arise out of this question?

**Madam Speaker:** This question has nothing to do with the main question.

#### **NATIONAL BLOOD TRANSFUSION SERVICE - BLOOD DISTRIBUTION**

**(No. B/1192) Mr D. Sesungkur (First Member for Montagne Blanche & GRSE)** asked the Minister of Health and Quality of Life whether, in regard to the supply of blood, he will state –

- (a) the process through which the stock thereof in the Blood Bank is cumulated and distributed/disposed of, indicating if any sum is charged for the supply of blood therefrom to private hospitals and clinics, and
- (b) if he is aware of the amount of money private operators charge, on average, in respect of a pint of blood.

**Mr Gayan:** Madam Speaker, with regard to part (a) of the question, I am informed that the stock of blood at the National Blood Transfusion Service of my Ministry is maintained by organising mobile blood donation sessions as well as blood collected at fixed sites in our five regional hospitals.

Blood collected is screened for various infections to ensure the blood safety. Blood found to be infected is disposed of through incineration. Then, the blood is distributed to the regional hospitals and the private clinics upon request.

Madam Speaker, the fee charged for the national blood transfusion service to private hospitals and clinics is Rs1,500 per pint of processed blood in accordance with the Central Health Laboratory Fees Regulations of 2009.

With regard to part (b) of the question, Madam Speaker, I am informed that private clinics are also charging Rs1,500 per pint of processed blood.

**Madam Speaker:** Yes, hon. Sesungkur!

**Mr Sesungkur:** Is the hon. Minister aware that there have been public complaints about the exorbitant price charged by private clinics for these pints of blood and if he intends to take corrective action in future?

**Mr Gayan:** Well, I am not aware of that and that is why I gave the figure; they purchase at Rs1,500 and that is the price that they charge their private patients. But, if there is any special problem, of course, I will look into that.

**Madam Speaker:** Yes, hon. Sesungkur!

#### **ELDERLY - EYESIGHT TESTS**

**(No. B/1193) Mr D. Sesungkur (First Member for Montagne Blanche & GRSE)** asked the Minister of Health and Quality of Life whether, in regard to the elderly persons aged over 60, he will state the number thereof who have undergone eyesight tests over the past three years in the public hospitals, indicating –

- (a) the proportion thereof having been diagnosed with defective eyesight, and
- (b) if it has been established that the trend for defective eyesight amongst the elderly is on the increase and, if so, indicate the actions taken by his Ministry in relation thereto, if any.

**Mr Gayan:** Madam Speaker, I am informed that testing of eyesight is a routine exercise, just like the taking of blood pressure, pulse, temperature or other related medical conditions. It is carried out on all patients who attend our public hospitals complaining of an eye related problem.

As such, there is no specific register that is being kept to record by age or age group the results of vision tests.

However, I consider that the hon. Member is seeking information as to whether there is an increasing trend in eye related diseases for age group 60 and above. In this context, I am informed that for in-patients, the total number of cases of patients above 60 years treated for eye diseases in all the public hospitals are as follows -

<u>Year</u>	<u>No. of Cases</u>
2013	4,181
2014	5,408
2015	5,458

As regards part (b) of the question, as a caring Government, though the pre-cited figures have shown a very slight increase, we have already initiated and taken a series of measures for the benefit of patients with eye related diseases, namely –

- the frequency of refraction and laser sessions have been increased;
- nine additional ophthalmologists have been recruited since 2015;
- extra night sessions of surgeries are being held;
- a new department for eye complications and eye surgery at Souillac Hospital with all the facilities is already operational;
- Eye specialist consultations and retina screening services are being offered in every regional hospital on a regular basis, and finally
- though the majority of eye surgeries are carried out by our local doctors the services of foreign surgeons are enlisted to operate on very complex cases and these foreign teams when they come also train our local doctors so that they acquire skills, competence and knowledge.

**Madam Speaker:** Yes, hon. Sesungkur!

**Mr Sesungkur:** Is the Minister in a position to state to the House where matters stand regarding the construction of a new eye hospital?

**Mr Gayan:** Madam Speaker, we are in the process of identifying a plot of land. The plot of land has been identified, but we are still seeking clearances from the public utilities

because where it is located we need to get the clearance from them. In case we do not get the clearance, we are also thinking of putting up a new hospital where Moka Eye Hospital is, but in phases.

**Madam Speaker:** Yes, hon. Fowdar!

**Mr Fowdar:** Thank you, Madam Speaker. Can I ask the hon. Minister, the fact that most of the elderly persons suffer from cataract, whether he has some sort of streamlining for these people and give them priority? I understand that there is a *longue liste d'attente* for surgical intervention for these people?

**Mr Gayan:** Well, Madam Speaker, yesterday it was Patients' Day. So, I visited Souillac Eye Hospital and I was informed by the Superintendent there that the waiting time for cataract surgery is 3 weeks, whereas for Moka, which I also visited yesterday, they say it is 3 months. But, we are trying to make it more equitable with regard to the surgeries performed in Souillac and in Moka.

**Madam Speaker:** Okay. Next question, hon. Jhuboo!

#### **HOTELS – TAXI DESKS**

**(No. B/1197) Mr S. Rughoobur (Second Member for Grand'Baie & Poudre d'Or)** asked the Deputy Prime Minister, Minister of Tourism and External Communications whether, in regard to the installation of Taxi Desks at the hotels, he will, for the benefit of the House, obtain information as to if the Veranda Paul et Virginie Hotel and Spa in Grand Gaube has refused to provide space therefor.

*(Withdrawn)*

#### **LE MORNE CULTURAL LANDSCAPE WORLD HERITAGE SITE - TRAIL**

**(No. B/1202) Mr E. Jhuboo (Third Member for Savanne & Black River)** asked the Minister of Arts & Culture whether, in regard to Le Morne Hiking Trail, he will, for the benefit of the House, obtain from Le Morne Heritage Trust Fund, information as to the number of visitors having attended thereat since the opening thereof to the public, indicating the measures taken to ensure the safety of the visitors.

**The Minister of Education and Human Resources, Tertiary Education and Scientific Research (Mrs L. D. Dookun-Luchoomun):** Madam Speaker, I will answer to this Parliamentary Question with your permission.

Madam Speaker, Le Morne Cultural Landscape World Heritage Site was inscribed on the World Heritage list in July 2008 and there was no access to Le Morne Brabant Mountain until the official opening on 24 July 2016.

Madam Speaker, I am informed that since the opening of the Trail on 18 December 2016 the Mountain has been visited by some 37,000 visitors, both foreign and local. For safety measures the following have been undertaken –

- around 45 signage and directional panels, including panels indicating dangerous areas for climbing and where children are not allowed have been placed;
- trained guides by the *GIPM* are provided to visitors and security ropes used for climbing the mountain cliff up to the cross are regularly checked by the *GIPM*;
- Police are on regular patrols at that site and control of visitors is carried out at the entrance of the site.

I am informed that some additional maintenance works are currently being carried out at the site to reinforce the security aspect.

## 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 Vice-Prime Minister, Minister of Energy and Public Utilities (Mr I. Collendavelloo)** rose and seconded.

*Question put and agreed to.*

**STATEMENT BY MINISTER**

(12.36 p.m.)

**NEF - SCHOOL MATERIALS SCHEME**

**The Minister of Social Integration and Economic Empowerment (Mr P. Roopun):** Madam Speaker, following matters raised at Adjournment time by hon. Ganoo and hon. Rughoobur at the sitting of Wednesday 14 December 2016 in regard to the School Materials Scheme, I wish, with your permission, to make the following statement.

For academic year 2017, a cash grant for the purchase of school materials will be provided to all students of eligible households who fall within the new poverty threshold and who are under the present Social Register of Mauritius.

Children of pre-primary and primary schools will be provided with a cash grant of Rs1,500 while children of secondary and pre-vocational schools will benefit a sum of Rs2,000. Some 6,252 households comprising 11,163 children will benefit from this support. The cash grant will be credited to the bank account of the eligible SRM households on 03 January 2017. Households who do not have a bank account will be paid through the Mauritius Post as from 05 January 2017.

Furthermore, following a request made by my Ministry, the Ministry of Finance and Economic Development has agreed that, on an exceptional basis for academic year 2017, the School Materials Scheme will also be extended to the 13,267 eligible households under the previous Social Register who would have otherwise been excluded. Out of this second category, a first batch of 6,385 households is being finalised and payment will be effected through the Mauritius Post from 05 to 20 January 2017.

The National Empowerment Foundation is currently updating information on the remaining households. Payment will be made by the end of January 2017. All those beneficiaries are being duly informed by way of letter.

Thank you, Madam Speaker.

**PUBLIC BILLS**

***First Reading***

*On motion made and seconded the following Bills were read a first time –*

- (i) *The Constitution (Amendment No. 3) Bill (No. XXXIV of 2016);*
- (ii) *The Prosecution Commission Bill (No. XXXV of 2016);*
- (iii) *The Sports Bill (No. XXXVI of 2016);*
- (iv) *The Sugar Industry Efficiency (Amendment) Bill (No. XXXVII of 2016)*

*Second Reading*

**THE NON-CITIZENS (PROPERTY RESTRICTION) (AMENDMENT) BILL (No. XXXI of 2016)**

*Order for Second Reading read.*

**The Prime Minister:** Madam Speaker, with your permission, I move that the Non-Citizens (Property Restriction) (Amendment) Bill (No. XXXI of 2016) be read a second time.

The main object of the Bill is to amend the Non-Citizens (Property Restriction) Act with a view to providing more flexible conditions for a non-citizen to -

- (a) purchase or acquire residential apartments in a building of at least 2 floors above ground floor, and
- (b) purchase or acquire immovable property for business purposes

subject to the recommendation of the Board of Investment and approval of the Prime Minister.

You may recall that one of the announcements made in Budget Speech 2016-2017, is to further open the economy by allowing non-citizens, registered with the Board of Investment, to acquire apartments and business space in buildings.

In order for Mauritius to jump to high income economy, one of the key elements is to open up the economy further to foreign investment, expertise, talent and entrepreneurship.

Thus, allowing non-citizens to acquire a residence in Mauritius would act as an incentive for them to come to invest, work and reside in our country.

Madam Speaker, the law as it stands is too restrictive. In fact, the present Act provides that a non-citizen individual may acquire an apartment located in a building of at least 2 floors, provided that the non-citizen is -

- (a) either a holder of a permanent residence permit; or
- (b) an investor or a professional who holds an occupation permit, or
- (c) a retired non-citizen who holds a residence permit.

Similarly, only a non-citizen investor, for example a company incorporated in Mauritius, is allowed to purchase or acquire an immovable property for business purposes in Mauritius.

Furthermore, any non-citizen applicant has the following additional burden to comply with, if his application is to be approved -

- (a) to have made an investment exceeding USD 100,000 in the case of an investor;
- (b) to draw a monthly salary exceeding USD 3,000 in the case of a professional, and
- (c) to have transferred a sum of at least USD 120,000 during a period of 3 years in the case of a retired non-citizen.

Due to the conditions I have just enumerated, it is observed that only one percent, that is, 56 of the 5,600 active permit holders, has acquired apartments in Mauritius so far.

The weak demand, both by citizens and non-citizens, for apartments has created a situation whereby many residential project developers are experiencing much difficulty to sell the units of their residential complexes, within the set time frames.

This situation has led to the financial distress of the business enterprises in the sector and is also having a negative impact on the local construction industry, which has been on a declining trend since 2010.

I am, therefore, proposing to amend section 3(3)(c) of the Non-Citizens (Property Restriction) Act so as -

- (a) to allow any non-citizen, whether individual, a trust or an association to purchase one or more apartments in a building of at least 2 floors above ground floor, without having to satisfy the condition of being a professional, an investor or a retired non-citizen having a residence or occupation permit and showing proof of availability of funds, and



- (b) remove the requirement that a non-citizen who purchases or otherwise acquire an immovable property for business purposes has necessarily to be an investor.

However, the non-citizen applicant must necessarily, prior to the purchase, have obtained approval from the Prime Minister upon the recommendation of the Board of Investment.

Also, I shall be coming at Committee Stage with an amendment whereby non-citizens can only buy apartments with prices exceeding Rs6 m. This threshold is being inserted to ensure that Mauritians are not penalised in the purchase of apartments.

The more so as in the last budget one of the incentives given to Mauritian citizens to help them to become house owners is that they will be exempted from paying registration duties on the acquisition of a newly built house or apartment for an amount not exceeding Rs6 m.

Madam Speaker, the benefits of amending the law to remove existing restrictions regarding the purchase of apartments and immovable property for business purposes by non-citizens are multiple.

The amendments are expected to create the necessary incentives to push up demand for serviced apartments and help to promote sustainable economic stimulus.

In addition, we also expect these measures to, *inter alia* -

- (a) provide a boost to the real estate and construction industry;
- (b) promote economic growth through Foreign Direct Investment and create new opportunities to the small and medium enterprises, as well as enhancing the inflows of currency in the country;
- (c) enable investment companies, insurance companies, trusts and regional headquarters to hold residential property for their foreign staff, thus further boosting the inflow of revenue in the country, and
- (d) lead to a more appealing living environment which will help to induce investors and professionals to invest and create employment in the country.

Madam Speaker, I also wish to inform the House that rigorous security procedures are already in place to ensure that tainted money does not enter the country through the purchase of immovable property by non-citizens. In fact, prior to approving the purchase of an

immovable property by any non-citizen, strict security checks are performed by the Board of Investment on World-Check, and by my Office through the Passport and Immigration Office as well as the other security units to ensure that the purchaser is a *bona fide* non-citizen.

Furthermore, the sources of the funds are systematically screened as per the strict requirements of our regulatory institutions and this regulatory function is facilitated by the mandatory requirement that the transfer of such funds should necessarily be effected from overseas through one of our commercial banks.

Madam Speaker, I trust that the above measures will alleviate the difficulties that are being encountered by the residential project developers, by giving a boost to the sale of unoccupied apartments in Mauritius as well as to the construction industry and the SME sector.

With these words, Madam Speaker, I commend the Non-Citizens (Property Restriction) (Amendment) Bill (No. XXXI of 2016) to the House.

Thank you, Madam Speaker.

**The Vice-Prime Minister, Minister of Energy and Public Utilities (Mr I. Collendavelloo) rose and seconded.**

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

*At 12.53 p.m. the sitting was suspended.*

*On resuming at 2.29 p.m. with Madam Speaker in Chair.*

**Madam Speaker:** Hon. Ramful!

**Mr D. Ramful (Third Member for Mahebourg & Plaine Magnien):** Thank you, Madam Speaker. I am going to be very, very brief. When we look at the object of the Bill, Madam Speaker, certainly we all agree that the aim of this Bill is to remove, to some extent, the financial criteria that was there for a non-citizen to acquire property in Mauritius.

Initially, it was proposed that both for residential and business purposes, there won't be any financial criteria, but then, I can see that an amendment has been circulated so far as acquisition for residential purposes is concerned. There is a limit, which is fair enough - Rs 6m., which is a positive step. We have to be concerned about our locals as well. We have to

take into account their purchasing power, and it is a good thing that this amendment has been proposed.

However, I don't see any reason why should there not be a limit even for properties that are required for business purposes? Well, I do agree that we need to open up the economy in order to attract Foreign Direct Investment. That is the aim of this Government. But then, we have to be careful. We need to have sufficient safeguards so that, at least, we have the right foreigners who would come and invest in our country. What we are aiming at? We have to aim at foreigners who have got the right skills, the right knowledge so that they can contribute positively to our economy.

I need to point out that, in fact, in the Finance Bill, there was a similar amendment that was proposed, but then, at the request of the Rt. hon. Prime Minister, the Minister of Finance and Economic Development did not press upon the amendment. Now, we see that there is a change of heart and Government is coming back with the amendment.

There are certain reservations with regard to the risk of there being a rise in the market price of the properties here. By opening the economy, would there not be a rise in the market price of properties? We have to bear in mind and take into account the capabilities of mainly the middle income group to acquire property. For example, a foreigner coming from a country where the currency is strong compared to our Mauritian rupee would be at an advantage compared to our locals. So we have to bear this in mind. We have also to bear in mind that we don't accept anybody. We don't want to allow foreigners, for example, to come in and invest in properties, trying to launder their money. So, we have to be careful about foreigners of darkful characters coming here just to launder their money. Although we do accept that we have sufficient provisions in our law, but we have to be careful because when I look at what is being proposed, it would seem that the Rt. hon. Prime Minister will have the discretion to decide. He will need to give his final approval at the end of the day. But then, it is a pity that we don't have guidelines how the Prime Minister is going to exercise his discretion. We don't have sufficient guidelines unfortunately. There are also concerns with regard to the administrative procedures at the level of the Registrar. Are we going to have, for example, a separate register for the registration and transcription of non-citizens who are going to acquire property? How is this going to be done? We don't know.

I have talked about lack of transparency with regard to the powers of the Minister. With regard to the concern that I have highlighted, it is good that I make reference to 2006

when hon. Bodha was the Leader of the Opposition. In the 2006-2007 Budget, amendments were being brought to the Non-Citizens (Property Restriction) Act. There was, in fact, a PNQ put by the then Leader of the Opposition, hon. Bodha where he had expressed concern about being too lenient and opening the economy. This was the question that he had put to the then Prime Minister: “Does the Prime Minister consider it judicious to grant an occupation permit to somebody having a business of Rs3 m. when formerly it was Rs15 m.?” The MSM Government also had expressed concern about opening the economy. So, we have to be very careful although, as I have said, I do agree that we need to open up the economy so that we can have an inflow of foreign and direct investment.

In fact, there are two things that I want to be enlightened upon. The law as it stands, the present provision, allows an investor who has met all the financial criteria, etc, to be entitled to a resident permit. Now, since we are amending the existing provisions, do we, therefore, need to amend the Immigration Act – if that is the intention of Government – so as to allow those new categories of investors, of non-citizens who are going to purchase property, to be entitled to a resident permit? I don’t see any amendment to the Immigration Act and I don’t know if this is the intention of Government or not or if there is a loophole somewhere.

Maybe, it is good for us to know about the statistics, about the number of non-citizens holding resident permits here, in Mauritius. So, basically, this is what I had to say, Madam Speaker. Therefore, as far as we are concerned, again, we agree that we need to have an inflow of FDI, but the present amendment, in my humble opinion, does not contain sufficient safeguards with regard to the problems that I have highlighted.

Thank you, Madam Speaker.

**Madam Speaker:** Hon. Pravind Jugnauth!

(2.33 p.m.)

**The Minister of Finance and Economic Development (Mr P. Jugnauth):** Thank you, Madam Speaker. Let me, at the very outset, thank the Rt. hon. Prime Minister for introducing the Non-Citizens (Property Restriction) (Amendment) Bill before the National Assembly.

In fact, this Bill implements a budgetary measure to further open up the economy. Hon. Ramful had said earlier that in the Budget Speech - true it is - that this was mentioned, but maybe I should explain why this measure was withdrawn. It was coupled with another

measure with regard to allowing investors to acquire shares in a company that it would be holding itself or that would, through its subsidiaries, be beholding immovable properties. I think I can remember about the criteria, it was up to 25% or 30%. It should be around that.

In fact, the objection was with regard to that amendment, but that amendment was coupled with the other one in terms of the proposal to amend the law. There was a reservation, I said earlier that, at that time, the hon. Prime Minister himself had reservation on this part of the amendment. Therefore, we decided that we should withdraw that part, but unfortunately, we could not withdraw only that part because it had also implications with regard to this part of the amendment that is being brought today before the House. That is why in order not to take the time of the House at that time, we decided to purely and simply just withdraw that proposal. But we are not changing path because that is why, today, after having worked through the Bill, the Rt. hon. Prime Minister is coming up with this Bill in the House.

There is unanimity, on this side of the House, with regard to opening up the economy and I am happy that the hon. Member also is agreeable to the fact that we should further open up the economy because opening up the economy, in fact, remains a very important leg of our strategy to put Mauritius on the path of a high income country. Not only does it impact positively on consumption, investment and job creation, but it also brings skills, talents and know-how, to achieve our ambitions for a competitive, resilient and diversified economy.

As mentioned by the Rt. hon. Prime Minister, in fact, the criteria allowing non-citizens to purchase apartments in buildings of a minimum of ground and two floors are presently quite restrictive. In fact, so far, only a few non-citizens, from the figure that I have only about 56 have acquired such properties. So, we can see what has been the result with regard to all these incentives that have been given. This has been an impediment, in fact, to attract foreign talents and expertise to our country.

On the other hand, there are, in fact, legitimate concerns in some quarters and even in the Assembly. We have heard hon. Ramful saying that allowing non-citizens to buy apartments could be detrimental to Mauritian citizens, particularly we are thinking about the middle income segment. In fact, it is feared that there might be a surge in demand in that market segment that will raise the prices beyond the means of the Mauritian citizens. This is why, precisely, an amendment is being brought at Committee Stage to put a minimum price

threshold of Rs6 m. for non-citizens to purchase an apartment. I am sure that this will allow our middle-income citizens not to be crowded out from the property market.

Madam Speaker, undoubtedly, these property transactions would have positive spillover effects on the construction industry, banking and financial services sector, including wealth management and private equity funds and the provision of legal services. For the last five years, if we look at what has happened in the construction industry, it has experienced, in fact, negative growth every year, and this has negatively impacted on our growth rate. In fact, if we look at the figures, the construction sector has contracted by an aggregate of 24% over the period 2011-2015, 24% contraction within a period of 4 to 5 years. This has also slowed down the pace of job creation. The previous Government, unfortunately, had not taken bold and strong measures to reverse this trend. Therefore, Madam Speaker, this is a bold measure which we are taking to give a boost and a new dynamism to the construction sector and the economy.

Furthermore, such development will, in fact, accelerate our urban and rural rejuvenation agenda as well as improving the esthetic aspects of our landscape. Significant expenditure can be expected from foreign owners and occupiers of apartments, often characterised as being spenders, and they bring in non-negligible foreign currency inflows to maintain their lifestyle.

What we want is to use the skills and talents of those non-citizens in order to see the emergence of new entrepreneurs and new business startups in innovative and cutting-edge technology. We want our young people to be inspired and to be taken forward on a journey of entrepreneurship where the foreign professionals and investors living on the island can help to spark innovation, create jobs and improve the long-term national growth prospects.

Moreover, additional revenues will also accrue to Government from the sale of apartments and other indirect taxes. Madam Speaker, the Act already makes provision to prevent any misuse or abuse by non-citizens. And I am sure no effort will be spared to ensure that only those deemed fit and proper would be allowed to acquire property in Mauritius and perpetuate the long standing goodwill of the country. And, to reassure the hon. Member there is already a set of criteria. There is already a process, a methodology that is being used at the level of the Prime Minister's Office. In fact, at the Office they are in constant contact with a number of foreign institutions in order to check the credentials of people who are investing in Mauritius. I am saying that quite apart from this avenue that is being given for foreigners to

buy property now. It is already in existence and BOI also has ways of cross-checking and sending the information to the Prime Minister's Office. Therefore, the BOI and the Prime Minister's Office will, I am sure, endeavour to do all that is necessary to this end and put in place already if it has to enhance the framework to attract the high calibre individuals with good reputation.

Madam Speaker, it is wrong also to believe that we are doing nothing to enable the young and the middle income earners and first-time buyers to get their feet onto the property ladder and own a home. In fact, just to answer to this worry that the hon. Member has, in the last Budget I have provided new fiscal concessions and extended the existing incentives to allow the young and the middle income earners to own a residential property. Let me just say the few measures.

First, a Mauritian buying a newly built house for an amount not exceeding Rs6 m. is fully exempted from the payment of registration duty, which means an exception of up to Rs300,000, whereas the non-citizen - in this case, and that is why we have chosen to have the threshold of Rs6 m. - who would be buying at a price which is more than Rs6 m. will be subjected to all the taxes that pertain to the purchase of a property.

Second, the upper limit of Rs4 m. under the Construction of Housing Estate Scheme has been raised to Rs6 m. where residential units sold to Mauritians are, in fact, being exempted from payment of registration duty and land transfer tax.

Third, first-time buyers acquiring bare land not exceeding 20 perches are being exempted from payment of registration duty in respect of the first Rs2 m.

Fourth, VAT is being refunded to Mauritians where the household income does not exceed Rs2 m. on construction of a house or purchase of a new residence for up to Rs4 m. and the maximum VAT that can be claimed for refund is Rs500,000.

Therefore, taken altogether, Madam Speaker, all these measures give significant support to the middle income group for the construction or purchase of a residence. Let me say also that it stands to reason that when a non-citizen will purchase a property, I say generally speaking, it will be for his own use and what is the trend generally, that that non-citizen and most probably he will not be an individual, in many cases it will be a family with the parents and the children and normally they would want to enjoy the acquisition that they have made in a foreign country. Let us say they will come and spend one or two weeks in

Mauritius, but you can imagine the additional revenue that the country will be gaining from the stay of, let us say, two to three weeks with regard to their day-to-day expenses, probably they will travel around, renting a car or taking a taxi, going to restaurants and so on. We have seen it elsewhere and that is why I am very convinced that - this will not happen now while we are enacting this law, it will not happen tomorrow, it will take some time before - by the time we know there are already certain apartments that are being offered for sale, but with the new investments, I am sure that the country will stand to gain much more. It goes also without saying that those persons who have already acquired, let us say, an apartment will automatically be granted a residence permit to stay for the length of time that they are going to spend in Mauritius.

Let me, therefore, conclude by reinstating yet again the resolve of this Government to bring a positive step change in the socio-economic landscape of Mauritius. In fact, what we want to do is to unleash the full potential of Mauritius by capitalising on all opportunities coming our way. Therefore, as Mauritius becomes a major construction site next year with the implementation of the Metro Express Project, the expansion of the port facilities, construction of smart cities, the Road Decongestion Programme, the regeneration of existing towns and cities, the measures that are contained in this Bill, Madam Speaker, will complement and reinforce the initiatives taken by this Government to bring Mauritius closer to the league of high-income economies.

In fact, this Bill sends out a clear message to the outside world that we want the contribution and the participation of non-citizens for building a better country to live in, a country where there is no absolute poverty, where foreigners and local citizens live harmoniously and peacefully together contributing to the wealth creation and prosperity. A country, Madam Speaker, endowed with modern infrastructure that fits the future.

Thank you.

*(Interruptions)*

**Madam Speaker:** Hon. Shakeel Mohamed!

(2.48 p.m.)

**Mr Shakeel Mohamed (First Member for Port Louis Maritime Port Louis East):**  
Madam Speaker, I recall at one point in time as the hon. Minister of Finance and Economic



Development did explain himself, at the time of the Budget there was the Finance Bill that was presented to this Assembly, and it is important, I believe, to try to go back for a short period of time down memory lane in order to be able to put us in the right context as to what exactly happened when this was being proposed or when some sort of this mechanism was proposed by the hon. Minister of Finance and Economic Development.

At one point in time, just after the Budget, the hon. Minister of Finance and Economic Development brought a Bill trying to amend the law to permit foreigners, non-citizens to buy property in Mauritius without the permission of the Prime Minister's Office. That would have placed those foreigners in a situation whereby they would become owners of land and those plots of land that they could have bought following the proposal of Government in the form of a Bill and a change to the law, they would have been able to buy agricultural land, they would have been owners of agricultural land and also become owners of lease land belonging to the State.

So, this is the backdrop into this whole new amendment. I think it is really important to put it in the right context, Madam Speaker. I think it is important for everyone to remember, that us, on this side, we had taken the position that this should not be allowed. It was a piece of legislation that had been approved by Cabinet and had been brought to this august Assembly by the hon. Minister of Finance. It was a piece of legislation that clearly indicated the proposed legislation that even agricultural land was going to be able to be sold to foreigners. It was a piece of legislation that indicated that even land belonging to the State, in terms of lease land, could also be sold to foreigners. Whatever be the quantum, be it 20% to 25% or whatever be the case, but that was a novel scenario that sent shivers down our spine. Why did it send shivers down our spine? Precisely, because we took objection and we alerted the opinion of the Rt. hon. Prime Minister that we cannot, as a sovereign nation, accept that foreigners can come in to Mauritius and earn agricultural land. We cannot accept that they can now come and buy without any vetting process by the Prime Minister's Office, without any authorisation from the Prime Minister's Office ...

**Madam Speaker:** Hon. Shakeel Mohamed, will you, please, give me one minute. I am sorry to interrupt. Just to tell you that all these arguments were made at the time the Finance Bill was debated. I have given you certain leeway to explain and to give that as a backdrop to your arguments. But, please, you shouldn't be too long on this and you should comeback on the amendments which are being brought today.

**Mr Shakeel Mohamed:** I thank you, Madam Speaker, for giving me the leeway to talk about the backdrop. I'm almost finished with the back and I'm almost finished with the drop as well. If I may be given only 15 seconds to just drop the last nail and which is the following. We are happy that the Rt. hon. Prime Minister paid heed to the alert and the alarm bells that we started ringing from the Mauritius Labour Party and that he immediately acted upon it. He drew the attention of the hon. Minister of Finance, who, immediately, as well, pay heed to this warning sign and decided not to go ahead with that proposed legislation that would have been dramatic, drastic and very bad for our country.

Following this, true it is, there have been certain proposals for amendments that have been made and we are here today with what are being proposed. I heard the Rt. hon. Prime Minister talked about the need to address a very important issue. We heard the hon. Minister of Finance also talked about it. What is this issue that we have to address? The construction industry, Madam Speaker, is suffering. That is a fact! As we speak today, the number of properties that are exchanging hands has dropped. As we are speaking, the number of new owners of properties is not at the level that any Government would wish it to be and, precisely, this is killing the construction industry. That is causing havoc when it comes to creation of employment and that is creating a situation *de morosité* in the construction industry that needs to be addressed. That, we are in agreement with.

The Government, Madam Speaker, has chosen to address its mind to it by opening up our economy. It is not the first time that any country has decided to address ones mind to foreign investment in buying immovable property. Many countries have amassed a lot of riches in terms of foreign exchange when it comes to policies of that nature; countries in the Caribbean, even in Canada, even in Malaysia, even in the Bahamas and even in Malta. We have foreigners who not only would invest in buying properties because, for example, in the European Union, one needs not be a member of the European Union or a citizen of the European Union, in order to buy property. But, as we speak today, it is clear for one and all that even in London, be it Paris, be it in all those great capitals of the world, foreigners from Southeast Asia, from Asia, from Russia, from the Middle East mainly, those are people who are buying properties all over the world and most importantly in those great capitals of the world.

Now that we are considering the possibility of opening up, I am of the humble view that we also need to consider the following. What are the advantages of opening up as

opposed to the disadvantages? I am of the view that we have not had a proper research in order to find out whether those measures that are going to be proposed would they or would they not be causing harm to our citizens, the citizen of Mauritius. True it is that Government has decided to come with an amendment later on. The Rt. hon. Prime Minister has said that he is coming up with an amendment with regard to the quantum, the minimum of Rs6 m. But why Rs6 m.?

I am of the view that the reason why Rs6 m. is being proposed as an amendment for the minimum value of the property that has to be brought is precisely because there is a real danger. What is this real danger? The danger is that foreigners are going to come in. They are going to buy without the need for having an investor's permit for business premises. If it is business premises, they need not have an investment permit at the BOI. They need not do anything else, but to simply obtain the authorisation and buy immovable property for business purposes.

Now, we run the risk of foreigners coming in and buying properties and in the process buying out Mauritians and ensuring in the process through the forces of the market - demand and supply - the prices would increase and Mauritians can no longer afford property when initially they would have been able to. The fact is, if foreigners are allowed to come to Mauritius without a proper study - yes, the Rt. hon. Prime Minister is right, the hon. Minister of Finance is right - that would encourage the influx of Foreign Direct Investment. Foreign exchange would be coming to Mauritius because people would be buying properties. There is, therefore, potentially the possibility that the construction industry would be re-launched. But at the expense of whom? I am of the view that there is the risk, Madam Speaker, and that this will be at the expense of the Mauritian citizens because there are a number of people who can buy a property of a certain value, who are Mauritius citizens. But if foreigners come in and can afford to pay, let us say, for instance, a property that's worth Rs4 m., and if the foreigner comes to Mauritius and says 'I am going to pay Rs10 m.', it is clear that this person selling the property will sell it to the foreigner and not to the Mauritian. That is a real danger.

So, coming up with an amendment, with the intention of protecting our nationals by saying Rs6 m. is the minimum, does not, in my humble view, address the danger. The danger remains; I say the example again, if a property is worth less than Rs6 m., the seller is free, according to this legislation, to choose to sell it to a foreigner who has got foreign exchange and who can pay more than Rs5.9 m. or Rs.6 m. The Mauritian, therefore, it is at his expense

because he cannot pay more than that. Therefore, I understand, the hon. Minister of Finance is trying his best. His intention is there. He explained that he wants to ensure that Mauritians can become owners of property. Fair enough! First time buyers, new properties owners, fair enough! But in coming up with this piece of legislation, we are, in fact, creating a dangerous situation whereby foreigners will buy out the Mauritians and Mauritians will not be able to become those first time owners. All the facilities that Government is proposing, the intentions are good, but they will be only academic because of the foreign exchange potential and power enforced on the non-citizen who would be able to buy out the Mauritians.

So, therefore, we run the risk today for business premises as well as residential premises of seeing Mauritians not being able to buy property in Mauritius.

Now, the hon. Minister of Finance and Economic Development has said that he has come with a plethora of measures in order to help Mauritians to buy the fiscal facilities, the fiscal advantages. But has there been any study in order to find out what would foreigners buy; where would they be interested in and will this not affect Mauritians? And I humbly put it, there has been no study. There is, Madam Speaker, a very important concept which I would like to talk about, and that concept is called 'investment migration'.

Today, true it is that many countries, as I have explained, use this concept called 'investment migration' in order to bring in Foreign Direct Investment. Let's talk about Cyprus or even Hungary or even Malta. There are the United States of America, Canada. The United States of America, Madam Speaker, has a specific programme. If I am not mistaken from memory, it is called E52. That particular programme provides nationals from all over the world - I see another amendment being circulated, Madam Speaker, with regard to the issue of business premises now with a minimum of Rs10 m. Therefore, that shows - to come back to that argument - that Government realises that there is a risk, and because of that risk, they have come forward with...

*(Interruptions)*

Sorry!

*(Interruptions)*

**Madam Speaker:** It is hon. Ramano who circulated this amendment!

**Mr Shakeel Mohamed:** Sorry! If Government does not realise it; it is hon. Ramano who does. Very good! So, it is hon. Ramano who realises, and it is in my hand, and I am reading it only now. So, people should stop trying to give lessons! What I am trying to say here is that hon. Ramano realises the danger, but even the Rs10 m.! Once again, the scenario which I have just explained would simply apply. Imagine a property that is worth Rs9 m. A foreigner comes in and says: "I am offering Rs12 m." The Mauritian will be bought out. So, that, in fact, is only cosmetic, but will not be able to sort out the real danger that exists.

Coming back to the programme that exists in the United States of America, a real investment migration programme where foreigners from all over the world are offered the possibility of becoming citizens of the United States of America and in that particular programme, citizens of the world are allowed to invest in a particular fund, in the E52 Fund, its investment in a fund that re-invests the proceeds in educational projects: construction of universities or construction of schools. This is working very well in the United States of America that attracts Foreign Direct Investment and the people who have picked this programme up to get passport and the nationality, the citizenship from the United States of America, in fact, a lot of them are from Russia, and the great majority of them are from Asia, China. This is worth working.

So, it is a structured approach to investment migration. We are also for opening up, but our country can clearly benefit from a structured planned approach to investment migration. And our country does not have this structured planned approach. Governments have come in even the ones we were in and each time we have come up with solutions to attract investment, and the Rt. hon. Prime Minister, at some stage, recently did say that he does not believe that we should open up in such a way as to give priority to foreigners where Mauritians are being bought out. That is what brought about and, at some stage, you will recall last year, the mix that was proposed by the then Minister of Finance and Economic Development, hon. Lutchmeenaraidoo, because precisely the Rt. hon. Prime Minister was alive to the issue that foreigners are coming in and are taking up property and Mauritius are being bought out. But here, there is a total complete reversal of Government policy. Is there a structured approach?

Let us look about the position of Malta. Malta is offering the possibility for 650,000 Euros for people to come in, invest in a fund, buy a property and obtain European nationality, obtain a European passport for the family, minors as well as parents. This is a structured

approach to investment migration. On this side of the House, we are all for a proper opening up, to encourage foreigners to come to Mauritius and to buy property, to invest in Mauritius and to create *la richesse* in Mauritius not only through construction, but through business as well. Not only through business, but only through making their lives in Mauritius and investing an amount of money; for instance, if I may suggest a programme, just like the one in the United States of America or the one in Malta to obtain a Mauritian passport by investing, for instance, USD10 m. and to obtain the right to buy properties wherever they wish and to also obtain a Mauritian passport. That would be a structured approach to investment migration. And that is the trend worldwide. But, unfortunately, Madam Speaker, I believe that here today, we have an opportunity to proceed in a structured manner, but we have not chosen to do so. I would have expected a study to have been carried out together with the Board of Investment in order to measure the risk, as opposed to the advantages. The risk of having the youngsters of this country being in a situation where they can no longer become owners of property simply because we have come up with a legislation, where Government has created a scenario that has not been prepared, that has not been thought out of, that has not been surveyed, that has not been carried out with real estate agents; there has been no meeting with real estate managers in order to assess the market and decide; is this a danger for the Mauritian national who will finally become only a *locataire* in his country?

I will give an example. Imagine where will foreigners buy residential properties? The trend, Madam Speaker, has been that foreigners like buying properties *sur le littoral*, on the beach. So, let's talk about Constituency No. 14, for instance; where in Constituency No.14, would they want to buy or where in No. 6 would they want to buy? They would want to buy in Grand'Baie or they would want to buy in Tamarin or somewhere in Black River. Those are the two places they like buying, but very few on the East Coast, but not in the Centre of Mauritius. This is where foreigners like to be. If they are going to have to buy something even for rental purposes, they want to take advantage of the tourists coming in, and renting out to them as well.

So, if they are to buy there, who will be the ones who are selling out there? Mauritians! Where will those Mauritians go to live? They will only live for the amount of time on the money that manages to generate from a sale. Where will Mauritians be able to live? Finally, we will end up with a situation which is exactly what the Rt. hon. Prime Minister did not want. We will end up with a situation which is exactly what the Rt. hon. Prime Minister has been fighting against. The Rt. hon. Prime Minister has said: "We do not

want to have ghettos”. The Rt. hon. Prime Minister has said: “we do not want to have a situation where in Black River, we only have foreigners living there creating new groups which resemble their country and we lose our identity”. This is exactly the policy that is adopted by the Rt. hon. Prime Minister.

Will this piece of legislation not go against the policy which has been enunciated by the Rt. hon. Prime Minister? There is clearly for me a conflict in position here. One enunciated by the Rt. hon. Prime Minister as opposed to the one which has been brought forward by Government today which does not really, for me, make sense. So, here, the Rt. hon. Prime Minister is coming up with a legislation which goes, in my humble view, with what the Board of Investment or the Ministry of Finance and Economic Development wants, but it is not what the Rt. hon. Prime Minister said last year. What had explained this sudden change in policy? What explains this sudden change in vision, because even the Vision 2030 talked about the need to give advantages to Mauritians? Even the Vision is being *dénaturé*. So, somewhere, some place, I fail to understand how is it that the Rt. hon. Prime Minister is, himself, coming up with this piece of legislation that goes against the principles and the vision that he has described.

Now, I am of the view, Madam Speaker, that there is the urgent need to protect the rights of our local citizens. There is the urgent need to ensure that the study that I have talked about must be carried out. There is the urgent need *de commanditer* a study by experts who will be able to assess how to have a proper investment migration programme. Let us even consider that it is no longer solely the Prime Minister who will have the right and discretion on passports, but it will be used as a tool for investment migration in order to generate millions and millions of US dollars for the local economy.

How do we do that? Other countries have done it and we have to, really, consider embarking upon that path and to leave behind the old days where only the Rt. hon. Prime Minister of all regimes in our country have had the control on passports and nationality, but it should be on a structured approach, which means a win situation for Mauritius as well. Here, I humbly believe that this a kneejerk reaction on the part of Government to come and find a quick solution, a quick fix to an ailing construction industry. This is a quick fix to a dying industry. This is a quick fix that will not be a long-term solution and will not give solutions to creation of sustainable employment.

Thank you very much.

**Madam Speaker:** Hon. Sesungkur!

(3.11 p.m.)

**Mr D. Sesungkur (First Member for Montagne Blanche & GRSE):** Thank you, Madam Speaker.

Madam Speaker, it gives me a great pleasure to intervene on this piece of legislation. Right from the outset, I will say that I will speak in favour of the points put forward by the Rt. hon. Prime Minister in support of this amendment.

The Minister of Finance and Economic Development has given an exhaustive list of the various benefits which will arise from amendment of this piece of legislation. So, I will also be very brief because I can see that there is broad convergence from both sides of the House on the merits, on the benefits that this amendment will bring to our country because, on the one side, we have an imperative to continuously oil the wheels of the FDI, to continuously grow the inflow of the FDI and, at the same time, we are concerned by the fact that we might be opening too much our country to foreigners.

Madam Speaker, it is also true, that we cannot have our cake and eat it; there should be some balancing, some flexibility in approach. Why is it important, today, that we adapt our migration policy? Because the context has changed! The context has changed and we, not only Mauritius, but all emerging countries, are willing to attract Foreign Direct Investment. These countries are bringing more and more changes, amendments to their policies so that they can attract international investment, they can attract Foreign Direct Investment.



The Minister of Finance and Economic Development has enumerated a number of benefits which will occur to the Mauritian economy, be it in terms of FDI flows, be it in terms of attracting better talents, a pool of talents which we do not have today; talents which we badly need if we want our country to progress, if we want our country to benefit from expertise. We are also working on policies to attract foreign students to Mauritius and this will also require an adaptation of our policy so that when those foreign students come to Mauritius, they can have opportunities and also the possibility of living here.

Migration is also important because it will help, of course, our construction industry because we have witnessed several years of continuous decline of the construction sector. By offering foreigners the possibility of acquiring apartments, properties in Mauritius, inevitably this will create more demand. I can only take one example. There was a publication in Week-End this week; the number of foreigners, who have applied for a permit, had come to 2,851 in the calendar year 2015. If we were to calculate the amount of investment, if we take that figure, if those foreigners would purchase a property, that would amount to approximately Rs17 billion of inflow in terms of investment.

Now, we are afraid that we might be opening our country too much. But if we compare what other countries are doing, for instance, I have a report made by the Migration Policy Institute in Singapore. Why Singapore? Because often, we benchmark ourselves with Singapore, because this is a model we want to follow. When we look at Singapore, do you know how many foreigners they have? They have 1,305,011 foreigners non-residents for a population of 5 million, which means that practically 25% of their population are non-residents and they are contributing enormously. You have expat professionals, foreign investors. These people, when they come to stay and live in a country, contribute directly and indirectly in the economic system.

Now, the main concern of the Opposition is the issue which was also widely publicised in an article this week, saying: "*Ce qui fait craindre une flambée des prix dans l'immobilier qui affecterait surtout la classe moyenne.*" It is true to say that when demand will increase, there will be a pressure on price. That is the reason why we are setting a threshold, a cut-off line for price at Rs6 m. I would go further because Rs6 m. today will probably not be as tangible in probably five years' time, ten years' time.

This is the reason why hon. Ramano proposed Rs10 m., but we cannot go on discussing what amount to put as a cut-off line. I think the Board of Investment will have the

liberty of coming up with a series of guidelines; how will this measure be implemented, how are we going to make sure that foreigners do not compete out Mauritians.

I agree that there may be instances where *la classe moyenne mauricienne* would be willing to stay on the littoral, as hon. Shakeel Mohamed said, but, there is also one reality. We have an economy which is based on the market system and we want to attract people from outside. We want to attract foreigners to work and live in Mauritius because they will contribute to our economy. But then, we don't have an alternative system to ensure that Mauritians are not disadvantaged because we will have to let the market system work for itself. So, I think the issue of fixing a price, fixing an amount, for the apartment will not be workable and that is why we have provided for a minimum of Rs6 m. and, of course, if tomorrow a foreigner wants to stay in a particular area, a posh area, he will definitely have to pay the price and if the Mauritian also wants to stay there, of course, he will have to propose the same rate. So, I think there is broad consensus both from this side of the House and the other side that we need foreign direct investment, foreign talents, international talents because these will help our economy and these will allow our economy to grow for the betterment of our population.

Now, there was one point which hon. Mohamed raised saying that there has been a change in vision of the Prime Minister and a change in vision of Government because once we stated that we did not want such and such thing to happen and now we are proposing amendments to attract foreigners. I must say to hon. Mohamed a vision for a country does not change in one month's or two months' time. It is the same vision. In fact, this amendment that we are bringing is a logical continuation of the measures and policies which were announced by the Minister of Finance and Economic Development in the last Budget. So, what we are doing is only a logical step to make our country progress for the betterment of our people and our country.

Thank you very much.

**Madam Speaker:** Hon. Fowdar!

(3.22 p.m.)

**Mr S. Fowdar (Third Member for Grand'Baie & Poudre d'Or):** Thank you, Madam Speaker. Madam Speaker, the question is what do we do? We want to have foreign direct investment and at the same time we want to protect our people and we don't want to

have distortion in the property market. That is a puzzle. Hon. Mohamed is all for protecting the population, I am too for that. I don't have a bungalow. I am not sure whether I will be able to afford a bungalow. If the price market is distorted by foreigners, probably I will never be able to buy one. That is the truth.

But, on the other hand, you are stuck with globalisation. We are all stuck with globalisation and it is all a question of the WTO conditions and agreements that we have to comply with. We want to go abroad, so, we have to let people come in as well. We can't just say we have got the right to go abroad but we don't let people come in. So, all this is linked with what we are doing, it is the property market, let people buy property in Mauritius or whatever we are deciding with the amendment. I am sure that we are all concerned with only one thing which is the distortion in the property market, the price will go up.

But there are lots of issues that we have to look into. I have listened to the Rt. hon. Prime Minister carefully about opening the economy. True, we have to open the economy. How do we attract foreign direct investors? How do we modernise the economy? How do we bring in talents? You have to open the economy. Look at what is happening to the United Kingdom with Brexit. I don't see people going there anymore. It is only the brained, those who have got money who will go there. They have closed the doors. I don't think we can afford to do that in Mauritius.

So, I do welcome the measures announced in the amendment, but we have to be really cautious in how we do things and whether all the procedures set are really good and are followed. For example, as an accountant, I have seen in my career, Russian Mafias investing here in Mauritius. They were hiding because they were investors, but they were not true investors. In fact, they were hiding their money here and because we have this condition of \$500,000 and you can become an investor and get a permanent residence. This is what they did. They had their permanent residence and they were hiding here and their money was coming in Mauritius. So, one of the things that we have to be really careful here, if we open the propriety market we are also opening the doors to foreign criminals who would probably come to hide in the country here.

So, I think the Prime Minister's Office will do all the checks and balances and it has to be rigorous. I am sure the Prime Minister's Office will not leave it in the hands of small officers, low grade officers, to look into the checks and balances before these people are allowed in the country. I think we have to review the conditions on how we allow investors'

permit as well, how do we grant an investor's permit and how do we grant an occupation permit. We all know there are some sorts of *laisser-aller* and we have to check that because these are the main conditions which are applied for the people to come and invest in Mauritius.

Madam Speaker, other thing which I think is important is whenever we are taking a measure, a decision, we need to have some sort of feedback procedures and see whether what we intended to do has been achieved or not. In that case, if we are opening for investors up to Rs6 m. or over Rs6 m., we will need to check and see whether they are really genuine investors, whether they really have talents or whether we have got better talents than them and whether they are people who are not creating a sort of imbalance in the property market.

I am not going to repeat what the other orators have already mentioned, but there is one thing which I am sure my friend, hon. Rughoobur, will agree with me is what we have seen in Grand' Baie. There are lots of investors, but there is a cluster of South Africans and this must not happen everywhere. So what will happen is that all South Africans will do some sort of a cluster in a region and then they will command the region. So, I think we need to see to it, although we have got the freedom for them to buy property wherever they want to, but if it goes on like this, we have to stop it somewhere and have a control on where the people are investing and where they are buying properties. There is another cluster at Rivière Noire. It is a cluster of a particular national who are investing there. They are buying properties and they are becoming *une nation dans une nation*. So, this is another thing which I think we need to check into before we put in place all the procedures.

Madam Speaker, I am for this amendment. I don't know whether we need to do some *retouches* afterwards, but I am for this amendment because I think FDI is really important for the economy and we need to bring in FDI. I am not sure that this is going to be the only thing that can bring FDI, but it can help. It is not only by giving them the right to buy property that will bring FDI, but this is one of the other things that we can do to bring foreign direct investment in this country.

I thank you, Madam Speaker.

**Madam Speaker:** Hon. Ramano!

(3.28 p.m.)

**Mr K. Ramano (Third Member for Belle Rose & Quatre Bornes):** Madame la présidente, la question du droit d'acquisition d'un bien immobilier sur le territoire Mauricien a toujours fait l'objet d'un débat passionnant certes, mais un débat qui revêt toute sa pertinence. La restriction faite aux non-citoyens d'acquérir un bien immobilier à Maurice était prévue sous l'ancienne loi, communément appelé le *Holding of Land Restriction Act* de 1970, qui, lui-même, vient en remplacement du *Order in Council* en date du 14 janvier 1842. Je dois dire que lors de l'adoption de cette loi en 1970, il était question même à cette époque, et là, je cite un honorable membre qui disait que le « *purchasing power of people coming from abroad is much higher than the average Mauritian, so the price is bound to go up.* » C'était une question passionnante, mais la question était aussi de voir quels sont les moyens pour encourager les investissements privés dans le pays.

La restriction faite aux étrangers était basée principalement sous deux impératifs; impératifs économiques, et là, je cite un chiffre. En 1970, le mauricien avec un *income per capita* de moins de 500 dollars, alors qu'à cette même période, l'anglais qui venait investir à Maurice, le *income per capita* était de 2,430 dollars. En 2015, aujourd'hui, l'*income per capita* pour le mauricien étant à 9,434 dollars alors que pour un ressortissant anglais, l'*income per capita* est de 43,390 dollars.

Madame la présidente, le prix du terrain, bien qu'étant moins cher à cette époque - je parle de l'année 1970 - qu'il en est aujourd'hui, mais même à cette époque, le prix du terrain était difficilement accessible aux mauriciens moyens. Je parle ici de l'impératif social de permettre aux non citoyens d'acquérir des biens à Maurice.

Madame la présidente, il appartient à l'État de s'assurer que l'accès à un logement décent soit à la portée des mauriciens. La toute jeune nation mauricienne, à cette époque, considérée comme sacrée, a cette responsabilité de s'assurer que le mauricien, dont la situation économique était précaire, n'avait pas à être en compétition avec un étranger car notre pouvoir d'achat était bien plus conséquent que le mauricien.

L'introduction du *Property Restriction Act* de 1975 qui allait subséquemment devenir le *Non-Citizens (Property Restriction) Act* prévoit des garde-fous avec les mêmes impératifs afin de prévenir tout abus, toute tentative de détourner les paramètres de protection. On a même prévu une définition extensive du thème *non-citizens*. A part de la définition toute

simple de *non-citizen* défini comme une personne *who is not a citizen of Mauritius*, on est allé jusqu'à prévoir des restrictions des *corporate bodies listed au Stock Exchange* avec des *non-citizens in control of the company* ou encore des *shareholders non-citizens* avec moins de 1% d'actions dans les compagnies. C'est juste pour dire combien les garde-fous étaient importants de s'assurer que les étrangers ne viennent pas contourner la loi pour acquérir des biens ici à Maurice.

On trouve ce souci de protection des mauriciens dans la définition même du thème '*Property*' comme stipulé dans le *Non-Citizens (Property Restriction) Act*. '*Property*' means *an immovable property, freehold or leasehold in Mauritius includes a trust or otherwise any rights or interests in immovable property whether legal or beneficial or any shares*. En tant que notaire, je suis très bien placé pour vous dire combien ces définitions sont importantes pour gérer les biens immobiliers ou encore l'accès des étrangers aux biens immobiliers. Dans un passé pas très lointain, des étrangers, avec la complicité de certains hommes de loi, contournaient ces provisions légales avec la constitution des prête-noms ou même à travers des compagnies bidons ou encore à travers des *Trusts*. Je me rappelle, dans un passé pas très lointain, un honorable membre de l'Assemblée, ici, avait même fait une déposition au *Central CID* pour dire comment certains promoteurs, avec la complicité des étrangers, faisaient des *Trusts* bidons pour pouvoir acheter des biens immobiliers à Maurice. La loi a depuis changé et maintenant on prévoit des garde-fous à ce niveau-là.

Cette nécessité d'être très pointilleux quant aux définitions et provisions du *Non-Citizens (Property Restriction) Act* relève du respect d'un troisième impératif qu'est nos limitations aux espaces fonciers à Maurice. Nous savons tous combien notre territoire est limité. De ces 2,040 km<sup>2</sup> du territoire mauricien, seulement 35% est accessible à la propriété privée et seulement 15% de ces 35% est destiné à des vocations résidentielles.

Madame la présidente, les amendements proposés au *Non-Citizens (Property Restriction) Act* auront des répercussions certes au niveau des revenus de l'État. Avant d'aborder ce point précis, je souhaite préciser la part des contributions des *IRS* et des *RES* à l'économie du pays. Il faut le rappeler l'*IRS* fut introduit en 2002 avec la promulgation de l'*Investment Promotion Regulation 2002*. À ce jour, 13 projets ont été approuvés avec 744 lots vendus environ et des investissements tournants aux environs de R 28,7 milliards. Le *Real Estate Scheme* fut introduit en 2007 avec le but d'encourager des petits propriétaires fonciers à développer leur terrain et, à ce jour, 82 projets de ce type ont été approuvés,

environ 800 lots vendus et des investissements qui tournent aux environs de R 11.3 milliards. Les promoteurs des projets *IRS* ont dépensé environ R 85 millions en 2014 dans des projets sociaux qui étaient intégrés avec les projets *IRS*. Les revenus du gouvernement en termes de *registration duty*, du *Land Transfer Tax* avoisinent les R 4,4 milliards.

Madame la présidente, il est bon de souligner que la contribution en termes de *Foreign Direct Investment*, du *real estate activities* est passée de R 6 milliards en 2014, R 8 milliards en 2015 et R 5 milliards au premier semestre de 2016. Il est à préciser que la part de contribution des *IRS*, *RES* et *PDS* dont le *FDI* tourne aux environs de 25 % du *FDI* total. A part de la contribution en termes de *FDI*, les *IRS*, *RES* et *PDS*, je le conviens, ont, ce qu'on appelle les *spillover effects*. Ainsi, le secteur de la construction est, à coup sûr, un des principaux bénéficiaires, suivi des *banking and financial services*, incluant des *Wealth Management Private Equity Funds* et des membres de la profession légale, bien sûr, en bénéficient.

Madame la présidente, l'*Investment Promotion Act* de 2000, comme subséquentement amendé en 2006 prévoit le *registration* des *investors*, des *self-employed persons*, *professionals* et des *retired non-citizens* avec des conditions précises pour l'octroi des *occupation permits*. Au 30 novembre 2016, ils étaient 5,743 *occupational permit holders and retired permit holders*. Il est bon de souligner que le nombre des applications pour l'acquisition des appartements s'élève à 56, avec 36 applications concluantes. Ce qui est peu, Madame la présidente.

Madame la présidente, sous cet item précis, il est à souligner que pour s'enregistrer comme *investor*, *self-employed or retired non-citizen*, il existe des conditions précises qui doivent être respectées de la part de l'*applicant* pour pouvoir s'enregistrer telles quelles. Ces conditions sont prévues par le *First Schedule* de l'*Investment Promotion Act*, ainsi l'*investor* doit faire un investissement initial d'au moins 100,000 dollars et avoir un *turnover* d'au moins R 4 millions. Le *self-employed* doit faire des investissements initiaux de 35,000 dollars et être engagé dans les services *sectors* et avoir un *annual income* de R 600,000 pour les premiers deux ans et R 1,200,000 à partir de la troisième année. Les *retired persons* doivent faire des transferts d'au moins 40,000 dollars chaque année avec un total de 120,000 dollars.

Je mentionne tous ces chiffres, Madame la présidente, tout simplement pour démontrer à quel point les conditions strictes ont été apportées pour s'assurer qu'il n'y ait pas

d'abus en ce qui concerne ces personnes qui, éventuellement, auront la possibilité d'acheter des appartements prévus par la loi actuellement.

Malgré les imperfections de ces conditions comme, par exemple, on pouvait se retrouver avec un *retired non-citizen* à l'âge de 40 ans, il existe des conditions strictes que ces personnes devraient respecter avant de pouvoir faire une application pour un *permanent residence permit* de 10 ans ou encore pouvoir acquérir un bien immobilier, notamment sous la section 3 du *Non-Citizens (Property Restriction) Act*. Mention est faite de la possibilité d'acquérir *one apartment in a building of at least two floors above ground floor*. Je souhaite répéter cette phrase, Madame la présidente, mention est faite à la section 3 du *Non-Citizens (Restriction Property) (Amendment) Act* actuellement de la possibilité d'acquisition *of one apartment in a building of at least 2 floors above ground floor for his personal residence upon production of an authorisation from the Board of Investment granted after it has obtained the approval of the Minister*, qui est le ministre de l'Intérieur.

Madame la présidente, je me permets, pour l'éclairage de la Chambre, de répéter le garde-fou qui est prévu à l'état actuel de la section 3 du *Non-Citizens (Property Restriction) Act*. À l'état actuel des choses, pour pouvoir acquérir un appartement au moins ground plus two, ces investors, self-employed ou retired non-citizens devaient avoir obtenu le Permanent Residence Permit -

*"(...) purchases on one apartment in a buidling of at least two floors above ground level and for their own personal residence (...)."*

Madame la présidente, il faut bien se rendre à l'évidence aujourd'hui, avec l'amendement proposé, aucune - je dis bien aucune - de ces restrictions n'a été maintenue. Le libellé de la loi est claire et sans ambiguïté.

*"No certicate shall be required in the case of a non-citizen or a person not resident in Mauritius who purchases or otherwise acquires an immovable property, a right to immovable property or part of a building, for business purposes."*

Deuxième condition, Madame la présidente -

*"No certificate shall be required in the case of a non-citizen or a person not resident in Mauritius who purchases or otherwise acquires an apartment used or available for use as residence in a building of at least two floors above ground level."*



Madame la présidente, au terme de l'amendement proposé aujourd'hui, toutes ces conditions, tels que la nécessité d'avoir un *Permanent Residence Permit to purchase only one apartment* ou encore *personal residence*, ont complètement disparu. Il n'y a même pas lieu d'être enregistré comme *investor, self-employed or retired non-citizen*.

Madame la présidente, en tant que notaire de profession, ces mesures auraient dû m'enchanter car cela apportera plus de business pour les professionnels de l'immobilier. Mais je dois reconnaître que je suis surpris par l'audace de ce présent projet de loi, en ouvrant aussi grande les portes pour permettre aux *non-citizens* d'acquérir ces types de biens.

Aujourd'hui, il faut bien se rendre à l'évidence qu'on ne doit plus être enregistré pour pouvoir bénéficier de toutes ces possibilités d'acquisition. La possibilité est donnée à n'importe quel *non-citizen* d'acquérir un *immovable property for business purpose* or encore un appartement.

Madame la présidente, je souhaite ici dire que je suis assez surpris aussi du peu de restrictions prévues dans le présent amendement. Il est vrai de dire que je travaille beaucoup avec des étrangers. Je ne suis pas contre le fait de pouvoir donner la possibilité aux étrangers d'acquérir des biens à Maurice, mais je souhaite tout simplement, Madame la présidente, par le biais de mon intervention aujourd'hui, de dire à combien il est important de prévoir des conditions plus strictes pour pouvoir protéger le tissu social dans le pays, l'accès des mauriciens aux logements, ou même des professionnels de l'immobilier qui ont exprimé des craintes que de telles ouvertures consolident ces situations de monopole des grandes agences ou des grands groupes immobiliers pour une catégorie type, qui, des fois, frisent la ségrégation, Madame la présidente.

Madame la présidente, nous sommes passés des IRS, RES à la possibilité de l'ouverture du marché pour des *business premises*. Et là, je souhaite ici aborder l'amendement proposé en ce qui concerne la section 3A4, en ce qui concerne le *purchase by a non-citizen of an immovable property a right to immovable property or part of a building for business purposes*. La première question qui se pose, Madame la présidente: C'est quoi *an immovable property for business purposes* ? Tout opérateur économique avec une licence d'une collectivité locale et qui gère un emplacement commercial *for business purposes* ! C'est aussi vrai pour un supermarché, pour un magasin, pour un bureau comme c'est tout aussi vrai pour une tabagie, un vidéoclub ou encore un salon de coiffure. Est-ce que c'est cela la volonté du législateur de donner la possibilité à un étranger d'acheter ce type

d'emplacement, ces petites entreprises mauriciennes qui font partie intégrante de la culture mauricienne ? Est-ce qu'on se rencontre aujourd'hui du danger que cela représente, Madame la présidente, de cette possibilité qui est donnée aujourd'hui à un *non-citizen* d'acquérir ce type d'emplacement sans aucune contrainte, sans aucune restriction ?

Madame la présidente, notre souci pour le FDI, la fixation contre les conseillers – là, je cite la *BOI* - pour encourager l'investissement étranger, ne doivent pas avoir priorité sur nous, parlementaires, qui ont un devoir de protéger ces milliers de mauriciens qui font la fierté du pays de par leur débrouillardise.

Madame la présidente, c'est dans cette optique que je souhaite, lorsqu'on arrivera au *Committee Stage*, faire une proposition d'amendement à la section 3 (4) pour fixer un minimum de prix pour les *business premises* à R10 millions afin justement de protéger les mauriciens. Je dois dire que j'accueille favorablement la proposition faite en ce qui concerne les *residential premises*, en ce qui concerne les appartements dont le prix minimum a été fixé à R 6 millions. Logiquement, je considère que même pour les *business premises* on aurait dû considérer un minimum de prix pour pouvoir protéger le marché mauricien.

Madame la présidente, idem en ce qui concerne la section 3A 5, en ce qui concerne la possibilité d'acquérir un appartement dans un complexe qui fait plus de *ground plus two*. Cette possibilité n'est plus réservée aujourd'hui à un *investor, self-employed, retired non-citizen*. N'importe quel étranger - je dis bien n'importe quel étranger - ayant eu l'autorisation du *PMO* et du *Board of Investment* peut acquérir un appartement.

Il est clair, Madame la présidente, que la seule condition qui sera attachée à l'étranger c'est tout simplement son certificat de moralité. Quel impact cela aura sur le marché de l'immobilier? Quel impact cela aura sur les mauriciens qui souhaitent acheter un appartement? Je l'ai dit, Madame la présidente, j'accueille favorablement l'amendement qui est proposé par l'honorable Premier ministre pour fixer le minimum de prix à R 6 millions, mais je souhaite quand même qu'il puisse avoir d'autres conditions qui soient travaillées par le *Board of Investment* pour protéger le marché mauricien.

Il est un fait aujourd'hui qu'en raison de la cherté des terrains à construire ou encore par un souci de sécurité, la construction en hauteur fait partie du monde du foncier à Maurice. Les mauriciens, surtout de la classe moyenne et les retraités sont aujourd'hui très attirés par

les produits en hauteur. La copropriété fait partie intégrante des moeurs mauriciennes. La vie en appartement n'est pas l'apanage de seulement les étrangers.

Madame la présidente, l'honorable Premier ministre a parlé de la nécessité, à travers cet amendement, d'aider les promoteurs à vendre des appartements qui sont restés invendus. Je dois quand même rappeler à l'honorable Premier ministre qu'il existe déjà dans le *Finance Act 2016*, notamment à la Section 27 (5) B du *Registration Duty Act* relatif au *newly built dwelling*, une exemption des frais d'enregistrement même pour les personnes qui ne sont pas des *first-time buyers* pour les unoccupied newly built apartments.

Madame la présidente, il existe aujourd'hui d'autres moyens pour attirer le FDI et qui marche très bien. D'autres moyens d'acquisition des produits résidentiels de luxe, tel qu'il est prévu par la section 3 (c) (iii) –

*“any luxury villa, apartment, penthouse with or without attending services from a company holding a certificate under the Investment Hotel Scheme, Property Development Scheme, Smart City Scheme prescribed under the Investment Promotion Act.”*

Les provisions de loi existent déjà pour les projets de luxe dans un souci de séparer complètement ces deux marchés; un marché pour le luxe et le marché pour les mauriciens au bas de l'échelle et un marché pour la classe moyenne.

Nous touchons, par ce présent amendement, aux terrains et logements que la grosse majorité des mauriciens - je parle de la classe moyenne et la classe laborieuse. Je demanderai au gouvernement de venir de l'avant avec des garde-fous car il y va du tissu social de notre société. La possibilité d'avoir un toit n'est guère un luxe, mais bien la sauvegarde de la dignité de l'humain.

Je vous remercie, Madame la présidente.

**Madam Speaker:** The Rt. hon. Prime Minister!

(3.50 p.m.)

**The Prime Minister:** Madam Speaker, I wish to thank all the hon. Members who have participated in the debate on the Non-Citizens (Property Restriction) (Amendment) Bill.

This Bill has been introduced in order to implement an important budget measure with a view to boosting our economy, particularly in the construction sector.

I wish to reassure the House that the Bill does not at all mean that we are going to give a blanket cover to any non-citizen who wishes to purchase apartments or office spaces in Mauritius. Far from that!

Madam Speaker, both my Office and the Board of Investment have already put in place a well-coordinated mechanism for the close control and monitoring regarding the purchases of properties by non-citizens who are holders of Occupational and Resident Permits. In fact, now there will be a single law applying to all non-citizens. However, the scrutiny regarding those not having residence or occupation permits will be more stringent.

With the enactment of the present Bill, the existing procedures are going to be reinforced and will be applicable to any non-citizen who wants to invest in building complexes in Mauritius.

The enhanced procedures will, among others, ensure that the funds being invested in Mauritius are not from illicit transactions or illegal sources.

Madam Speaker, the powers of the Prime Minister are very clear. The final approval will be given by him on guidelines already established, as I mentioned before, by BOI and PMO.

The concern expressed by a few real estate agencies regarding the possible soaring of prices in this sector, with the coming into force of the legislation, does not appear to be justified.

According to an internal study carried out prior to the announcement of this measure and the introduction of this Bill, it has been found that there is currently a surplus in the local market of unsold apartments and office spaces in the building complexes.

The main aim of this measure, therefore, is to offset this surplus by, in the first instance, targeting the 99% of the 5,600 Occupational and Resident Permit Holders, living and working in Mauritius, who are not owners of any local residential or business property.

In the short-term, therefore, the BOI is expected to use the appropriate marketing strategy to sell around 300 of these housing units to the relevant group of potential buyers.

In the longer-term, the sale of apartments is expected to be around 100 units annually, thereby giving a considerable boost to our economy.

Madam Speaker, I have also heard, from some quarters, that this measure would penalise young Mauritian couples and retired citizens who would like to invest in housing projects.

On this apprehension, I would request our Mauritian citizens not to worry at all, as –

- (i) this measure does not allow any non-citizen to purchase bare land in Mauritius;
- (ii) as already stated by the Minister of Finance and Economic Development, a series of incentives have been announced in the Budget Speech 2016-2017, regarding duty and tax exemptions for local purchasers investing in housing projects, including apartments, up to the value of Rs6 m., and
- (iii) Government will closely monitor the trend and will come up with policies and introduce appropriate regulations to prevent any abuse and protect Mauritian citizens, as and when required.

Madam Speaker, the population of this country is well aware that the mission of this Government is to make Mauritius a better place to live, with each citizen enjoying an even higher standard of living.

It is in this context that many of the measures announced in Government Programme 2015-2019 have already been implemented, following the necessary legislative amendments.

The present legislation is no exception and is yet another step towards the realisation of our promises.

Madam Speaker, what is being debated today is the purchase of office space and apartments. The Bill does not concern the acquisition of land at all as stated by hon. Shakeel Mohamed. I cannot see how foreigners buying office spaces could crowd out the property market for Mauritians. In fact, it would favour the setting up of business and job creation.

Madam Speaker, we have accomplished a lot during the past two years. We intend to do more for the welfare of our people in the coming three years.

I thank you for your attention.

*Question put and agreed to.*

*Bill read a second time and committed.*

**COMMITTEE STAGE**

*(Madam Speaker in the Chair)*

**THE NON-CITIZENS (PROPERTY RESTRICTION) (AMENDMENT) BILL (NO. XXXI OF 2016)**

*Clauses 1 and 2 ordered to stand part of the Bill.*

*Clause 3 (Section 3 of principal Act amended)*

*Motion made and question proposed: “that the clause stand part of the Bill.”*

**Mr Ramano:** Madame la présidente, je souhaite proposer l’amendement pour la section 3 (a) (iv) comme suit –

“In clause 3(a), by deleting the proposed subparagraph (iv) and replacing it by the following subparagraph –

“(iv) purchases or otherwise acquires an immovable property, a right to immovable property or part of a building, for business purposes provided the purchase price is not less than 10 million rupees or its equivalent in any other hard convertible foreign currency, or in such other amount as may be prescribed, on production of an authorisation from the Board of Investment granted after it has obtained the approval of the Minister;”

**The Prime Minister:** Madam Chairperson, with regard to the amendment proposed by the hon. Member, the threshold of Rs10 m. cannot be accepted due to reasons which I am going to point out –

- (i) We cannot drive out genuine foreign investors, global business companies and those setting regional headquarters for acquiring office spaces of less than Rs10 m.;
- (ii) Acquisition of property for business creates jobs and even export earnings;
- (iii) Manufacturing companies owned by non-citizens may not acquire industrial space in rural regions where price is affordable and create positive economic effects on jobs and export earnings.

So, for all these reasons, Madam Chairperson, we, on this side of the House, cannot accept this amendment.

*On question put, amendment defeated.*

**The Prime Minister:** Madam Chairperson, I move for the following amendments –

“In clause 3(a), by deleting the proposed subparagraph (v) and replacing it by the following subparagraph –

- (v) purchases or otherwise acquires an apartment used, or available for use, as residence, in a building of at least 2 floors above ground floor, provided the purchase price is not less than 6 million rupees or its equivalent in any other hard convertible foreign currency, or in such other amount as may be prescribed, on production of an authorisation from the Board of Investment granted after it has obtained the approval of the Minister;”

*Amendments agreed to.*

*Clause 3, as amended, ordered to stand part of the Bill.*

*The title and enacting clause were agreed to.*

*The Bill, as amended, was agreed to.*

*On the Assembly resuming with Madam Speaker in the Chair, Madam Speaker reported accordingly.*

### *Third Reading*

*On motion made and seconded, the Non-Citizens (Property Restriction) (Amendment) Bill (No. XXXI of 2016) was read a third time and passed.*

**Madam Speaker:** I suspend the sitting for half an hour.

*At 4.06 p.m. the sitting was suspended.*

*On resuming at 4.42 p.m. with Madam Speaker in the Chair.*

## **PUBLIC BILL**

### *Second Reading*

## **THE SUGAR INDUSTRY EFFICIENCY (AMENDMENT) BILL**

### **(NO. XXXVII OF 2016)**

*Order for Second Reading read.*

**The Minister of Agro-Industry and Food Security (Mr M. Seeruttun):** Madam Speaker, I move that the Sugar Industry Efficiency (Amendment) Bill (No XXXVII of 2016) be read a second time.

Madam Speaker, as enunciated in the Explanatory Memorandum, the main object of the Bill is to amend the Sugar Industry Efficiency Act to –

- (i) prepare the sugarcane industry to face challenges in view of the abolition of the European Union (EU) country sugar quotas;
- (ii) implement measures destined to ensure the long-term viability of the sugarcane industry;
- (iii) provide for the setting up of a Sugar Cane Sustainability Fund for the purpose of fostering the production of sugarcane and bagasse;
- (iv) lay the foundations for Mauritius to transit to a low carbon economy by, *inter alia*, providing for the use of lower carbon emission fuel in the transport sector;
- (v) empower the Mauritius Cane Industry Authority to develop -
  - (a) a Renewable Sugar Cane Industry Based Biomass Framework to enable the country to best fulfill its international commitments;
  - (b) an Ethanol and Molasses Framework to allow the mandatory blending of ethanol and mogas, and
  - (c) a Sugar Based Agro-Industry Framework to promote a sugar based agro-industry and generate value added sugar or other sugar products through the use of local raw materials;
- (vi) ensure that consumers secure quality sugar-based products which comply with international norms;
- (vii) make better provisions for revenue accruing to planters from molasses and the allocation of molasses between distilleries;
- (viii) make better provisions with respect to land conversion, and
- (ix) provide for the implementation of the award of 31 July 2015 of the Arbitration Panel regarding seasonal labour in the sugarcane industry.

Madam Speaker, my Ministry is taking this opportunity to make other amendments to the Sugar Industry Efficiency Act, to remove obstacles in the way of business facilitation, more particularly in respect of land conversion. Opportunity is also being taken to amend other Acts in line with the objectives of this Bill, including the need to re-engineer the



Mauritius Cane Industry Authority (the MCIA) and to ensure the long-term viability of the sugar cane cluster. The sugar industry, now known as the sugar cane industry, has been facing daunting challenges throughout its history and successive Governments have always strived to come up with new policies and necessary measures to ensure the sustainability of the industry.

This was very important because the sugar sector at the time of independence constituted the main economic activity and the principal creator of wealth and employment. The revenue generated by the industry over the years has been wisely used to diversify the economic base of the country and to set up new pillars in the economy.

Madam Speaker, although the contribution of the sugar sector to the GDP has dwindled during the past decades, it still remains a major foreign exchange income earner, employs an appreciable number of persons and contributes to the energy requirements of the country. As the House is aware, the Mauritian sugar industry is essentially export-based, with over 90% of production exported to the EU.

As such, any event occurring in the EU market has a direct impact on the local industry. The reform of the EU Sugar Regime in 2005 which brought an end to the Sugar Protocol was accompanied by a reduction of 36% in the price of sugar exported by ACP sugar producing countries to the EU market. That reform was indeed a major blow to the industry. The Multi-Annual Adaptation Strategy was devised in the wake of that reform and was implemented to mitigate the effects of that reform on our industry and to ensure the sustainability and viability of the sector.

Madam Speaker, whilst we were still implementing the Multi-Annual Adaptation Strategy Programme, the EU came up with another drastic measure, namely the abolition of the internal sugar production quota due to take effect now in September 2017. This measure will undoubtedly render our sugar less competitive on the EU market and will destroy all the efforts made by Government and the industry under the Multi-Annual Adaptation Strategy during the last 10 years to keep the industry afloat. And to make matters worse, the advent of Brexit this year has brought a lot of uncertainties for the sugar sector given that we export an appreciable quantity of sugar to the UK. There is no predictability and we do not know what the future lies for us.

Madam Speaker, the industry is already facing a lot of problems with the drastic fall in the price of sugar which was around Rs13,000 per tonne for the 2014 and 2015 crops. The rate of abandonment of small planters' fields is becoming alarming and this will obviously impact on sugar production. For two consecutive years, i.e., 2015 and 2016, annual sugar

production has fallen below 400,000 metric tons. The viability price of sugar has been estimated at Rs16,000 per tonne. If planters, especially the small planters, are to receive less than this viability price, they will move out of business and this will further aggravate the situation given that the industry needs the contribution of each and every planter to remain viable.

Madam Speaker, this Government has not remained insensible to the plight of the industry, particularly that of the small planters. The recommendations made by LMC on the economic, social and environment impact of the abolition of the internal quota of sugar in the EU market have been carefully examined and many measures contained in the LMC report have been implemented and others are in the process of being implemented through this Bill.

Madam Speaker, I would now wish to inform the House regarding the measures taken by this Government since assuming office in December 2014 to bring comfort and relief to the planting community -

(i) a Sugar Cane Sustainability Fund was set up early this year to compensate planters for the low price they are obtaining for the bagasse. For crop 2015, a sum of Rs137 m. was disbursed in March/April to all planters as follows -

- (a) Rs1,100 per tonne of sugar up to 60 tons produced, and
- (b) Rs300 per tonne of sugar in excess of 60 tons produced.

For crop 2016, the data concerning production of sugar by each planter is not known as yet because the harvest and milling of canes are still ongoing and it is due to be completed before the end of the year. However, in order to enable planters to ease their cash flow, a part payment is being effected before the end of this year and the balance will be paid in January 2017.

(ii) Government has introduced an additional tax of Rs20 per litre of alcohol produced by local bottlers to ensure additional revenue of Rs270 per ton of sugar to the planters. This measure is already effective following amendment made in the Finance Act 2016;

(iii) necessary amendment has been brought to the Sugar Insurance Fund Act to enable the payment of a compensation of Rs2,000 per ton of sugar to all insured planters. For crop 2014, planters producing up to 60 tons of sugar benefited from an additional compensation of Rs1,400 per ton of sugar, and

(iv) small planters producing up to 60 tons of sugar have been exempted from the payment of insurance premium to the SIFB during the past two years. Government proposes to extend this measure for future crops. This measure

will further help to ensure the viability of the small planters. On average the premium is estimated at Rs700 per ton of sugar.

Madam Speaker, let me now come to the different clauses of this Bill. Under clause 4, section 11 of the Act is being amended to re-introduce the 1:2 scheme which allows Government to acquire land for development at a nominal price. In return, the seller can convert free of land conversion tax two units of acreage for every unit of acreage sold to Government. This provision was first introduced in 2001 but, for reasons unknown, was repealed in 2013.

In clause 5, two new sections 13A and 13B are being inserted. Section 13 deals with the Bagasse Transfer Price, which was first introduced in 1993 and was subsequently challenged and in 1999, Government arrived at an out of Court settlement which is now embodied in the Statute Book.

Section 13 refers to the Sugar Cane Sustainability Fund (SCSF) which stems from the Landell Mills Report and is given as a form of support to planters for remaining in cane. This is in line with the concept of a transfer from consumers to producers for maintaining a product considered as public good.

Needless to add here the positive role of bagasse in avoiding the recourse to fossil fuels with their emissions of carbon dioxide and sulphur dioxide and the positive role of cane in protecting and preserving land resources and avoiding the muddying of our lagoons. Bagasse fulfils the function of a public good which has to be fully reckoned with.

As indicated in a recent report of the International Energy Agency in 2016 the rapid spread of renewable energy is a bright spot in the global energy transition towards a low carbon economy.

The House may note that this is documented in the “The Medium-Term Renewable Energy Market Report 2016”. Renewables accounted for more than half of the world’s additional electricity capacity last year.

Furthermore, the IEA also in its World Energy Outlook 2016 sees broad transformations in the global energy landscape. As a result of major transformations in the global energy system that will take place over the next decades, renewables will play an instrumental role.

Besides, aiming at increasing our production of energy from renewable resource and be less dependent on fossil fuel, we would also be contributing towards achieving the challenge of reaching the pledges made by the Paris Agreement on climate change.

Madam Speaker, Mauritius is a very small country, but we want to show the world that we can play an instrumental role in the fight for reducing carbon dioxide emission. Furthermore, we have the ability to undertake major research project and I am sure the country will benefit enormously from such a framework.

But I must emphasize that in all this strategy we would be working in close collaboration with MARENA and ensure that the best use is made of resource available.

Section 13B departs from bagasse and cane and refers to other biomass, be it of cane, or other origin. The object of this clause is to call upon the MCIA to come up, at least, before the Budget 2017/2018 with a framework. Already work has been undertaken for some forms of biomass, cane trash being one such instance. Biomass, as opposed to solar and wind, provides firm electricity and is expected to be a very important component of the strategy of Government to increase the share of renewable electricity to nearly 40% by 2030.

My Ministry also views the biomass strategy as a complement of its strategy to bring back abandoned land under agriculture. It is worth mentioning that an Agricultural Land Management System, as announced in the Budget Speech 2016-2017, has been set up at the level of the MCIA to make an inventory of abandoned sugar cane land and to see how these lands could be utilised for the production of other biomass, in addition to bagasse, to produce electricity.

Madam Speaker, in clause 7, a new section 15 is being inserted and it deals with the quality of sugar provided to consumers. Henceforth, sugar will have to adhere to national norms as may be promulgated by the Mauritius Standard Bureau and also in line with EU norms.

This measure has to be viewed with the one taken in the Finance Act 2016 to impose a duty of 15% on all sugars that are not destined for refining. This couple of measures, in addition to its impact on consumers, is also expected to give a boost to local refining.

Madam Speaker, my attention has been drawn to some technical parameters that need to be taken on board in this Bill to better differentiate between raw/special sugars and white sugar. I, accordingly, propose to circulate an amendment to that effect at Committee stage.

In clause 8, provision is made for the MCIA to come up with a framework for a sugar based agro-industry. Quality sugar from local refiners and growing demand of sugar based agro products in Africa have motivated Government to move in this direction.

Equally, this move is expected to stimulate the production and use of local fruits as detailed out in the Tenth Schedule. This provision is in line with the policy of my Ministry to

promote the agri-business sector as outlined in the Non-Sugar Sector Strategic Plan 2016-2020.

In clause 9, new sections 15B, 15C, 15D and 15E referring to the Ethanol and Molasses framework are being inserted.

Madam Speaker, Section 15B spells out the main objectives of the framework which, *inter alia*, shall be the mandatory blending of ethanol with mogas, the use of ethanol as a substrate or ingredient, and the use of molasses for syrups and beverages.

The ethanol framework which has been referred to in the 2016/2017 Budget Speech and which we are to finalise before 30 June 2017 comprises five elements –

- (i) the price paid for molasses;
- (ii) the allocation of molasses to various production units;
- (iii) the type and level of blending of ethanol with mogas;
- (iv) pricing of ethanol, and
- (v) practical aspects.

Section 15 C refers to the pricing issue and mentions a basket of values.

1. the price sold to three categories of producers shall be the FOB price determined by the MCIA based on a Rotterdam reference price.

This has already been adopted by the Control and Arbitration Department of the MCIA. This price is around Rs2,000 per ton of molasses

2. the price paid by exporters of molasses which is around Rs2,000/ ton;
3. the price paid by distiller bottlers producing alcohol for the local market, which will not exceed 1.75 of the FOB price mentioned earlier, which is currently Rs3,500, and
4. producers will also benefit from the contributions raised from distiller bottlers and which amount to Rs40 per litre of absolute alcohol sold on the local market.

As for bagasse, this is also a transfer from consumers to producers so that they sell molasses at a reasonable price to processors and in turn consumers are procured with goods at affordable prices. It has never been the intent of the legislator to allow a transfer from consumers which ends up overseas.

Current molasses production amounts to 130,000 tons, the Control Board allocated 65,000 tons to Omnicane, 35,000 tons are used by potable alcohol producers and the rest is exported by one company.

For the future, a Joint Committee will be established so as to ensure optimal value addition from molasses. This Committee will abide by four objectives and rational criteria –

- (i) Equal saturation of installed capacity as at January 2016;
- (ii) Viability of the distillery engaged in the production of ethanol for blending with mogas;
- (iii) The efficiency of conversion of molasses, a figure of 250 litres has been taken;
- (iv) An amount to be allocated to potable alcohol distilleries.

I understand from the MCI A that the allocation exercise would be completed before 28 February 2017 so that operators have sufficient time to prepare themselves for crop 2017. This allocation would be, of course, modified should conditions of *force majeure* arise.

Three options have been examined, one where the percentage of ethanol in the blend is 10% , requiring some 16 million litres in the immediate to medium term, a percentage of 5% requiring 8 million litres and a percentage of 2.5% requiring 4 million litres.

No decision has yet been taken except that the percentage cannot go below 2.5%.

Once allocation is known, work will commence on the pricing mechanism and suffice it to say that the consumer will not make further sacrifices, it has already made an effort equivalent to Rs170 m.

The Bill would have covered 3 out of 5 aspects of an Ethanol Framework.

Madam Speaker, clause 12 deals with labour issues.

The employees of the sugar cane industry are an important stakeholder and, therefore, it is a *sine qua non* condition that due consideration be given to their interest.

I must say that we firmly believe and have given the required consideration through the consultation process.

We have consulted the employees of the industry through their trade union at various stages in the process.

We had first met the Trade Union during the study and after the publication of the LMC Report. They had also the opportunity to express their views on the proposed amendments to the legislation.

It is important to apprise the House that this Government has always given due consideration to the interest of the employees and this dates back in December 1988 when the Sugar Industry Efficiency Act was passed.

It is good to remind the House on some of the provisions contained in that legislation, namely –

- (i) Redefinition of Permanent labour;
- (ii) Seasonal Employment. In fact, Seasonal Labour goes as far back as the early 70's;
- (iii) Review of Productivity Bonus;
- (iv) Review of Pension Scheme;
- (v) Fairness in recruitment, and
- (vi) Provision of Training Facilities.

I would like to come to the provision which we are introducing in this Bill, Madam Speaker.

We know that the issue of the permanent and seasonal labour remains a sensitive issue and this has remained so for a very long time.

The House will note that the issue of seasonal labour was canvassed by the Joint Negotiating Panel (JNP) and the then Mauritius Sugar Producers Association (MSPA) at the level of the Commission for Conciliation and Mediation (CCM). Agreement could not be reached at the level of the CCM and this item was included in the Arbitration set by Government in 2014.

The recommendation of the Arbitrator on this particular dispute was as follows and I quote -

“This Arbitration therefore recommends that Section 34 and Section 35 should be amended -

- (i) to clear all ambiguities, and

(ii) more importantly, to cater for the current needs of the sugar industry.

In this regard, it considers that for any specific year, the number of man-days allowable should be a reasonable percentage of man-days of the total labour force in the previous year.”

This Bill provides for the continuation of the process in order to find a satisfactory outcome which will suit the need of all the stakeholders.

It is appropriate for me to say that we cannot just come up with a figure out of the blue and think that it will work and it will fit the need of one and all.

There is need to for proper analysis and this task has been given to the MCIA and together with the relevant stakeholders will find the necessary solution.

This will, of course, be in close collaboration and consultation with the Ministry of Labour, and all the stakeholders.

The option proposed is the most plausible one and I am confident that we shall find the appropriate formula.

Madam Speaker, in clauses 14 and 15, land conversion is rendered business friendly.

First, land not under cultivation 10 years before an application for land conversion is made is henceforth not considered as agricultural land and is excluded from the purview of the SIE Act.

Second, generally small owners of land acquired in past agricultural *morcellements* would more easily convert their land when they need it for residential and other development purposes.

Third, the creation of land conversion rights to allow greater flexibility in use for entitlements earned in the context of the sugar reform and land exchange.

Fourth, the possibility to use the land conversion rights for smart cities.

Fifth, limitations on the transfer of LCRs to smart cities.

Sixth, increasing the extent convertible by any given planter registered with the SIFB on 31 May 1999 from one *arpent* to one hectare or 2.37 *arpents*, and

Seventh, exempting small planters buyers of plots of land from larger units from the payment of land conversion tax.



Clause 18, Madam Speaker, relates to consequential amendments

Four Acts are amended, namely the Employment Rights Act, the Land (Duties and Taxes) Act, the MCIA Act, and the VAT Act.

The Employment Rights Act is amended to cater for a new situation regarding the employment of seasonal labour. An issue that I have already dealt with when examining the SIE Act.

The Land (Duties and Taxes) Act is amended to include LCR in the definition of the term “property”. This will allow the holder of such a property to be exempted from land transfer tax and registration duty whenever a LCR is transferred in an intra-group situation. Such a benefit accrues to numerous assets, tangible and intangible, of a group.

The MCIA Act is amended in numerous sections.

Firstly, in sections 4 and 5 to expand the powers and functions of the MCIA in many respects such as biomass energy production, enhancement of competitiveness.

Secondly, in sections 8 and 9 by fundamentally reviewing the Board so that it becomes lean and definitely more efficient. The Board of the ex-Mauritius Sugar Authority which was so efficient and effective is being emulated.

Thirdly, the MSA is once again emulated by re-establishing the Advisory Council with a very broad reaching membership.

Fourthly, in sections 25 and 28 to allow for the movement of syrup from one factory to another. This is likely to be an occurrence in the future.

Fifthly, in section 47 regarding the contribution paid by distiller bottlers. The contribution is being extended to imports of rum, operators refusing to pay are being brought into the fold and payments are being limited only to molasses being used locally.

In the fourth amendment, bagasse and molasses are moving from the status of VAT exempt items to that of zero VAT. In Clause 19 provision is made on savings regarding the FORIP which is being phased out and replaced by the SPRP. Clause 20 provides for the proclamation of the different sections of the Act at different dates.

Madam Speaker, my Ministry had extensive consultations with all the stakeholders in the sugar cane industry on the proposed amendments. I personally chaired a number of meetings and I must say I was impressed by the high level of the discussions and the valuable proposals and suggestions made. I would have liked to take all these on board but,

unfortunately, this has not been possible. I would, therefore, wish to commend all the people who actively participated in the discussions and I thank them for their positive contribution.

I am sure that hon. Members on both sides of the House have fully appreciated the difficult situation in which the sugar industry is finding itself today. There is indeed an urgent necessity for appropriate remedial measures to be taken to put the industry back on track with a view to ensuring its sustainability and viability.

I hope that there will be unanimity for this Bill to go through and I appeal to all stakeholders to see the global picture in these times of danger and not to think of short-term personal interests. In any case, Government will take all its responsibilities to ensure the full and comprehensive development of the industry.

Madam Speaker, with these words, I commend the Bill to the House.

Thank you.

**Mr P. Jugnauth rose and seconded.**

**Madam Speaker:** Hon. Osman Mahomed!

(5.12 p.m.)

**Mr Osman Mahomed (Third Member for Port Louis South & Port Louis Central):** Thank you, Madam Speaker. Madam Speaker, we have always been saying that we want Mauritius to become like Singapore. When late Lee Kuan Yew, former Prime Minister of Singapore, visited Mauritius, he is reported to have asked one question and that is: for how long are we going to grow sugar cane on this little rock in the Indian Ocean? This is a fundamental question at this juncture.

On our little rock today, Madam Speaker, nearly 90% of people own their own homes freehold while almost 90% of Singaporeans can only rent their apartments from Government under hundred-year leases. Why am I saying all this? It is because it has to do with paragraph 2 of the Explanatory Memorandum which mentions the opportunity that is being given to make other amendments to the Act to remove obstacles in the way of business facilitation more particularly in respect to land conversion.

Madam Speaker, Mauritius does not have the same geographical advantage as Singapore and, here, I have in mind a hinterland like Malaysia which is a walking distance away along the coast way. We all know how Singapore gets its water from Malaysia through pipes. Do we have this facility? The answer is no and we need to preserve our green areas so that our rainfall patterns do not suffer. Optimising land use through an effective and efficient

land use and planning process is a matter of survival for that small little rock that we are. It is an important central element of sustainability and it is a first question of mine I should like to put to the hon. Minister today. Can we afford to anyhow convert agricultural land into concrete without some sort of control in the light of the issues that I have just raised?

Madam Speaker, in inaugurating the bio fertiliser plant of the MCFI in February 2015, the Rt. hon. Prime Minister said, and I am here quoting from "*Le Mauricien*" of 24 February 2015 –

*« Nous ne laisserons jamais tomber les petits planteurs. »*

And he went on to say, and I continue –

*« Malheureusement, les petits planteurs ont vécu un calvaire avec le gouvernement travailliste. »*

Madame Speaker, is it not the Mauritius Labour Party which engineered the historical Government of Mauritius MSPA deal of 05 December 2007 which, *inter alia*, provided for a 35% participation of planters and workers in the equity of the new ventures - I am here referring to power plants, refineries and distilleries - of the reform sugar cane industry? For, it is part of this historical deal as well that 2,000 acres of land which were accrued to Government for food security and social housing projects, one of the biggest realisations of democratisation of the economy.

*(Interruptions)*

Initiated by the Labour Party in 2005!

**Madam Speaker:** Hon. Osman Mahomed, please no talking with any Member!

**Mr Osman Mahomed:** Okay, thank you. We heard this year during Parliamentary Questions that the process of land acquisition is ongoing, land being accrued to the Ministry. Well, since the Government says it is more caring towards *petits planteurs*, maybe another question of mine would be whether these same *petits planteurs* have been properly consulted in the wake of the preparation of this Bill? Well, I have been told that following representations made by the State Law Office about the absence of appropriate consultations in the process, a meeting with these important players was held last September. But, has the

draft Bill been made available to them prior to its finalisation and presented before this august Assembly? So, this is a question of mine.

Madam Speaker, I now would like to comment on some elements of the Bill and the first one would be the Sugar Cane Sustainability Fund as per Clause 13 (A). On reading this part, one has the feeling that the drafting is vague and open. Now, more specifically, how does the Sustainability Fund address the core issue of determining a fair price of bagasse for the planters? This has been a long debated issue, that the distribution mechanism of the Bagasse Transfer Price Fund (BTPF), how does the Fund strike the right balance between what the IPPs which are currently receiving 50 per cent, I am given to understand, of the BTPF of an annual estimated Rs64 m. and what the planters *de surcroit* owners of the bagasse have been claiming for years, that is, they should receive the totality thereof? How does the BTPF strike the right balance? This is the third question of mine.

I'll now turn to Clause 13(B) of the Amendment Bill on the Renewable Sugarcane Industry Based Biomass Framework which is being re-engineered so as to enable Mauritius to best fulfill its international commitments. What are those commitments? Have they been specifically quantified for the biomass sector? Talking about figures, let me mention some of them! When Mauritius obtained its independence in 1968, it used to depend to the tune of 60% of renewable energy from bagasse and hydro combined. These were the main sources. Today, bagasse and hydro combined amounts to only approximately 17%. Figures might have changed a little bit but they are almost there. So, out of which 4% is hydro and about 13% comes from bagasse.

Well, in this Bill, it is said that the Renewable Sugarcane Industry Based Biomass Framework shall include such items and such incentives as may be prescribed. Does the hon. Minister not consider this mandate to be too vague? What additional measures will be taken so that discussions will not be sterile leading to a waste of funds?

Madam Speaker, another section of the Bill I would like to probe into, is section 15A on the proposed Sugar Based Agro-Industry Framework, which seeks to -

‘(...) promote sugar-based agro-industry and to generate value added sugar and other sugar products through the use of local raw materials (...).’

Although it is specified that the Mauritius Cane Industry Authority (MCIA) shall develop and monitor a framework to be known as the Sugar Based Agro-Industry Framework, can the

hon. Minister enlighten the House about what the real mandate given to the MCIA will be? In concrete terms, how will all this benefit the sugar cane industry stakeholders? How will the value addition be harnessed? Through what mechanism will any surplus proceeds reach planters and others?

I'll now come to Ethanol and Molasses Framework, clause 15B –

**“15B. Ethanol and Molasses Framework**

- (1) The Mauritius Cane Industry Authority shall develop and monitor an Ethanol and Molasses Framework.”

Is the MCIA already staffed to drive such a project? Madam Speaker, during my term in office when I was heading the *Maurice Ile Durable* Project at the Prime Minister's Office, I have requested the *Alliance Française de Développement* to undertake the following studies - *Etude d'évaluation de l'intérêt des véhicules fonctionnant à l'éthanol et des véhicules électriques, inter alia*. I am going to table a copy of the gist of it later. In there, I'm going to quote one specific paragraph and I think it would be of interest to the hon. Minister –

« *Il vaut mieux commencer par une introduction à 5 % (...)* »

And the report goes on to say –

« (...) *pour éviter toutes risques techniques qui se traduiraient inévitablement par des conséquences politiques. Il est recommandé de lancer une nouvelle campagne d'essais (...)* »

Further testing -

« (...) *à 5 % et 10 % sur une large gamme de véhicules et anciens, notamment sur des motos et des bateaux.* »

*Bateau* is very important; I am going to come to that later. Now, I have three questions, therefore, for the hon. Minister today. Will these tests be carried out? This is my first question. Why is the present Bill, in talking at paragraph 15B 2(a) about –

“(a) the mandatory blending of ethanol with mogas;(...)’

silent on the percentage of blending which is of paramount importance? I do recon that the hon. Minister mentioned some figures just now 2.5%, 5% and 10% which is good, but the

law is at this moment silent. Are we going to follow the regulations made to the Consumer Protection Act for blending of ethanol to occur, which regulations came into operation on 03 January 2012? Will this still prevail? This is a question that I would like to ask the hon. Minister. My third question relates to the introduction of ethanol in certain types of engines which are not without any consequences. Lower calorific value of ethanol and cold start engine having difficulty to start in certain vehicles are well known inconveniences whereas for cars the consequences of an engine not being able to start will not be life-threatening. The same cannot be said for a boat. Can we imagine a fishing boat not being able to start its engine out there in the open sea because of a cold start? A cold start means that the engine does not want to start because of the new type of fuel in there. What guarantee can the hon. Minister provide to the House, to the fishing community and to the *plaisanciers* that the mandatorily blended ethanol with mogas, that they will be purchasing at the pumping station for their boats, will guarantee them a safe return home after a hard day's work? It is a question that I would like to put to the hon. Minister. That is why I stress on these testing things.

Now, the previous Government could not fully implement the ethanol blending project precisely and exactly because this mandatory blending issue, which I do reckon, is not going to work. It is a fact! You have to blend mandatorily for it to become successful. I fully agree with that. So, it is a catch-22. All stakeholders were unanimous in saying that if the consumer is left with a choice at the pumping station, they will never opt for the blend; they will buy the pure mogas. So, the hon. Minister have a tough task ahead. Secondly, what will be the price per litre of ethanol before blending? If it is going to be the same price as CIF of mogas, then, maybe, we have to revise our copy because ethanol has got a lower calorie value and its own inconveniences. It's not going to work. *Les gens vont rouspéter* because they will be buying a fuel of different characteristic for the same price.

Madam Speaker, I now move to clause 15C of the Amendment Bill which deals with revenue to planters from molasses. As rightly stated, molasses from canes supplied by the cane planters belong to the planters themselves and are sold by the MCIA on their behalf. Molasses are used for several purposes including production of potable alcohol which is also known as *alcool de bouche*. Now clause 15C (b) deals with the sale price for exports. Now, a first question here to the hon. Minister will be: what is the rationale in having the sale price for exported molasses to be equal to the deemed FOB price and not the CIF price. If the distillers were to import this raw material, how much would they have had to pay for? Is it going to be

higher? Is the 1.75 factor, which the hon. Minister highlighted upon just now, which dates back several years now, I'm given to understand, still relevant or must it be revised so that the planters and distillers, so to speak, *vont se retrouver au bout du compte*.

In preparing for this speech, I have talked to a few people and I have been informed that planters had received Rs3,016 for a ton of molasses in 2009 whereas this year they are expected, so I am told, an approximate Rs2,000 a ton in this year's harvest. *Est-ce que les petits planteurs ont vraiment vécu un calvaire avec le gouvernement travailliste?*

Madam Speaker, I now come to the proposed Advisory Council as per clause 10A. I am given to understand that there was an Advisory Council under the defunct Mauritius Sugar Authority which was replaced by the Mauritius Cane Industry Authority in 2011. What is the difference between the deceased one and the new Advisory Council? Is the inclusion of representatives of IPP's and refineries in the Council's membership the only difference or is there more to it? May I invite the hon. Minister to enlighten the House on this?

Madam Speaker, I'll now move to clause 15 - New sections 28A and 28B on Land Conversion Rights and Incentives to Smart Cities respectively. Like everybody else in the House, I have been reading newspapers and I was dumbfounded to read what Rezistans ek Alternativ had to say in *Le Mauricien* of yesterday. I was compelled by this. From Rezistans ek Alternativ, I quote -

*'(...) les amendements que souhaite apporter le gouvernement, en toute discrétion et en urgence absolue, à la Sugar Industry Efficiency (SIE) Act offrira honteusement le plus gros «jackpot» jamais consenti aux barons sucriers depuis l'indépendance. Associés à la Smart City Scheme et aux amendements à la Non-Citizen Property Restriction Amendment Bill, (...)'*

which we just discussed and voted -

*'ces amendements que le ministre de l'Agro-industrie et de la Sécurité alimentaire proposera demain à l'Assemblée nationale (...)'*

which is today -

*'et qu'il espère faire adopter après quelques heures de débats, sans opposition semble-t-il, feront le plus grand plaisir de certains privilégiés.'*

This is what *Rezistans ek Alternativ* had to say yesterday.

*(Interruptions)*

**Madam Speaker:** Hon. Rutnah, no provocative remarks!

**Mr Osman Mahomed:** Well, that being said, Madam Speaker, at the same time there is a feeling, whereas planters are occupying marginal lands and are being forced to remain in a loss-making activity, powerful corporate groups, according to them, are being incentivised to plant concrete on prime agricultural land. Now, is there anything new for them in this Bill? This is the question. Some are even telling me - but I will mention it anyway – ‘*pistaches pour planteurs, caviar pour barons.*’ So, food for thought!

*(Interruptions)*

Madam Speaker, when I was at the Maurice Ile Durable Commission, I had received in 2013 a very interesting email from a French promoter regarding 55,000 planters. It is quite short and I’m going to read it in a fast forward mode, if I may.

*“ Bonjour M. Mahomed,*

*Je reviens vers vous suite à notre rencontre. C’est avec grand plaisir que nous vous informons que nous sommes à un stade final concernant l’ouverture du capital de notre société de ferme éolienne de Plaine des Roches à hauteur de 49% à SIT (55,000 petits actionneurs et planteurs de cannes). Ce sera un avancé majeur pour Maurice concernant la démocratisation de l’économie.*

*Nous pensons être prêts pour une éventuelle pose de première pierre en votre présence pour début décembre 2013. Nous vous tiendrons informés de la suite.”*

This was in December 2013 when we were discussing about the laying of the foundation stone by the former Prime Minister. Less than a year before the general elections of 2014, this is the same project that hon. Collendavelloo inaugurated last week, during which he made the following statement –

*“Seki en deux ans PTR pane kapav fer, en deux jours monn kapav fer. Monn guet PM, monn dir li pas kapav laisse enn projet coumsa dormi et PM inn apporte so l’aide’*



We have worked so hard on this project. Less than a year before, Madam Speaker...

*(Interruptions)*

**Madam Speaker:** Hon. Rutnah, once again, no provocative remarks!

**Mr Osman Mahomed:** Less than a year before the general elections, although I was not the Minister of Energy, I can say from the position I was holding that every effort was made to have everybody on board, including planters and today this is a reality.

To end, Madam Speaker, the hon. Minister has mentioned about personal interest. I was born and bred in Port Louis, far away from the sugar industry. There is not an inch square of sugar cane in my constituency. My family members have never been sugar cane land owners, but one thing I know for sure is that our sugar planters have had an immense contribution to our once monocrop sugar-based economy. God has blessed us and today we are a well-diversified economy. We have been blessed and with hard work. And I hope the hon. Minister will take every care in ensuring that all stakeholders are taken on board as well. In the light of the points I have mentioned and also the precautionary measures I have highlighted, be it on sustainability point of view, be it on ethanol point of view and be it on land management for a sustainable development.

I thank you for your attention.

**Madam Speaker:** Hon. Collendavelloo!

(5.34 p.m.)

**The Vice-Prime Minister, Minister of Energy and Public Utilities (Mr I. Collendavelloo):** Madame la présidente, je prends la parole...

*(Interruptions)*

**Madam Speaker :** Hon. Collendavelloo, you will have to resume your initial seat when you speak.

**Mr Collendavelloo :** I apologise. It is now my new seat, but never mind I will come here.

*(Interruptions)*

**Madam Speaker** : Not officially !

**Mr Collendavelloo** : There has been a lack of communication. Next time! Tomorrow, we will set all matters right.

*(Interruptions)*

I am not going to make a fuss about it !

**Madam Speaker** : No discussion on this ! I have not as yet seen any correspondence on this matter.

**Mr Collendavelloo** : Surely, it is not a matter for a fuss except for fussy people.

Madame la présidente, je prends la parole cet après-midi afin de bien faire ressortir d'abord que le sujet des petits planteurs de cannes et de l'industrie sucrière en général est une question d'intérêt national.

Deuxièmement, pour ma part, je prends également la parole afin de bien faire ressortir qu'il y ait maintenant un partenariat émergent entre le secteur des petits planteurs et le secteur de l'énergie. C'est pour cela que je dois regretter quand même les premières paroles de l'honorable Osman Mahomed qui crut qu'il était nécessaire pour lui de faire de la politique partisane sur ce dossier. Mais ceci étant, y sera bien servi car je pensais qu'après le discours tout à fait dénué de partisanerie de la part de l'honorable ministre de l'agriculture, le parti travailliste aurait suivi dans cette ligne. Heureusement, puisque ce genre de langage ne lui sied pas particulièrement. Après deux paragraphes, il retourne à ses bonnes habitudes de bon technicien pour expliquer son point de vue qui peut être valable et qui peut ne pas être valable sur le projet de loi qui est devant nous.

Laissez-moi dire que je n'ai pas l'intention d'être très long pour cette intervention. Mais je suis d'accord avec l'honorable ministre de l'agriculture et avec l'honorable Osman Mahomed.

*(Interruptions)*

En parlant de cela, moi aussi je ne suis pas lié à l'industrie sucrière. Mes parents n'ont aucune relation avec la plantation de cannes. Je ne prends même pas du sucre dans mon thé. C'est pour vous dire. Donc, je suis tout à fait objectif comme l'honorable Osman Mahomed.

Nous sommes d'accord que les petits planteurs ont fait de Maurice ce qu'il est, mais pas seulement les petits planteurs, les petits boutiquiers des campagnes, les petits cordonniers, tous les petits acteurs de l'économie mauricienne ont fait de la république de Maurice ce qu'elle est aujourd'hui. Reconnaissons-le une fois pour toute et c'est la fin de ce débat.

Le problème, c'est qu'il y a eu deux évolutions. Premièrement, à partir des années 82/83, il y a eu une évolution rapide en guise d'ascension sociale de la communauté des petits planteurs. Qu'on ait été adversaire, qu'on ait été allié, on est obligé de reconnaître que ce n'est qu'à partir de ces années 82/83 qu'il y a eu cette ascension sociale qui a permis aux fils des petits planteurs de devenir ce qu'ils sont aujourd'hui, des professionnels. Évidemment, abandonnant la terre, mais deuxièmement cet abandon, ils avaient l'explication toute prête pour eux. À partir d'un certain moment, la terre ne devenait plus rentable.

Et Maurice se voyait et se voit toujours dans une voie où cette agriculture risque de se perdre. J'adore écouter le parti Travailleurs. Je suis étonné par leur langage. Ils ne font absolument rien à part de pondre des discours et de raconter du verbiage. Ils disent : « En 2007, nous avons dit que nous allions faire ça. En 2009, nous avons mis le rapport... » Qu'est-ce qui a été fait ? Quelles sont les réalisations ? On n'entend absolument rien sur les réalisations.

L'honorable Osman Mahomed prend l'exemple de Plaine des Roches. C'est vrai, lui, je sais, en tant que président, je crois de Maurice Ile Durable, il avait tout fait pour que cette éolienne puisse être en marche. Rendons à César ce qui lui appartient. Mais, l'autre César, le plus grand des César, qu'est-ce qu'il a fait ? Absolument rien ! C'est vrai, l'inauguration sous le régime Travailleurs devait avoir lieu en décembre 2013. Lorsque j'ai pris mes fonctions de ministre, c'était un des premiers dossiers qui me fut présenté et le promoteur venait en pleurant, en disant : « Regardez toutes ces années que j'ai perdues ! » Nous avons mis et ils ont été d'accord de mettre le *Sugar Investment Trust* à 49%. Ils ont tout fait. Il m'a dit : « Le gouvernement me bloque. Pourquoi ? » Parce qu'ils avaient un problème de *wayleave*, on ne laissait pas le fil passer sur le terrain pour aller rejoindre de câble du CEB. Pourquoi ? A cause de l'aéroport de Plaine des Roches !

*(Interruptions)*

Pourquoi ce n'est pas vrai ! C'est écrit. Et l'aéroport de Plaine des Roches, tout cela c'est que les éoliennes devaient déranger certaines personnes qui voulaient des nuits de toute quiétude

dans les parages. J'ai eu les correspondances sur les *wayleaves*. J'ai ces correspondances comment le bureau du Premier ministre vient donner des ordres au ministère de l'Énergie sur la question de *wayleave*. Et moi, ce que j'ai fait en deux jours, je n'ai même pas eu besoin d'aller voir, j'ai téléphoné au Premier ministre, j'ai téléphoné à mon ami, l'honorable Soodhun. Le *wayleave* était bloqué, la première turbine est fixée et l'autre jour je suis venu faire l'inauguration. C'est vrai, des projets furent initiés. C'est vrai, les petits planteurs avaient été associés. Mais, sur papier, en action, zéro ! Je vais vous dire, Madame la présidente.

D'abord, le *Sugar Cane Sustainability Fund*...

*(Interruptions)*

Je vais revenir à vous, honorable Mohamed, tout à l'heure d'une façon beaucoup plus positive.

Le *Sugar Cane Sustainability Fund*, vous savez cette histoire de petits planteurs qui va à la faillite. Je ne suis pas petit planteur, ni connecté à de petits planteurs, mais je connais la souffrance que mes amis, fils de petits planteurs me communiquent. Quelques mois de cela, mon ami, l'honorable ministre de l'Agriculture, me parle de cette douleur. Nous parlons des comptes du *Central Electricity Board* - parenthèse s'il vous plaît - avec la chute des prix du pétrole. Ce n'est pas de mon fait. C'est une heureuse coïncidence que je sois nommé ministre et qu'après un mois ou deux, les prix commencent à chuter et le CEB fait des profits extraordinaires, inattendus. C'est ce qu'on appelle un *windfall gain*. Ce qui permet au CEB de se lancer dans un vaste programme d'investissement avec des fonds propres. Mais, en même temps, nous n'oublions pas les petits planteurs. A peu près R 134 millions par an – R 137 m., enfin, à peu près R 134 millions cela veut dire R 137 millions – R 137 millions pour être précis, que le CEB contribue au *Consolidated Fund* pour que ce soit ensuite transféré aux petits planteurs.

Donc, quand nous regardons la section 13, comme nous disons *everybody must do its bit*. C'est pour cela que le ministre pourra prescrire, après consultation avec le ministre des Finances, après consultation avec les ministres responsables, et bien sûr au Conseil des ministres, venir dire que certaines autorités qui ont les moyens auront à contribuer pour les petits planteurs. *Well, that is social Government! That is a Government which thinks ahead! A Government which cares!* Et cela c'est l'idée de ce fonds qui est mis en place! Je prends acte des questions et des interrogations de l'honorable Osman Mahomed qui sont tout à fait

justifiées. C'est vrai que ce texte ne parle pas de la façon dont ce sera distribué, des formules qui seront appliquées et comment cela va se faire, mais ce sera *prescribed by regulations*, et le Parlement pourra, en temps opportun, si jamais le ministre est devenu irrationnel dans sa démarche, se prononcer contre la démarche du ministre. Je suis sûr que le ministre pourra plus tard répondre à cela.

Je viens maintenant aux énergies renouvelables, la clause 13B. Il y a deux choses que j'essaie de faire: d'abord encourager Alteo à conclure un contrat où il se servirait de la paille de cane et de la bagasse à condition que les planteurs soient bien rémunérés. Parlons-en de cette rémunération! Elle est inadéquate et c'est pour cela que ce fonds est créé pour justement refaire l'équilibre entre ce que je crois, aujourd'hui, R 125 par tonne de sucre, que le petit planteur reçoit comme prix de la bagasse pour être transféré et ensuite transporté en énergie. Cela est insuffisant. Il faudra revoir avec les *IPPs*. Par chance, c'est sous mon mandat que certains contrats de *IPPs* arriveront à expiration. J'aurai la tâche de renégocier ces accords et d'avoir le meilleur *deal* possible pour les petits planteurs. Je ne vais pas porter le chapeau seul. Je vais chercher le secours du ministre des Finances, celui de l'Agriculture, et éventuellement, la protection du Premier ministre dans cette aventure, car ce sera une véritable aventure.

Vous, Madame la présidente, qui avez été étroitement associée à cela dans une vie antérieure, vous savez de quoi je parle. Et là, maintenant, l'aventure commence avec ce texte de loi. La biomasse, les produits de la canne et les cannes à haute teneur de fibres au lieu de sucre pour qu'ils soient convertis en énergie.

Vous avez eu la sagesse de nommer au MARENA, Madame la présidente, et mon collègue l'honorable Hurreeram et mon collègue l'honorable Osmad Mahomed qui font tous les deux un travail non partisan au sein de ce MARENA. Je me souviens que les gens avaient exprimé quelques appréhensions lors de cette nomination d'un député Travailleur au sein du MARENA mais je regardais surtout et uniquement sa connaissance scientifique parce que je sais qu'il sera d'un apport. Le *Chief Executive Officer* a été nommé. Ca va commencer et avec MARENA ce nouveau programme *Renewable Sugarcane Industry Based Biomass Framework* va aider les petits planteurs dans cette vaste aventure de production d'énergie.

Mais pas seulement le petit planteur de cannes, l'énergie solaire peut également aider à une agriculture raisonnée, à une agriculture où bénéficiant des fermes solaires photovoltaïques le planteur peut produire, à part sa canne à sucre, des légumes bio et le future

est déjà dans le présent. Mon ami et collègue, l'honorable Rutnah, m'a fait goûter, il y a deux jours, des ananas produits dans sa circonscription par un petit planteur de qualité d'exportations inouïes et c'est ce genre d'aventure que le partenariat entre agriculture et énergie pourra faire de Maurice une nouvelle envolée vers le développement agricole parce que c'est de cela qu'on parle.

Donc, Madame la présidente, je crois avoir fait le tour de la question sauf à dire un dernier point. Le CEB a incorporé, suite à un amendement au *CEB Act*, une compagnie, le CEB Green Energy Limited. Dans un premier temps, ce sera le *CEB* seul qui se lancera dans le développement de cette société. Par la suite le petit planteur sera associé au développement de cette société où les fils de petits planteurs devenus ingénieurs agronomes pourront trouver leur travail, pourront trouver de quoi aider la relance de l'énergie renouvelable à Maurice.

Merci beaucoup, Madame la présidente.

**Madam Speaker:** Hon. Minister Bholah!

(5.54 p.m.)

**The Minister of Business, Enterprise and Cooperatives (Mr S. Bholah):** Madam Speaker, the Bill presented today by the hon. Minister of Agro-Industry and Food Security stems from the challenging conditions which our sugar industry is being confronted with.

Sugarcane fields have been a predominant feature of the Mauritian landscape for over three centuries now and the industry has had to take up several challenges for years, notably with the abolition of the 35-year old Sugar Protocol, entailing the end of guaranteed prices and markets. The industry is also in anguish over another *échéance*, that is, the liberalisation of the EU sugar production quotas as from September 2017 - next year - which would lead to enhanced competition for white sugar on the EU market.

Madam Speaker, sugar production has decreased from 521,540 tons in 2005 to 401,140 tons in 2014. The extent of land harvested has decreased from 67,400 hectares to 49,790 hectares during the same period. The profit margin has decreased for all stakeholders, particularly the small planters.

A dramatic change is to be expected for the Mauritian cane sector which is already in hardship. There has been a negative impact on the international competitiveness of our sugar industry which will now have to find its place in a completely open market and to fair with

the ensuring fall in sugar price. As per the European Commission's prospects for EU Agricultural Markets and income for the 2014 to 2024 period, it is expected that prices will remain below 500 to 550 Euros per ton until 2017, to then return to current levels of close to 400 Euros per ton thereupon.

Madam Speaker, in his PNQ addressed to my colleague, the hon. Minister of Agro Industry and Food Security on April 08, 2015, the then hon. Leader of the Opposition rightly expressed his concerns thereto and enquired about the measures that Government is proposing to take to support the sugar industry to ensure its sustainability and survival. Traditionally, the Mauritian Government has always attached great importance to the sugarcane industry and has all the time taken appropriate actions to enable the sector to meet the different challenges that have arisen over the years. The House can rest assured about the fact that the same commitment applies to this Government, which is determined to spare no effort for the successful restructuring and consolidation of this highly significant sector.

Madam Speaker, this is indeed why the Ministry of Agro Industry and Food Security promptly commissioned a study undertaken by Landell Mills Consulting (LMC) on the multi-sectorial impact on Mauritius following the abolition of internal quotas of sugar on the EU market. The proposed amendments to the Sugar Industry Efficiency Act stem from the Report of LMC and will facilitate the implementation of the measures prescribed by this study, measures that will be instrumental in the sector's capacity to face the upcoming challenges.

Sugar is the history of Mauritius. The lineage of 80 per cent of the population is linked to people who came here because of sugarcane. We all live in a landscape that is harmoniously shaped by sugarcane fields. Above all, this sector has contributed greatly to the economic and social development of the country. At the level of my Ministry, that is, the Ministry of Cooperatives, we are aware of the number of secondary employment created by SMEs who indirectly service the industry. There are also some successful SMEs engaged in producing, for instance, sugar cubes and spice-scented sugars involving persons not necessarily coming from a planter background.

In addition, the sector will always have an important role to play not only in producing sugar but also in relation to energy, ethanol, preservation of the environment and prevention against soil erosion. It is important to see the multifaceted aspect of sugarcane so as to grab the relevance of the Sugar Industry Efficiency (Amendment) Bill.

Indeed, few people are aware of this plant's role for the maintenance of the sanctity of the pristine lagoons of the country which are so vital for the tourism industry - this is particularly due to the cane plant's very deep and broad radicular system that protects soil against erosion. Likewise, the sugarcane plant is of all cultivated plants, the one that has the highest efficiency in the capture and use of solar energy and in so doing is a major carbon dioxide sink. Also, the sugar sector provides some 15% of the electricity production of the country through the use of bagasse, thereby avoiding the import of some 200,000 tons of coal or some 80,000 tons of high sulfur heavy fuel oil.

In fact, we always say that Mauritius is at disadvantage on the world scene as it has no natural resources, but bearing in mind its highly multi-functional aspect, it is fair to affirm that sugar cane is our prime natural resource, an '*atout*' that is fully mastered by Mauritians. After all, it is not a matter of coincidence that the Mauritian know-how in sugar cane technology is world renowned. The Mauritian factory model is often portrayed as a best-in-class case study in international forums, notably as far back as 1957, the Mauritian sugar cane industry has pioneered the industrial best practice of generating electricity from sugar cane's by-product bagasse for sale to the national grid.

Madam Speaker, *on ne peut donc pas se permettre de ne plus avoir l'industrie sucrière*. Mauritius cannot, for a host of reasons, afford a demise of the sugar industry. Sugar, which is a public good, has a prominence which goes far beyond its assessment for purposes of GDP. If we think about it, sugar cane could have been the national symbol of Mauritius. It after all holds a prominent place on the coat of arms and thus contributes to the 'Star and Key of the Indian Ocean' status of our country. The green of our national flag represents the agriculture of Mauritius, which is mainly composed of cane cultivation. Mauritians are emotionally attached to this industry and we have the duty of taking the most adequate measures to ensure its sustainability and survival. This has to be done as part of a patriotic impetus.

The sustainability aspect of the industry, which is at the core of the proposed amendments, is becoming an increasingly important differentiator in sugar marketing and this is precisely what is today at stake. Its viability also is endangered with the European Union beetroot growers now in a strong position, Mauritius will yield less from exports proceeds in this market. Through the amendments of the SIE Act, this Government has the very challenging task of engineering a bold reform for the sugar sector. We are conscious that we



urgently have to adopt a different approach to address the challenges ahead, without which we can expect to see a further significant contraction of the sector, the consequences of which will be far-reaching, directly affecting livelihoods, the environment, the economy and the energy matrix.

Madam Speaker, the severity of the challenge facing the industry calls for a major rethinking and thus a departure from the business-as-usual approach. On top of that, a complete change in the mindset of the producers is vital. We need to spur the emergence of a new sugar industry, which means new ways of doing things, new paradigms and the shedding of past privileges.

The SIE (Amendment) Bill clearly makes provision for the obvious fact that with the new context, sugar on its own will not be able to ensure the long-term viability of the industry. There is, indeed, no other option but to exploit all the co-products of the industry to the maximum, produce value added products and bring along the much needed additional revenue which the industry needs at this very challenging time. We must now think in terms of competition in a globalised world and the response to change has to start now and not in 2017, when it will be too late. The amendments to be effected to the Sugar Industry Efficiency Act today are precisely meant to ensure that the sugar industry operates with the maximum efficiency in the new commercial set up and that timely measures are taken to prepare it to bear the shock of 2017.

Madam Speaker, I would like to emphasise on two aspects of the proposed amendments, namely the establishment of the Ethanol and Biomass frameworks, as they are clear indications that despite the gravity of the situation, this Government has the stature to initiate actions that can transform threats into opportunities. We could have settled for the strict minimum, by simply taking remedial action that ensures that the industry could “*garder la tête hors de l’eau*”, and thus stay in a mere survival mode. But we want to achieve more and we want the industry to achieve more. If we take the case of the development of an Ethanol Framework as per new clause 15B, which caters for the mandatory blending of mogas and ethanol for use in the transport sector by 2017, Government is creating an enabling environment for the industry to maximise on a segment that holds major promises in the third decade of the 21<sup>st</sup> century. This will signify a major advancement for the transport sector as it will allow the country to move to an E10 mode. Oil economics and availability and additional carbon dioxide emission limitations will most certainly, as from the next

decade, require a major shift in the transport sector from fossil to biofuels and the revamping of the sugar industry through, *inter alia*, the Ethanol Framework, will enable Mauritius to be in the forefront when it comes to the new era that is lurking in the transport sector.

Moreover, it is projected that using E10 as a biofuel in the Mauritian transport sector will save about 80,755 tons of gasoline by year 2017. It must also be noted that, through the Ethanol Framework, Mauritius will be sending a strong signal with regards to its COP 21 pledge to adopt strategies to substantially cut transport emissions. The establishment of this mandatory framework derives from a precise assessment of the wide-ranging potential of sugar cane with regard to environmental preservation and aligns in the direction of greening the economy, which are on top of the agenda in today's modern world. Madam Speaker, our sugar may not be among the most valuable commodity today, but we should not underestimate the growing concerns about the impacts of climate change and the dependence on fossil fuels that are slowly but surely intensifying interest in bioenergy from sugar cane.

This sets the tone for the amendment proposed in clause 13B, which advocates the development of a Sugar Cane Industry-based Biomass Framework. Far from being a crop of the past, sugar cane affords a formidable opportunity for the country to attain its goal of 35% renewable energy in electricity production in 2025. This would reduce the contribution of coal, with consequent benefits on foreign exchange, the revenue of the sugar industry, the mitigation of the enhanced greenhouse effect and the reduction of the volume of coal ash. The cane biomass industry has very often been viewed with the blinkered perspective of a long history and there has been a great reluctance to date to foster this activity. But bearing in mind the effective use that our industry makes of bagasse, which generates around 15% of the electricity consumed on the island, and the untapped potential of other cane biomass like sugar cane top, green leaves and trash, we sense that this is the time for the optimal and effective development of a proper biomass industry, thus urging the amendment proposed in clause 13B.

The country, and the Energy component of the Sugar Industry, indeed cannot miss the opportunity of optimising the use of sugar cane bagasse while at the same time endeavour to favour the setting up of a suitable mechanism for the use of biomass other than bagasse. As the hon. Minister of Agro-Industry and Food Security stated, we have moved from the sugar industry to a cane industry; probably, we will move again to a biomass industry now and the

Biomass Framework as stipulated in the proposed amendments of the SIE Act is the most appropriate foundation to this burgeoning segment.

Madam Speaker, The Landel Mills Report which constitutes the basis for the proposed amendments to the SIE Act draws attention to the problem of abandoned cane land. Indeed, some 11,595 planters have moved out from sugar cultivation from 2005 to 2015. A survey conducted in 2010 by the Sugar Insurance Fund Board has shed light on the reasons of cane abandonment, namely that planters are ageing, the new generations are not willing to take over and that investment in cane is not remunerative vis-à-vis other activities. I hereby wish to add that at the level of my Ministry, and more specifically at the Cooperatives Division, we are working on ways of addressing this problem and we will carry out further survey early next year to obtain relevant information and data on land abandonment by sugar cane planters in cooperative societies in view of initiating appropriate actions.

Madam Speaker, given the multi-functional characteristic of cane, abandonment presents sustainability challenges in the short-term from an economic, social and environmental perspective. These results, *inter alia*, in the loss of raw materials for ethanol and electricity production, potentially accelerated soil erosion and a negative impact on our CO<sup>2</sup> footprint. Above all, these will further impact on the viability and feasibility of the Mauritian sugar industry, which is a *scénario catastrophe* that we are determined to avoid through the revision of the relevant regulatory framework.

As stated by the Minister of Agro-Industry, the production for the year 2014 roams around 400,000 tons of sugar with a surface area covered of about nearly 50,000 hectares for the future. If we are to keep on with that industry, we believe that we have to stabilise the production around that figure of 400,000 tons and it is thus implicit that for us to be able to produce that amount of sugar, we need to maintain that level of land under cultivation.

So, through the amendments of the SIE Act, one of the aims of the Government is to ensure that the number of people moving out of cane cultivation should be curbed down so that we could continue with that level of land under cane cultivation to be able to produce the stipulated amount of sugar.

Madam Speaker, we should namely commend the remuneration mechanisms proposed in clauses 13A and 15D mainly as we should not forget that one of our major concerns in this revamping of the sugar industry is also the well-being of all partners,

particularly the most vulnerable, that is, small planters and workers. By ensuring a source of revenue for planters, such a measure intends to act as an incentive for them to stay in business. The setting up of a Sugar Cane Sustainability Fund as per new Clause 13A fits into this perspective. Under this Fund, a planter producing up to 60 tons of sugar is eligible for compensation of Rs1,100 per tonne of sugar. The compensation payable to planters producing more than 60 tons of sugar is Rs300 per tonne. Such a measure will certainly contribute to mitigate losses of producers. The Government has also already increased the price of bagasse and the distillers' contribution. The amendments to the SIE Act go further by advocating in clause 15D the establishment of a remuneration mechanism for producers of biomass through the Joint Molasses Allocation Committee – this will ensure a source of revenue for planters not only from sugar but also from value-added products, which is a major shift in the sense that they were getting paid for only sugar before.

Madam Speaker, with regard to my Ministry, I am adamant on creating the enabling conditions for the cooperatives sector to be at the service of the proposed reengineering of the sugar industry. It is worthwhile to note that the Cooperative Cane Sector in Mauritius comprises of 143 Cooperative Credit Societies and a federation, namely the Mauritius Cooperative Agricultural Federation Ltd. It is estimated that over 50% of the small cane producers are grouped into cooperatives and the contribution of the sector accounts for some 10% of the national production of sugar. For instance, we have been working relentlessly to disseminate the fair-trade concept among cane sector cooperatives so as to maintain the industry by providing planters with an opportunity to have additional revenue from their activity.

Indeed, we believe that the small cane producers of Mauritius have an opportunity to take a unique place in the global market place by producing fair-trade special cane sugars to extremely high social and environmental standards. We believe they could set the benchmark for other sugar industry players. The structure of the industry in Mauritius favours the type of small planter who is eligible for fair-trade status which may not be the case in other producing nations.

According to information that I have, there are 38 fair-trade certified cooperative credit societies. The certifying body is FLO-CERT. The amount of sugar produced on fair-trade terms increased from 3,000 tons in 2009 to 37,000 tons in 2015. The cumulative fair-trade premium distributed to the cooperative credit societies for Crop 2009 to date amounts to

more than Rs250 m. It is worth noting, Madam Speaker, that for each tonne of sugar produced, there is a premium of 60 dollars that come to the cooperative societies. As I mentioned, the cumulative amount received so far is Rs250 m. just for the cooperative societies.

This is a real opportunity for Mauritius to capitalise on its strengths of high social and environmental standards and a system that looks after the livelihoods and futures of its small planters. My Ministry has taken note of the objective of the Mauritius Sugar Syndicate to increase fair-trade certified sugar from 22,000 to 40,000 tons and the Cooperatives Division has embarked on an endeavour to prioritise the re-grouping of small planters and of small cooperative societies for them to benefit from the fair-trade certification regime and thus gain additional revenue.

Madam Speaker, section 15 of the SIE Act is being repealed and replaced so as to, *inter alia*, provide for the sugar sold on the local market to comply with quality norms established by the Mauritius Standards Bureau as it has been established that imported refined sugar is not always of the desired quality. From my point of view, this provision is a bold and topical measure aimed at protecting our local industry from the excesses of trade liberalization. This process resulting from globalization calls for immediate action and I hope that such a provision will set a precedent when it comes to other locally manufactured sectors that are increasingly suffering from the surge in imports.

As the House is aware, Mauritius has a negative trade balance and the local industry, which is mainly composed of SMEs, deplores several unfair factors that lead to a market in which their products are not on the same level-playing field as those that are imported. This is particularly true when it comes to the issue of norms, which are not necessarily followed by imported products that nevertheless freely invade the market, much to the detriment of the local industry and of local consumers. Sugar is no exception to this differentiation that makes no sense and I am glad that the Minister of Agro-Industry has had the courage to come up with a measure that will enforce the introduction of quality standards that will apply to refined sugar both imported and locally produced, thus ensuring the same level-playing field between both categories of sugar.

Madam Speaker, the Bill, presented today, is also in line with the spirit of Budget 2016-2017 when it comes to public sector reform for more efficiency. Indeed, the Mauritius Cane Industry Authority (MCIA) Act is the subject of consequential amendments so as to

provide for the setting up of a reduced Board for more effectiveness and for the establishment of an Advisory Council composed of stakeholders of the sugarcane industry to support the Board in the discharge of its functions. The current Board of the MCIA being interest-based, it would be totally inappropriate, in its actual form, to implement the major measures needed to enable the sugar industry to withstand the daunting threats ahead. This institution has been introvert in its approach and is no longer active in domains outside sugar. Once again, we should underscore the clear-sightedness of the Government to take remedial action and to revitalize the MCIA through a different board structure and a different *modus operandi*, the ultimate objective being its reengineering into a lean, efficient, up-to-date, producer-funded and research-led centre. In a context where the focus will henceforth be on the optimal development of cane biomass, this new formula will be an asset for the producers and the country, and through the proposed amendments to the SIE Act, the MCIA will be more empowered to focus on its mission to steer the sugar industry in times of very rough seas to safe shores.

Madam Speaker, change is the only constant in the world in which we live and we have no choice but to change with it. Regulatory frameworks, among others, also need to change to adapt to prevailing threats and opportunities. By definition, the SIE Act is an Act aimed at providing an efficient and viable sugar industry, and efficiency and viability being characteristics depending on external factors. It is obvious that change is inherent to the Act about which we are today debating.

Minimising contraction and abandonment of cane lands, maximising small planter participation in the sector, limiting reliance on fossil fuels for electricity generation and maintaining the greatest possible contribution of the sector to Mauritian society and environment, Madam Speaker, this is, in a nutshell, what is being targeted by the Sugar Industry Efficiency (Amendment) Bill. It is not the first time that legislation is being enacted to establish the most appropriate framework for the sugar industry. In 1988, the Sugar Industry Efficiency Act, in the form of an omnibus piece of legislation, came into being and it was subsequently amended to follow up developments in the sugar industry. This legislation has, on three occasions, amended various pieces of legislation and the same approach is hereby being prescribed in 2016 for the forthcoming overhaul of the sugar industry. It thus goes without saying that the SIE Act has been constantly updated, needs to be updated today and will certainly know other updates in the future to reflect the changes in the industry landscape.

Mauritius is a resilient country and, throughout its history, the sugar sector has always suffered aftershocks and had to face great difficulties, but we have always been able to respond positively and put the sector back on track. The sugar cane crop itself is quite revealing - sometimes the stalks stand up straight, and at other times, they slant ; they bend but they don't break - a built-in resistance for survival on a windswept island. The resilience of the plant is itself somewhat reflective of the country at large and of the sugar industry.

Today, the political will to ensure the long-term viability of the sector through the adoption of a coherent and well-focused approach with the SIE (Amendment) Bill is unequivocal. We have the imperative of leaving a legacy to the future generations – many would argue that the future lies in technology, but I believe a lot in the blending of tradition and modernity as guardian of the most sustainable legacy that we can leave, such a blend being more loyal to the identity of the country as well as of the industry.

With the Sugar Industry Efficiency (Amendment) Bill, I am confident that we will be leaving a legacy which emphasises the flexible and adaptive nature of the industry which is today being geared to serve the purpose of solving the concerns of the modern world with regard to Co2 emission, the greenhouse effect and the need for renewable energy, for example. The future generations will be left with the image of a traditional crop that has the ability to bring modern solutions thanks to the *savoir-faire* of fellow Mauritians, and I hope that this will encourage them to strive to preserve the industry and to continually innovate to unlock its full potential.

There is no doubt that the SIE (Amendment) Bill, when adopted, will be a landmark in the history of the sugar industry as with the proposed amendments, the narrative of a long-expected death will again prove ill-founded. The Mauritian sugar sector was said to be heading towards economic disaster after the European Union scrapped its Sugar Protocol in 2007 and sugar prices subsequently fell. The decisive blow is expected to come with the dismantlement of the system of sugar quotas in 2017. But this scenario will not take form because we are promptly implementing reforms and a strategic repositioning of the sector by transforming it to a sugar cane processing, value-addition and biomass industry. I am confident that the Sugar Industry Efficiency (Amendment) Bill is a crucial milestone in the reinvention of the Mauritius Sugar Industry and that it will serenely pave the way for a sweet renaissance of the sector.

Thank you, Madam Speaker.

**Madam Speaker:** Hon. Jhuboo!

(6.23 p.m.)

**Mr E. Jhuboo (Third Member for Savanne & Black River):** Thank you, Madam Speaker, for giving me the opportunity to comment on the Sugar Industry Efficiency (Amendment) Bill. Madam Speaker, I will be very brief.

Madam Speaker, Government is coming with this piece of legislation in the light of the abolition of the quotas from the European Union to give a boost to the sugar cane sector. There is the creation of the Sugar Cane Sustainability Fund to increase, to structure the production of sugar cane and bagasse, the creation of Renewable Energy Framework, the Ethanol and Molasses Framework, the Sugar Based Agro-Industry Framework. *Mon collègue parlementaire, l'honorable Shakeel Mohamed a déjà couvert la majorité de ces préoccupations.* So, I will go, basically, to the land exchange mechanism. This is the main issue I wanted to tackle.

Madam Speaker, I have gone through many speeches delivered by different Members from this Government when they were in Opposition in 2013, when the SIE Act was amended. They systematically pointed fingers to the sugar barons *et ont crié sur tous les toits à qui veut l'entendre, que c'est une réforme pour le gros capital.*

Madam Speaker, I have always been factual, not *démagogique* and I will not depart from that principle. *Je ne souhaite pas non plus m'aventurer dans un débat stérile avec le Premier ministre adjoint sur ce qui a été dit ou pas. Finissons cette année d'une manière élégante! Après tout, le Président John Kennedy disait toujours que le succès a plusieurs papas et l'échec est toujours orphelin. Donc,* let us move on.

Madam Speaker, as I mentioned before, I wanted to speak on the land exchange mechanism. Mention is made at clause 4 that the total acreage of land to be acquired by Government shall not exceed 100 hectares. *Donc, 236 arpents!* Now, my question to the hon. Minister is the following: how will this work in practice? Will it be on a first come, first served basis? If one comes with the 100-Acre proposal and another one comes with the 136-acre proposal, *quel mécanisme sera mis en place pour la repartition de ces 236 arpents?*

Madam Speaker, there is a very subjective line between land development and the need for our Agro-Industry to be sustainable and the sharing between *les grosses propriétés sucrières, les moyens et les petits planteurs et les droits de conversion.*



Madame la présidente, encore une fois, ce gouvernement, comme ceux qui lui ont précédé, se sont contentés d'obtenir une réserve de terre, un *land bank*, sans vision stratégique. Ce qu'il faut c'est une vision d'aménageur. Tous les groupes sucriers, grands, petits, moyens possèdent des terres stratégiques dans chaque ville, autour de chaque village de Palma à Bambous, de Chemin Grenier à Mahébourg et dans tous ces endroits, nous avons besoin de logement. Nos concitoyens vivent dans une proximité déplorable.

Nous avons besoin de terre pour des écoles maternelles, des écoles primaires et des écoles secondaires. Nous avons besoin de terre pour des écoles professionnelles, pour des zones industrielles, des zones artisanales, des zones informatiques, pour des besoins de santé, pour des infrastructures sportives. Bref, tout ce qui rentre dans la planification des villes. L'Etat n'a pas besoin de terre en *bulk* dans des endroits retirés, mais à la limite des villes et des villages.

Maurice en entier a besoin de cet apport de terre aux abords des centres urbains pour se réoxygéner. Malheureusement, il n'en est pas fait provision dans ce projet de loi. L'Etat a mis en place une coquille, *Land Scope Mauritius*, un organisme qui est censé servir de coquille, d'identifier les besoins de chaque ville et village et préempter des terres et les mettre à la disposition des autorités. Claude Wong So, dans une interview la semaine dernière, disait la chose suivante –

« Depuis la création de Port-Louis par Mahé de Labourdonnais en 1735, jamais plus il n'y a eu de planification pour la création d'une ville. Des quartiers disjoints se sont agglomérés. A un moment, on a considéré qu'ils constituaient des agglomérations. »

Madame la présidente, je crois qu'il est primordial, qu'il est impérieux de revoir ce modèle de sélection de terre dans le cas d'échange entre le privée et le public. Il faut réinventer la planification de nos terres, la location de ces terres, le choix de ces terres. Il faut le faire avec intelligence, professionnalisme et discernement.

Merci.

**Madam Speaker:** Hon. Seeruttun!

(6.29 p.m.)

**Mr Seeruttun:** Madam Speaker, I would like to avail of this opportunity to thank all Members from both sides of the House for their intervention and reassure them that focused attention would be given to the pertinent points raised in the implementation of the Act.

Once again, Madam Speaker, we all know that the sugar industry had reached the crossroad a long time back and this Government, aware of the risks looming ahead, had come up with a number of initiatives to steer the industry in a proper direction in order to remain competitive and viable.

There were very clear signs from the international scene that the industry would be facing serious threats and challenges to remain competitive in the near future. This has been confirmed with the studies undertaken both nationally and internationally. So, this is yet another major step to ensure that the industry does not lose track of the road which had been traced for it to remain viable. It is also true to say that whenever there are threats, there are also opportunities and most important of all, there is a need to identify those opportunities.

Government had published a Sugar Sector Strategic Plan 2001-2005 in June 2001 which paved the way for the industry to take the necessary reform process. In order to carry out the reform process successfully and promote the development of the industry and render it competitive there is a need to have a paradigm shift from the traditional manner of carrying out the business of the industry to one based on the exploitation of creativity and innovation. This entails a radical alteration of processes through the re-examination of all assumptions. All these activities need to be supported by proper policies and the timely implementation of these policies. This Bill supports this endeavour in a significant manner.

Madame la présidente, l'honorable Osman Mahomed a posé pas mal de questions et l'une d'entre elles était combien de temps on va continuer à produire la canne à Maurice. Si on ne fait rien aujourd'hui c'est sûr qu'il n'y aura pas d'avenir pour le secteur de la canne et c'est la raison pour laquelle on est là aujourd'hui pour préparer cette industrie à faire face à tous ces défis qui nous guettent, afin de continuer à donner le support qu'il faut à tous les partenaires de cette industrie, afin d'assurer qu'elle est viable et puisse continuer à se diversifier à l'intérieur même parce qu'on ne parle plus que du sucre aujourd'hui. On parle au-delà du sucre et c'est cela qu'on veut faire.

Notre objectif au niveau du gouvernement est d'assurer qu'il ait au moins 50,000 hectares de terre sous cannes et qu'on produise 400,000 tonnes de sucre...

**Mr Osman Mahomed:** Can I raise a point of order?

**Madam Speaker:** The hon. Member wants to raise a point of order, not of clarification?

**Mr Osman Mahomed:** Yes, point of clarification, sorry.

**Madam Speaker:** Okay!

**Mr Osman Mahomed:** This is not what I said. I quoted Mr Lee Kuan Yew when he visited Mauritius and he asked the question. I said we have to grow sugarcane. I did not say until when, I said we have to grow because it is a real sustainability issue. I was trying to make the difference between Mauritius and Singapore because Mauritius does not have a hinterland and its very survival depends on its green sector. This is what I meant.

**Mr Seeruttun:** C'est noté, Madame la présidente, mais c'est bon quand même de faire ressortir que notre objectif est de garder cette industrie viable et pour le faire justement il y a une série de mesures qu'on est en train de proposer pour s'assurer qu'aujourd'hui les producteurs ont suffisamment de revenus pour pouvoir couvrir les coûts de l'opération. J'ai parlé du *viable price* qui est de R 16,000 alors que le prix du sucre était de R 13,000 en 2014 et 2015. C'est avec tous les *frameworks* dont on parle, l'*ethanol framework*, le *biomass framework*, sont des *guidelines* qu'on est en train de mettre en place afin de préparer cette industrie de pouvoir se diversifier et permettre à tous les producteurs de pouvoir gagner leur vie dans cette industrie.

Toujours l'honorable Osman Mahomed parlait de ce fameux *deal* de 2,000 arpents entre le gouvernement d'alors et la MSPA qui date de 2007 où mention avait été faite d'une participation à hauteur de 35 % des planteurs dans les différentes industries et dans cette grande industrie cannière qu'on allait développer. On peut se poser la question, Madame, où en est-on aujourd'hui, presque 10 ans après et qu'ont-ils fait? Est-ce que ces planteurs ont eu droit à une participation dans ces différentes industries qu'on a créées, autour de cette industrie cannière?

Un *Cane Democratisation Fund* devait être créé. Rien n'a été fait, Madame la présidente! L'argent a été placé dans un *Warehouse Fund* quelque part avec la *SIC* et j'apprends, quand je suis arrivé ici, comme ministre de l'Agro-industrie, que cet argent qui devait justement acheter des actions dans ces différentes raffineries a été placé dans le groupe *BAI*! Alors, qui était le président du *State Investment Company* à l'époque et quel était son intérêt de placer cet argent dans le groupe de l'*ex-BAI*? Donc, l'honorable Osman Mahomed parle des grandes annonces faites à l'époque par le gouvernement Travailleiste, qu'ils allaient

démocratiser le secteur, accorder la possibilité aux petits planteurs d'être partie prenante de cette industrie mais rien n'a été fait malheureusement, Madame la présidente.

Aussi sur l'acquisition de 2,000 arpents de terre appartenant à l'industrie sucrière, l'accord avait été signé en 2007. Un accord qui devait expirer 10 ans après, c'est-à-dire en 2017. J'ai pris ce dossier quand je suis arrivé au ministère. Huit ans après, sur les 2,000 arpents que le gouvernement devait acquérir, plus de 50% de cette superficie qui devait être acquise était encore en suspens. Durant cette année 2016, j'ai présidé au moins six réunions avec les gens de la *MSPA*. Aujourd'hui la *MSPA* n'existe plus mais ils ont pris l'engagement d'honorer cet accord et j'ai eu une réunion il n'y a pas longtemps, quelques semaines de cela, et on veut, d'ici juin 2017, tout compléter. L'honorable membre parle encore une fois de ce fameux *deal* comme si ils avaient fait des choses extraordinaires pour les petits planteurs. Non, Madame la présidente!

Il a parlé de cet *Ethanol Framework*, le mélange de l'éthanol et de l'essence. C'était aussi un projet qui date de plusieurs années. Je suis sûr qu'il est au courant car il était le responsable du MID et qu'il était donc partie prenante de ce projet. Qu'est-ce qu'on a fait ? Et pourtant dans cette réforme de l'industrie sucrière, où l'union européenne donnait de l'argent pour pouvoir nous préparer pour faire face à cette baisse du prix du sucre, un des indicateurs était de pouvoir implémenter ce projet.

Il y a eu des essais, qui, paraît-il, étaient concluants et on sait tous qu'au Brésil et en Inde, c'est déjà une réalité et ça fonctionne, mais ici je ne sais pas pour quelle raison c'est resté dans un tiroir. Ce qui est dommage, Madame la présidente, on a perdu presque R 200 millions qui devaient être versées par l'Union Européenne si on avait justement implémenté ce projet. La faute à qui ? Voilà comment le pays était géré sous l'ancien régime, Madame la présidente ! On vient nous dire aujourd'hui que les planteurs étaient mieux lotis avant sous l'ancien régime ! Moi, je n'y crois pas ! Il parlait du prix de la bagasse, le *fair price*. Pendant 30 ans, ils ont eu R 125 à R 130 par tonne de sucre pour la bagasse. Pendant les 10 ans vous étiez au pouvoir...

*(Interruptions)*

**Madam Speaker:** Order !

**Mr Seeruttun:** Madame la présidente, rien n'a été fait. En une année, nous, on est venu avec une mesure pour augmenter ce prix, sortir de R 125 pour passer à R 1,225 pour les

petits planteurs. Madame la présidente, 1,000 % d'augmentation! En sus de cela, Madame présidente, que n'a-t-on pas fait pour les petits planteurs depuis 2015 ! On a accordé une compensation de R 2,000 par tonne de sucre et pour les petits planteurs cette compensation était de R 3,400. Avec le *bottle's fee*, aujourd'hui par tonne de sucre ils auront R 540. On a exempté les petits planteurs du paiement de la prime d'assurance qui équivalait à R 700 par tonne de sucre. Avec ce qu'on vient de proposer avec ces amendements, Madame la présidente, il y a encore d'autres mesures concernant la mélasse. Tout à l'heure-là, l'honorable Shakeel Mahomed parlait de R 3,016, le prix de la mélasse, mais ce n'est qu'une partie. J'avais dit dans mon discours que la mélasse qu'on produit est vendue à trois catégories de personnes. Le R 3,016 dont on en parle c'est ce qui est vendu aux producteurs de *potable alcohol*. Lorsqu'on fait un *average* du prix, cela revient autour de R 2,000. Donc, je ne dirais pas que c'est de mauvaise foi, mais c'est quand même pas correcte de dire que le prix en 2009 était à R 3,016 et aujourd'hui c'est à R 2,000. C'est totalement incorrect de votre part!

Madame la présidente, tout à l'heure-là l'honorable membre disait qu'on vient d'accorder un jackpot au *Corporate* et que les petits ont des pistaches. Pas de caviar! Moi, j'ai toujours appris que les gens qui ont de la classe qui mangent du caviar. Il sait de quoi je parle. L'honorable Jhuboo aussi a parlé de cela comme si on est en train d'ouvrir la porte au *Corporate sector*, de convertir leur terre sous canne pour d'autres projets sous le *Land Conversion Rights*. C'est totalement incorrect! Ce qu'on est en train de faire c'est que tous ceux qui ont le droit de convertir leur terre sans avoir à payer la taxe - le *land conversion tax* - parce qu'ils ont encouru des dépenses lorsqu'ils ont fait des *VRS*, des *Blueprints* et autres *ERS*. C'est dans le cas de la réforme dans le secteur, ils ont eu droit - cela ne date pas hier - à la possibilité de vendre une partie de leur terre et qu'ils soient exemptés de cette *Land Conversion Tax*. Donc, il y certains qui ont ce droit de pouvoir convertir, mais qui ne veulent pas le faire parce que, peut-être, leur terre est encore une terre fertile pour produire la canne ; mais, on leur donne la possibilité de vendre ce droit. Donc, la superficie qu'on peut convertir reste la même. C'est juste la possibilité de transférer cela à quelqu'un d'autre. Donc, il n'y a pas de jackpot, l'honorable Shakeel Mahomed ! Pas de caviar non plus !

On parle aussi de ce projet, la possibilité d'échange de terre. La question de l'honorable Jhuboo était : comment on va attribuer cela, est-ce que ce sera on a *First Come First Serve* ? Mais ce n'est pas cela. Ce n'est que quand le gouvernement a besoin de faire l'acquisition de terre pour tel ou tel projet, qu'on fera appel à ces propriétaires de terre pour

faire l'acquisition à un prix nominal et en échange ils auront le droit de convertir d'autres terrains.

**Mr Jhuboo:** Madam Speaker, on a point of clarification.

**Madam Speaker:** Yes!

**Mr Jhuboo:** Je souhaite clarifier certains points. Je n'ai jamais mentionné ni questionner votre choix de 2:1. C'est dans le mécanisme de sélection des terres que je disais que l'Etat a besoin de terre aux abords des villes et pas de terre en *bulk* dans certains endroits. Donc, c'était plus une réflexion par rapport à ce mécanisme d'échange et non pas de terre en *bulk*.

**Mr Seeruttun:** Madame la présidente, encore une fois, cela va dépendre des projets dont le gouvernement compte entreprendre et par rapport à cela, on ira vers ceux qui détiennent ces terres-là et on va proposer ce genre de facilité pour pouvoir les acquérir à un prix nominal. Donc, sans avoir à déboursier une grosse somme d'argent. On a mis 100 hectares aujourd'hui parce que notre besoin est de 100 hectares pour le moment. Si le besoin se fait sentir à l'avenir, on pourrait considérer. Le but, comme j'ai dit, de notre secteur, on ne veut pas diminuer la superficie des terres qui sont actuellement sous canne ; on ne veut pas encourager non plus les gens à convertir leur terre qui sont actuellement sous canne. Je crois que cela répond un peu aux appréhensions et aux questions posées par les différents intervenants.

*Pour conclure*, Madam Speaker, the finalisation of this Bill and the implementation of the provisions of the project and measures recommended, the industry is embarking on a course of action of immense importance and this to structure and consolidate the sugar industry globally.

The Bill again will help and support the industry in its quest to overcome the threats and challenges that it is facing. With the globalisation of the trading system, the need to be competitive in order to survive is becoming ever so important and the sugar industry is no exception to this basic rule.

Underlying all the efforts that need to be employed by all the stakeholders and the employees servicing the industry is the pursuit of a paradigm shift based on a new culture and a new relationship. One where each and every one supports the global needs of the industry

rather than looking from an industrial perspective. It is fitting to emphasise that Government has taken its decision and there is need for other stakeholders to follow.

With this, Madam Speaker, I thank you.

*Question put and agreed to.*

*Bill read a second time and committed.*

## **COMMITTEE STAGE**

*(Madam Speaker in the Chair)*

### **THE SUGAR INDUSTRY EFFICIENCY (AMENDMENT) BILL**

**(No. XXXVII of 2016)**

*Clauses 1 and 2 ordered to stand part of the Bill.*

*Clause 3 (Section 2 of Principal Act amended)*

*Motion made and question proposed: “that the clause stand part of the Bill.”*

**Mr Seeruttun:** Madam Chairperson, I move for the following amendment in clause

3 -

- “(i) by inserting, after the proposed new definition of “Ministry”, the following new definition –
  - “MS 193/2016” means the Mauritian Standard specification for white sugar declared by the Mauritius Standards Bureau;
- (ii) in the proposed new definition of “raw sugar” –
  - (A) by deleting paragraph (a) and replacing it by the following paragraph –
    - (a) means sugar which does not fall within MS 193/2016; and
  - (B) in paragraph (b), by deleting the word “of”;

*Amendments agreed to.*

*Clause 3, as amended, ordered to stand part of the Bill.*

*Clauses 4 to 6 ordered to stand part of the Bill.*

*Clause 7 (Section 15 of principal Act repealed and replaced).*

**Mr Seeruttun:** Madam Chairperson, I move for the following amendments in clause

7 -

“In the proposed section 15 –

(i) in subsection (1), by deleting paragraph (b) and replacing it by the following paragraph –

(b) has the characteristics specified in MS 193/2016.

(ii) by deleting subsections (2) and (3) and replacing them by the following subsections –

(2) All sugars for home consumption which do not fall within MS 193/2016 shall be considered as raw sugar.

(3) Raw sugar for home consumption shall include –

(a) raw sugar of polarisation not exceeding 99.5;  
and

(b) special sugars as may be prescribed.

(iii) in subsection (9), in the proposed definition of “EEC”, by deleting the word “Country” and replacing it by the word “Community”.

*Amendments agreed to.*

*Clause 7, as amended, ordered to stand part of the Bill.*

*Clauses 8 to 20 ordered to stand part of the Bill.*

*The title and enacting clause were agreed to.*

*The Bill, as amended, was agreed to.*

*On the Assembly resuming with Madam Speaker in the Chair, Madam Speaker reported accordingly.*

*Third Reading*



*On motion made and seconded, the Sugar Industry Efficiency (Amendment) Bill (No. XXXVII of 2016) was read the third time and passed.*

### **ADJOURNMENT**

**The Prime Minister:** Madam Speaker, I beg to move that this Assembly do now adjourn to Wednesday 21 December 2016 at 11.30 a.m.

**The Vice-Prime Minister, Minister of Energy and Public Utilities (Mr I. Collendavelloo) rose and seconded.**

*Question put and agreed to.*

**Madam Speaker:** The House stands adjourned.

### **MATTERS RAISED**

(6.54 p.m.)

#### **PLAINE VERTE - MEDI-CLINIC – AIR-CONDITIONERS & STRAY DOGS**

**Mr Osman Mahomed (Third Member for Port Louis South and Port Louis Central):** Madam Speaker, I will be very brief. I have two issues to raise. Both of them concern my Constituency. The first one is addressed to the hon. Minister of Health and Quality of Life, but I see he is not here. I hope the message will be conveyed to him.

It concerns the Plaine Verte Medi-clinic which is situated at Nyon Street in Port Louis. Now, this building is fully air-conditioned and it has been reported to me by the staff working there that for several months despite several repairs undertaken by the company that supplied these air-conditioners, they are still not working. The cross ventilation in the building is quite poor. So, it is very stuffy. So, patients and medical staff are having a hard time, the more so it is full summer. So, my request is that it be activated at the level of administration because staffs have been reporting the case and it has not been attended.

In there as well, there is a problem of stray dogs. The reason I am reporting it here is because staffs have been telling me that despite the fact that they have written to the administration, no action has followed since then. So, if you could kindly refer the matter to the hon. Minister. This is my first point today.

#### **BOULEVARD RIVAL STREET, PORT LOUIS – SOIL EROSION**

The second one, I will kindly address it to the Rt. hon. Prime Minister. It is concerning an erosion problem at Boulevard Rival Street in Port Louis.

On 27 March 2015, I attended a site visit with respect to the works that will need to be undertaken there given that several buildings and their flooring have been the subject of cracks following landscaping works that were done previously, way before by the NDU there. In the meeting, it was decided that the Ministry of Public Infrastructure will come up with a report. In the meeting, people from the NDU, the MPI and the Municipal Council of Port Louis were present, but it was not clearly stated which department will undertake the work in the light of the report that the MPI will be submitting.

So, because the Prime Minister's Office is the apex Ministry and the NDU is there, can I request the Rt. hon. Prime Minister to look into the matter and to see whether it is going to be the NDU - that it be done fast – or if it is going to be another department that the work be done as promptly as possible because a lot of hardships have been placed by the residents.

Thank you.

**The Prime Minister:** Madam Speaker, we will look into it!

**The Vice-Prime Minister, Minister of Energy and Public Utilities (Mr I. Collendavelloo):** I am going to replace my colleague, the hon. Minister of Health and Quality of Life. Quite apart from the fact that there are procedures to protect members of staff in these situations, I will take it up with the hon. Minister to ensure that something is done to enquire into the veracity of the matter.

**Madam Speaker:** Hon. Tarolah!

### **SEBASTOPOL – ROAD SAFETY**

**Mr K. Tarolah (Third Member for Montagne Blanche & GRSE):** Thank you, Madam Speaker. I wish to bring to the attention of the House a particular road safety problem in the region of Sebastopol. I am talking about the main road through Clavet.

At a dangerous curve, the main road crosses the river l'Étoile around which we have sugar cane fields and vegetable plantations. Sincerely, I feel that this is a situation which we have to consider urgently. During heavy rainfalls, we have a serious problem of soil erosion and with the river being over flooded due to pollution it is very risky to use this road because all *débris* and soil end up on the main road and you cannot identify where the river is and where the road is.

So, I believe that this creates havoc for drivers as well as pedestrians. So, all the buses from different routes like Curepipe, Rose Hill and Port Louis use this road.

So, Madam Speaker, for the security of the inhabitants using the road, I am making a humble request for the Road Development Authority, Traffic Management and Road Safety Unit and the Ministry of Public Infrastructure to consider re-aligning the road there urgently. Like I said before, in this House, we have an obligation to make road safety. So, I am hoping this situation will remedy as soon as possible.

**The Minister of Public Infrastructure and Land Transport (Mr N. Bodha):** Madam Speaker, I thank the hon. Member for raising this issue. I will address the issue with the Road Development Authority and the TMRSU, and if need be, we will have a site visit to see what is the remedy that we can have urgently.

Thank you, Madam Speaker.

*At 6.59 p.m., the Assembly was, on its rising, adjourned to Wednesday 21 December 2016 at 11.30 a.m.*

## WRITTEN ANSWERS TO QUESTIONS

### BIRD FOOD - CANNABIS SEEDS – INQUIRY

(No. B/1164) Mrs D. Selvon (Second Member for GRNW & Port Louis West) asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether, in regard to the Cannabis sativa L. plant, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to if –

- (a) failures have been noted in the prosecution of the provisional charges of trafficking thereof against Mr O. L. and against Mr D. G. respectively, which were struck out in November 2016 and, if so, give details thereof, and
- (b) the Forensic Science Laboratory can chemically and precisely distinguish between species thereof used for food, industrial and medicinal purposes from those used as an intoxicating drug.

**Reply:** I am informed by the Commissioner of Police that on 10 April 2016, ADSU Officers arrested one S. M, owner of a pet shop in Curepipe, for having offered to sell a transparent plastic sachet, containing 86 cannabis seeds, mixed with bird food. During this

arrest, 30 boxes and one plastic bag, all containing bird food suspected to have been mixed with cannabis seeds, were secured by the ADSU Officers.

An enquiry was initiated by ADSU Officers, in the course of which two other persons, namely, Mr O. L. and Mr D. G. were also arrested on 13 April 2016 and 03 May 2016, respectively.

Mr O. L., a French national, is the owner of a pet shop at Grand'Baie. During his arrest on 13 April 2016, 31 boxes and 19 plastic bags all containing bird food suspected to have been mixed with cannabis seeds, were secured.

On the same day, a provisional charge of "Drug Dealing with aggravating circumstances to wit Possession of cannabis for the purpose of Distribution" was lodged against Mr. O. L. before the District Court of Mapou. He was remanded to Police cell and on 25 April 2016, upon a bail motion before the Bail and Remand Court, he was granted bail on a series of conditions.

As for Mr D. G., he is the owner of a pet shop situated at Quatre Bornes and is suspected to be the importer of the bird food secured during the enquiry. On 03 May 2016, on the day of his arrest, his shop was searched but no item was secured. He appeared before the District Court of Mapou on 04 May, on a Provisional Charge of "Drug Dealing with aggravating circumstances" and was remanded to Police cell. Following a bail motion on 06 May, he was granted bail on a series of conditions.

On 11 April 2016, all the exhibits secured from the shop of one Mr S. M. were referred by ADSU to the Forensic Science Laboratory for examination. On 19 April 2016, an interim report was received from the laboratory, confirming the presence of cannabis seeds in the bird food.

The exhibits secured from the shop of Mr O. L. were also referred to the Forensic Science Laboratory for examination. However, the report is still awaited. I am given to understand by the Director of the Forensic Science Laboratory that it is a tedious and lengthy exercise as each box contains on average 1,000 seeds which need to be segregated from the bird food, prior to analysis. The samples are still being examined and, the final report is expected by 30 December 2016.

In regard to part (a) of the question, I am informed by the Commissioner of Police that in the case of Mr. O. L., on 22 September 2016, his counsel moved that the provisional charge against him be struck out as evidence of the presence of any illegal substance in the exhibits secured had not yet been submitted. Subsequently, on 24 November 2016, upon

advice of the Director of Public Prosecutions, the provisional charge against Mr O. L. was struck out.

In the case of Mr D. G., his counsel also moved on 18 November 2016, that the provisional charge against him be struck out. Upon advice of the Director of Public Prosecutions, the provisional charge against Mr D. G. was struck out.

Based on the facts and circumstances of the two cases, there is no reason to believe that there has been any failure on the part of the Police insofar as the striking out of the provisional charges in the two cases is concerned.

I wish to point out that notwithstanding the fact that the provisional charges against Messrs O. L. and D. G. have been struck out, the enquiry into these cases are still underway. On completion thereof, the case files will be referred back to the Director of Public Prosecutions for advice.

As for part (b) of the question, I am informed by the Director of the Forensic Science Laboratory that the laboratory's responsibility in regard to drug cases, is to analyse samples with a view to determining whether they contain psychoactive ingredients which are listed as dangerous drugs under the Dangerous Drugs Act.

Whenever the Forensic Science Laboratory is called upon to analyse suspected cannabis samples, its task is to detect the presence in the samples, of tetrahydrocannabinol, also known as THC, which is the main psychoactive constituent of cannabis. The laboratory needs not distinguish between species of cannabis. Once THC is detected in any sample, whatever the nature thereof, it is considered as being a dangerous drug.

#### **UNIVERSITY OF MAURITIUS – PAUL OCTAVE WIEHE AUDITORIUM - CCTV CAMERAS**

**(No. B/1165) Mr V. Baloomoody (Third Member for GRNW & Port Louis West)** asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether, in regard to the Closed Circuit Television Surveillance System, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to the reasons for the installation of cameras thereof in the Octave Wiehe Conference Room of the University of Mauritius.

**Reply:** I refer the hon. Member to the summing-up speech I made in this Assembly on Wednesday 14 December 2016 in the context of the debate on the Prevention of Terrorism (Amendment) Bill.

I wish to reiterate that the CCTV cameras were installed at the Paul Octave Wiehe Auditorium of the University of Mauritius in order to enhance security in that area especially taking into account that several events are regularly organised thereat, in the presence of important national and international personalities.

As such, I am informed by the Commissioner of Police that in February 2016, the Vice Chancellor of the University gave her approval for the installation of eight cameras in the Paul Octave Wiehe Auditorium.

I am also informed by the University of Mauritius of the following -

- (a) it has placed appropriate notices inside the Auditorium to bring to the attention of users that the area is under CCTV Surveillance, and
- (b) consideration is being given for an appropriate Code of Practice to be adopted and same will be included in the agreements with users of the Auditorium, especially organisations renting it, to address their privacy concerns.

It is worth pointing out that the project for installation of CCTV camera on the University Campus started as far back as 2005. The project is being implemented by the University in a phased manner and is ongoing as it is subjected to financial provision made in its budget. As at to date, 117 surveillance cameras have already been fixed by the University at different locations, both indoors and outdoors. These locations include the library, gymnasium, parking and the Link Bridge Area, amongst others. As such, there is nothing abnormal in the placing of cameras in the Paul Octave Wiehe Auditorium.

#### **PARLIAMENTARY PRIVATE SECRETARIES - PRISONERS - VISITS**

**(No. B/1167) Mr Uteem (First Member for Port Louis South & Port Louis Central)** asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether, in regard to the Parliamentary Private Secretaries, he will, for the benefit of the House, obtain from the Commissioner of Prisons, information as to if permissions have been granted thereto to access prisoners since January 2015 to date, if any, and, if so, indicate in each case the –

- (a) name of the Parliamentary Private Secretary and name of the prisoner visited, and
- (b) purpose thereof.

**Reply:** I am informed by the Commissioner of Prisons that since January 2015 to date, no Parliamentary Private Secretary has been granted access to visit prisoners.

### **COURTS - PROVISIONAL CHARGES LODGED**

**(No. B/1168) Mr R. Bhagwan (First Member for Beau Bassin & Petite Rivière)** asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether, in regard to provisional charges, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to the number thereof lodged since January 2016 to date, indicating the number of persons who are presently on bail in respect thereof.

**Reply:** I am informed by the Commissioner of Police that from January to 15 December 2016, 10,221 provisional charges have been lodged against 8,566 persons before the different courts in Mauritius and Rodrigues.

Out of these 8,566 persons, 7,297 are presently on bail and 1,269 have been remanded to jail.

### **PORT LOUIS THEATRE, PLAZA THEATRE & TOWN HALL OF CUREPIPE - RENOVATION**

**(No. B/1174) Mr F. Quirin (Fourth Member for Beau Bassin & Petite Rivière)** asked the Minister of Local Government whether, in regard to the projects for the renovation of the Port Louis Theatre, the Plaza Theatre and the Town Hall of Curepipe respectively, as mentioned in the Budget Estimates 2016-17, he will state where matters stand.

**Reply:** I am informed by the Municipal Council of Port Louis that with regard to the project Port Louis Theatre, the bidding documents are under preparation and the detailed drawings are expected by end of January 2017. The project would be implemented in two phases. The invitation for bids for the Phase I of the Port Louis Theatre would be made by March 2017.

With regard to the project for the renovation of Plaza Theatre, I wish to inform the House that financial clearance has been sought on 12 December 2016 for the feasibility study for renovation of the Theatre itself, which is the Phase III of the project. As at now, the Phase II, i.e. the renovation of the Salle de Fête and Administrative Block has been completed and the contractor is attending to the snag list.

As regards the Town Hall of Curepipe, I am informed that the project consultant has submitted preliminary and cost estimate reports. The project estimate has been revised from

Rs38 m. to Rs135 m. VAT inclusive and as per the Investment Project Process Manual from the Ministry of Public Infrastructure and Land Transport, the clearance of the Project Plan Committee is required for an increase of more than 15% at pre-tender stage. In this respect, the clearance of the Project Plan Committee has been sought on 09 December 2016. Approval of the Ministry of Finance and Economic Development would be sought to ensure that additional funds would be made available prior to invitation of bids.

Once all necessary clearances are obtained, bids would be invited for all these three major projects, be it for the Renovation of Port Louis Theatre – Phase I, Renovation of Town Hall of Curepipe and Consultancy for Plaza Theatre – Phase III.

### **RICHELIEU - ZEP SCHOOL**

**(No. B/1186) Mrs D. Selvon (Second Member for GRNW & Port Louis West)** asked the Minister of Education and Human Resources, Tertiary Education and Scientific Research whether, in regard to the ZEP School at Richelieu, she will state the performance thereof at the final examinations since 2014 to date, indicating if she is aware of the efforts of some volunteers to improve the performance of the students attending thereto by operating special classes outside school hours and, if so, indicate if such actions will be encouraged by her Ministry.

**Reply:** I am informed that the % pass rates at the Certificate of Primary Education examinations for the ZEP School, Richelieu Government School, from year 2014 to 2016 stand as follows -

<b>Year</b>	<b>% Pass rate at CPE (before resit examinations)</b>	<b>% Pass rate at CPE (after resit examinations)</b>
2014	34.04	38.3
2015	42.62	47.54
2016	33.33	35.09



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I wish to add that, following the results of the CPE 2016 examinations, the Resit Examinations were conducted on 20 December 2016, and in this connection, my Ministry had organised remedial classes from 6 to 16 December 2016 for the benefit of some 3 pupils of the school. Results of Resit exams were proclaimed on 29 December 2016.

With a view to improving the performance of the school, my Ministry posted a Remedial Teacher to the School as from 18 April 2016 to provide dedicated learning support to pupils of Grade 1 having learning difficulties. Furthermore, as from January 2017, the Early Support Programme is being implemented in a number of primary schools where additional support are provided to schools.

I am moreover informed that remedial classes have been conducted by parents after school hours in the Village Hall of the locality. This initiative of parents is indeed a laudable one and is much welcomed. In fact, we are encouraging parents and the Community to get involved in the school life. This synergy with school administration will undoubtedly help to enhance performance of students. It is known that students who find their parents showing a keen interest in their studies, are motivated to perform better.

The engagement of the local community in the school life is in line with the host of measures already being taken by the Ministry to give a new impetus to the ZEP schools.

As announced in the Budget Speech 2016/2017, Community Schools where academic teaching and community engagement are integrated, is being implemented on a pilot basis in 5 ZEP Schools across the 4 Zones, as from January 2017.

We are aware that pupils of ZEP Schools require additional support and in this context, every effort will be put in and all stakeholders concerned will be roped in to ensure that these pupils get quality education and the learning environment is also being upgraded and fortified.

**BAIN DES DAMES, CASSIS, CITÉ VALLIJEE, ETC. - OPTICAL FIBRE  
CABLE NETWORK**

(No. B/1187) Mrs D. Selvon (Second Member for GRNW & Port Louis West) asked the Minister of Technology, Communication and Innovation whether, in regard to Bain des Dames, Cassis, Cité Vallijee and the adjoining regions, he will state why the works in connection with the installation of the optical fibre cable network have been stalled, indicating the expected date on which –

(a) works will be resumed and completed respectively, and

(b) all the customers will be connected thereto.

**Reply:** I am informed by the Mauritius Telecom Ltd. that works in connection with the installation of optical fibre cable network at Bain des Dames, Cassis, Cité Vallijee and the adjoining regions are in progress and have at no point in time been stalled.

With regard to part (a) of the question, I am also informed that the status of the works is as follows –

- (i) regarding Cité Vallijee, fibre deployment has been completed since May 2015, and
- (ii) as for Bain des Dames and Cassis, it is expected that fibre deployment will be fully completed by today.

With regard to part (b) of the question which relates to the connection of customers to the fibre network, I understand that certain minor works, such as installation of customers' premises equipment, will have to be carried out at their places of residence. In all the regions previously mentioned, customers are progressively being connected onto the fibre network subject to obtaining appointments with them.

#### **ENTERPRISE MAURITIUS – CHAIRPERSON - APPOINTMENT**

(No. B/1188) Mr R. Bhagwan (First Member for Beau Bassin & Petite Rivière) asked the Minister of Finance and Economic Development whether, in regard to the Enterprise Mauritius, he will, for the benefit of the House, obtain therefrom, information as to the name of the Chairperson thereof, indicating the –

- (a) date of appointment thereof;
- (b) terms and conditions of appointment thereof, and
- (c) number of overseas missions he has effected since his appointment to date, indicating the –
  - (i) countries visited and duration thereof, and
  - (ii) amount of *per diem* and other allowances paid thereto.

**Reply:** Mr Salemohamed Muhammad Yoosuf was appointed as Chairperson of Enterprise Mauritius (EM) on a contract basis for a period of three years with effect from 05 March 2015. He is paid a monthly fees/allowance of Rs50,000 as follows –

Chairperson Fees	- Rs20,000;
Travelling Allowance	- Rs20,000;
Telephone Expenses	- Rs5,000;
Entertainment Allowance	- Rs5,000.

As regards part (c) of the question, I am informed by Enterprise Mauritius (EM) that since his appointment on 05 March 2015, Mr Salemohamed has proceeded on mission on four occasions, for which the costs were borne by Enterprise Mauritius.

He formed part of official delegation attending the -

1. Buyers Sellers Meeting in Reunion Island from 04 to 08 April 2016;
2. Buyers Sellers Meeting in United Kingdom from 21 to 29 May 2016;
3. Bijorhca in Paris, France from 30 August to 08 September 2016, and
4. The Guangdong Fair in the People's Republic of China from 23 to 31 October 2016.

#### **FOOT AND MOUTH DISEASE - CATTLE BREEDERS - COMPENSATION**

**(No. B/1195) Mrs M. C. Monty (Third Member for Port Louis North & Montagne Longue)** asked the Minister of Agro-Industry and Food Security whether, in regard to the recent outbreak of the Foot and Mouth Disease, he will state if all registered cattle breeders of Constituency No. 4, Port Louis North and Montagne Longue have been compensated for the loss of their cattle and, if so –

- (a) give details thereof, and
- (b) indicate if consideration will be given for additionally supporting them for the consequential loss of income as a result thereof.

**Reply:** I am informed that animals belonging to 26 cattle breeders from Constituency No. 4, Port Louis North and Montagne Longue were affected by the Foot and Mouth Disease (FMD).

Out of the 26 cattle breeders, only 11 were registered with the Small Farmers Welfare Fund.

A total of 344 heads of cattle was culled and the breeders have all been compensated for the loss of their animals. An amount of Rs17.9 m. has been paid to them as compensation.

As regards part (a) of the question, the list of the 26 breeders with details of animals culled and amount disbursed to them as compensation is being tabled.

With regard to part (b), the rate of compensation which was approved by Government, was based on the market price of the animals and their age amongst others. At the time of payment the breeders have signed an undertaking that the compensation was in full and final settlement and to their satisfaction. Hence, no further compensation is envisaged.

However, my Ministry is implementing a number of schemes for the livestock sector and the breeders concerned may be advised to take advantage thereof to relaunch their activities.

### **CIVIL SERVICE COLLEGE - TRAINING COURSES**

**(No. B/1196) Mrs M. C. Monty (Third Member for Port Louis North & Montagne Longue)** asked the Minister of Civil Service and Administrative Reforms, Minister of Environment, Sustainable Development, and Disaster and Beach Management whether, in regard to training courses carried out by the Civil Service College, he will state the number of public officers who have benefitted therefrom over the past two years, indicating the –

- (a) number thereof Ministry-wise;
- (b) modules covered, and
- (c) qualifications of the trainers thereof.

**Reply:** Overall during the past two years, 17,655 public officers comprising Civil Servants as well as officers from parastatal bodies and local authorities, have been provided with specifically designed training courses dispensed by either the Training Division of my Ministry or by the Civil Service College, Mauritius, which started operation in November 2015.

As for parts (a), (b), and (c) of the question, I have caused the information to be laid in the Library of the National Assembly.

### **IMPORTED GOODS – BILLS CLEARANCE**

**(No. B/1198) Mrs D. Selvon (Second Member for GRNW & Port Louis West)** asked the Minister of Finance and Economic Development whether, in regard to the Mauritius Revenue Authority, he will, for the benefit of the House, obtain therefrom, information as to if a massive reduction of the rate of delivery of imported goods thereat has been observed during the months of December to January over the past two years, and, if so, indicate the reasons therefor.

**Reply:** I am informed that there has been no massive reduction in the rate of delivery of imported goods, as measured by the number of Bills of Entry cleared, over the past two years during the months of December to January.

In fact, during the months of December 2014 and January 2015 there were 17,017 and 10,924 bills cleared respectively, that is a total of 27,941 bills.

For December 2015, the number of bills cleared was 16,695 and for January 2016, 11,174 bills, that is a total of 27,869 bills.

The figures show clearly that there has been no massive abnormal reduction in the rate of delivery of imported goods.

### **DEVELOPMENT BANK OF MAURITIUS LTD. - RESTRUCTURE**

**(No. B/1199) Mr R. Uteem (First Member for Port Louis South & Port Louis Central)** asked the Minister of Finance and Economic Development whether, in regard to the Development Bank of Mauritius Ltd., he will, for the benefit of the House, obtain therefrom, information as to –

- (a) the current amount of non-performing loans thereat;
- (b) the current financial situation thereat, and
- (c) where matters stand as to the proposed restructuring thereof.

**Reply:** With regard to part (a) of the question, I am informed that the amount of non-performing loans, as per the Audited Financial Statements of the Development Bank of Mauritius Ltd, stood at Rs2.9 billion out of total portfolio of Rs3.9 billion as at 30 June 2016.

I wish to inform the House that, over the 18 months period 01 January 2015 to 30 June 2016, a total amount of Rs1,198 billion was collected, out of which Rs870 m. was from loan recovery and Rs179 m. from Industrial Estates operations.

With regard to part (b) of the question, the DBM has booked operational profit of Rs8.3 m. for the 18 months period ended 30 June 2016. The Shareholders Fund Account now show a credit balance of Rs1.157 billion compared to Rs421 m. as at 31 December 2014.

Moreover, the debts of the DBM (excluding Government debts) which stood Rs3.2 billion at 31 December 2014 have been substantially reduced to Rs634 m. as at 30 November 2016.

With regard to part (c) of the question, the figures above indicate that DBM is already on the path of restructuring through internal means. In order to make this restructuring more sustainable, the DBM is adopting a multi-pronged action plan, as follows -

- DBM is reviewing its organisational structure and HR matters so as to make optimum use of its resources;

- DBM is consolidating its industrial estate operations and is erecting new SME parks with the assistance of the Government;
- DBM is making focused efforts on recovery of past dues;
- DBM has launched a new micro-credit scheme, with the assistance of Government, where financing is made available to small entrepreneurs at 6% interest per annum with a ceiling of Rs250,000;
- DBM is providing project finance to small entrepreneurs up to a ceiling of Rs3 m.;
- Surplus cash generated by DBM operations are being used to reduce debt burden, and
- DBM is actively looking into other ways and means of generating additional income including through debt collecting agency operations.

#### **MAURITIUS MARITIME TRAINING ACADEMY - APPOINTMENT**

**(No. B/1201) Mr R. Uteem (First Member for Port Louis South & Port Louis Central)** asked the Minister of Ocean Economy, Marine Resources, Fisheries, Shipping and Outer Islands whether, in regard to the Head of the Mauritius Maritime Training Academy, he will, for the benefit of the House, obtain from the Academy, information as to the name of the incumbent thereof, indicating the –

- (a) qualifications and experience thereof, and
- (b) terms and conditions of appointment thereof, including the salary package thereof.

**Reply:** I am tabling the name, qualifications and experience of the Head of the Mauritius Maritime Training Academy.

I am tabling the terms and conditions of appointment of the Head of the Mauritius Maritime Training Academy, together with his salary package.

#### **POLICE - ABERCROMBIE - DIVISIONAL HEADQUARTERS**

**(No. A/39) Mr A. Ameer Meea (Second Member for Port Louis Maritime & Port Louis East)** asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether, in regard to the proposed

construction of the new and modern Divisional Headquarters at Abercrombie, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to where matters stand, indicating if –

- (a) cells will be available thereat and, if so, indicate the number thereof and, if not, why not;
- (b) all the Police Quarters thereat have now been vacated and, if not, why not;
- (c) a building has been identified for the relocation of the offices of the Divisional Headquarters pending the completion of the new building for the housing thereof and, if not, why not, and
- (d) bids therefor have been launched and, if not, why not.

**Reply:** The design of the project of the new modern Divisional Headquarters at Abercrombie has been completed. Bid documents are now being prepared by the Ministry of Public Infrastructure and Land Transport.

As regards part (a) of the question, the new building will only house the Divisional Headquarters at Abercrombie. This will not affect the existing Abercrombie Police Station. As such, there is no provision of cells in the new building.

With regard to part (b) of the question, only one unit of the Police Quarters is occupied. The occupier was informed of the project and was requested to shift to Bell Village or Montreal Police Quarters, which he declined.

In the light of foregoing, legal action has been initiated through the Solicitor General's Office to compel the occupier to vacate the said quarters.

Concerning parts (c) and (d), of the question, the new Divisional Headquarters will be constructed in the nearby site without affecting the existing building which is being used by Officers working thereat. The need to look for other buildings and launching of bids does not arise.

#### **LINE BARRACKS - ABANDONED CARS & PARKING**

**(No. A/40) Mr P. Jhugroo (Second Member for Mahebourg & Plaine Magnien)** asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether, in regard to the Line Barracks, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to if –

- (a) several abandoned cars are lying in the compound thereof;
- (b) there is insufficient lighting and dedicated parking areas thereat, and

- (c) the disorderly parking of vehicles thereat are causing serious inconveniences and, if so, indicate if remedial measures will be taken in relation thereto.

**Reply:** The Commissioner of Police has reported the following -

(a) There is no abandoned car lying in the compound of Line Barracks. However, there are 123 vehicles that are presently grounded thereat for the following reasons -

- (i) 58 unutilised cars from the Police Department to be examined by a Board of Survey for eventual disposal or sale through auction;
- (ii) 46 vehicles secured by the Anti-Drug & Smuggling Unit as exhibits in criminal cases;
- (iii) 12 vehicles secured by the Central Criminal Investigation Division as exhibits, and
- (iv) 7 vehicles secured by the Metropolitan Division South as exhibits.

The cases in relation to the 65 vehicles secured as exhibits are still under enquiry or pending Court decision. The vehicles will be disposed only when these cases are finalised.

Furthermore, additional parking space has been identified at the Line Barracks for the safekeeping of some of the 123 vehicles at the following locations -

- (i) Generator yard behind Police Armoury for Police;
- (ii) Area near Police Gym;
- (iii) Area in front of ADSU Office, and
- (iv) Area in front of CID South Office.

(b) The Line Barracks compound including parking space, is adequately lighted at all strategic locations. The existing lighting systems are monitored during the night by the Technicians on duty and any fault detected is attended to promptly. The Line Barracks is under the permanent monitoring of Officers posted at the Special Support Unit (SSU) on a 24/7 basis and access to the compound is strictly controlled.



As regards dedicated parking space, besides the parking slots allocated to Police vehicles in Line Barracks, the other available slots are used by the staff or by visitors on business.

(c) Access to the Line Barracks compound is under the control of Police Officers posted to the Special Support Unit (SSU) who also ensure that vehicles are parked in an orderly manner inside the Line Barracks compound. Appropriate actions are taken against any defaulters who cause inconvenience arising out of disorderly parking of their vehicles.

### **WIDOW AND ORPHANS PENSION FUND - CONTRIBUTIONS**

**(No. A/42) Mr A. Ameer Meea (Second Member for Port Louis Maritime & Port Louis East)** asked the Minister of Finance and Economic Development whether, in regard to the civil servants who joined the civil service in the 1960s and who contributed to the Widow and Orphans Pension Fund, he will, for the benefit of the House, obtain from the Fund, information as to if consideration will be given for the contributions to be refunded to those who have already retired from the service and who do not have any minors, instead of waiting for the death of the said contributors or of the spouse thereof.

**Reply:** The Widows' and Orphans' Pension Fund is now known as the Civil Service Family Protection Scheme and is governed by the Civil Service Family Protection Scheme Act.

There is currently no provision in the law for contributions made by members, who do not have any minors, to be refunded their contributions when they retire from the service. However, there is provision for refund of contributions under other specific circumstances.

Consideration may be given to the proposal made by the hon. Member. I am, therefore, proposing to set up a technical committee at the level of my Ministry to hold consultations on the matter and to examine the desirability of the proposal and come up with appropriate recommendations.

### **PORT LOUIS - SEWERAGE NETWORK**

**(No. A/44) Mr P. Jhugroo (Second Member for Mahebourg & Plaine Magnien)** asked the Vice-Prime Minister, Minister of Energy and Public Utilities whether, in regard to the sewerage network in Port Louis, he will, for the benefit of the House, obtain from the Wastewater Management Authority, information as to reasons for the delay in the carrying out of the connection of the new houses thereto, indicating if urgent remedial measures will be taken in relation thereto.

**Reply:** I am informed by the Wastewater Management Authority that, prior to 31 August 2016, it had only one contractor and house connection works were being carried out after long delays.

As from 31 August 2016, the WMA has entered into a Framework Agreement with several contractors to speed up house connection works.

I am informed by the Wastewater Management Authority that it has received 54 applications for house connections in Port Louis, out of which 22 have already been completed. The remainder will be completed by January 2017.

### **CHRISTIAN DECOTTIER TERMINAL - CRUISE VESSELS - ACCESS**

**(No. A/45) Mr P. Jhugroo (Second Member for Mahebourg & Plaine Magnien)** asked the Deputy Prime Minister, Minister of Tourism and External Communications whether, in regard to cruise vessels visiting Mauritius, he will, for the benefit of the House, obtain from the Mauritius Tourism Promotion Authority, information as to if packages will be negotiated therewith for the benefit of Mauritian citizens and for access to be given to the public to view same in the jetty at the Christian Decottier Terminal.

**Reply:** I have been informed by the Mauritius Tourism Promotion Authority (MTPA), that it is not within the Authority's mandate to negotiate for packages on behalf of Mauritian citizens. Packages for cruising are offered to Mauritian citizens by the private sector.

As regards access to Christian Decottier Terminal, I am advised by the Mauritius Ports Authority (MPA) that no such access is granted since Port Louis Harbour is compliant with the International Ship and Port Facility Security (ISPS) Code which came into force in 2004 and provides detailed maritime and Port security-related requirements to which Port Authorities and shipping companies must strictly adhere to. According to the Code, unauthorised persons and vehicles are not allowed access near the vessels whilst passengers exiting and entering the vessels are subject to strict control.

### **MINISTRIES, GOVERNMENT DEPARTMENTS, PARASTATAL BODIES & LOCAL AUTHORITIES - PABX TELEPHONE SYSTEMS – MOBILE PHONES**

**(No. A/46) Mr P. Jhugroo (Second Member for Mahebourg & Plaine Magnien)** asked the Minister of Finance and Economic Development whether, in regard to the Ministries, Government Departments, parastatal bodies and local authorities, he will state where matters stand as to the –

- (a) installation of GSM gateways for mobile phones to the existing PABX telephone systems thereof with a view to reducing the monthly telephone bills thereof when calling to a mobile service provider, giving a list thereof which are already operational and
- (b) disconnection of dormant and unused telephone lines, indicating if a new survey will be carried out in relation thereto.

**Reply (The Minister of Technology, Communication and Innovation):** I would like to thank the hon. Member for this pertinent question on the telecommunications infrastructure in the public sector. I have to inform the House that provisions for telephone lines and PABX system are dealt with at the level of each Ministry and department as well as each parastatal body and local authority.

However, the Central Informatics Bureau (CIB), falling under the aegis of my Ministry, issues technical specifications for digital PABX. While doing so, it is ensured that GSM gateways are integrated in the PABX system.

For existing PABX, a survey will be carried out to identify those systems that can support GSM gateways with a view to equipping these PABX with such a system. For those which cannot support the GSM gateways, Ministries and departments will be required to go for replacement of their PABX.

As regards part (b) of the question, it is the responsibility of each Ministry/department to ensure that dormant and unused telephone lines are disconnected.