The Leader of the Opposition (Dr. N. Ramgoolam) (By Private Notice) asked the Deputy Prime Minister, Minister of Finance and Economic Development whether, in regard to the EPZ, he will state –

(a) (i) the growth rate in the calendar years 2002 and 2003, and
(ii) the extent of the cumulative recession between January 2002 and December 2003;

(b) (i) the total number of employees laid off;
(ii) the number of net job losses;
(iii) the trend of earnings from export to the USA,

for the periods July 2002 to June 2003 and July 2003 to June 2004; and

(c) the share of employment in the EPZ sector in total employment in each of the years 2001, 2002 and 2003.

The Minister of Training, Skills Development, Productivity and External Communications (Mr S. Fowdar): Mr Speaker Sir, with your permission I am going to reply to the PNQ in my capacity as the acting Minister of Industry, Financial Services and Corporate Affairs.

As you are aware, the EPZ sector has been going through a difficult period due to a host of external factors and these have affected our exports towards our major markets, namely EU and USA.

Trade liberalisation and the impending dismantling of the Multi-Fibre Agreement have generated fierce competition in our main markets. The share of low cost countries in those markets has taken an upward trend and we have witnessed a shift in sourcing towards them.
This explains the delocalisation and closures of some of our enterprises which have resulted in job losses and a decline in exports.

In spite of this difficult context, the Mauritian Textile and Clothing Industry is coping with the situation.

Government has come forward with a series of measures towards the restructuring of the sector. These include -

(i) Textile Emergency Support Team (TEST)
(ii) Corporate Debt Restructuring Committee
(iii) National Equity Fund
(iv) Textile Modernisation Fund
(v) Working Capital Finance Scheme
(vi) Incentive package to promote clustering
(vii) Special restructuring scheme for workers aged 40 and above
(viii) Setting up of Enterprise Mauritius to provide an integrated institutional framework for the industrial sector
(ix) Spinning strategy

Mr Speaker, Sir, we are promoting the setting up of spinning plants, the CMT, Tianli Spinning Ltd. are already providing 65% of our yarn requirement.

These measures have been worked out and implemented with major stakeholders including the JEC, the MCCI, MEPZA, EPZDA and the Trade Unions. All these measures have enabled us to save employment in the EPZ sector and enhance the competitiveness of the sector. Government has been impressed by the fighting mood of the MEPZA at the last Public and Private Sector meeting regarding the restructuring and future of the EPZ sector.

On the international level, the European Union is working towards the setting up of Textiles Fund which will assist member States to restructure their textile and clothing sector.

In our endeavour to restructure, the non-EPZ Sector is not left behind. Government is committed to make of the non EPZ Sector a stand alone sector in recognition of its potentials for job creation and regional export. An action plan is being worked in this connection and assistance will be sought from India.
As regards parts (a), (b) and (c) the answer is as follows -

(a) (i) Growth rate in value added (EPZ Sector) -

<table>
<thead>
<tr>
<th>Year</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth Rate (%)</td>
<td>-6.0</td>
<td>-6.0</td>
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</table>

A forecast for the year 2004 is a negative of 1%.

(ii) The cumulative recession between January 2002 and December 2003 was 11.6%.

(b) (i)

<table>
<thead>
<tr>
<th></th>
<th>July 2002 to June 2003</th>
<th>July 2003 to June 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Losses</td>
<td>9,861</td>
<td>18,741</td>
</tr>
</tbody>
</table>

(b) (ii)

| Job Created | 6,483 | 5,229 |
| Net Job Losses (Job Losses minus Job Created) | 3,378 | 13,512 |

(b) (iii)

<table>
<thead>
<tr>
<th>Export USA</th>
<th>July 2002 to June 2003</th>
<th>July 2003 to June 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>32,123 Rs Mn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9,581 Rs Mn. (29.8%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of EPZ Employment in total employment (%)</td>
<td>2001</td>
<td>2002</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td></td>
<td>18.8</td>
<td>17.7</td>
</tr>
</tbody>
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**Dr. Ramgoolam:** Mr Speaker, Sir, I understand why the Minister has been asked to answer the question.

*(Interruptions)*

It's on the economic situation with CSO figures which are debatable. First of all, the Minister has said that for three consecutive years, we have had an unprecedented negative growth in the EPZ sector. Can he explain this?

**Mr Fowdar:** This is not new to all of us here in Mauritius. The international context is the main reason. There has been a negative growth of 6% in the two precedent years, but we are forecasting a negative growth of only 1% in 2004.

**Dr. Ramgoolam:** As it has been done over the last two years, the figures will have to be revised to more than -1%, more likely -3%, we don't know yet. Would the hon. Minister agree that there is a likelihood that you will revise that figure downstairs? We hope the figures will be better, yes!

*(Interruptions)*

Everybody hopes, but there is no point in giving figures and then they have to be revised like all the other figures that have been given, and then they have had to be lowered down.

**Mr Fowdar:** Let us not be pessimistic, Mr Speaker, Sir. I think it is good if we are going to have negative 1% instead of negative 3%. I think it is the wish of all Mauritians, that we go down in these negative figures.

*(Interruptions)*
**Dr. Ramgoolam:** You don't have the monopoly of patriotism! We all wish so, but the fact is that it is not so. That is the situation. First of all, can the Minister give the figures for the net job losses for the first and second quarters of this year?

**Mr Fowdar:** I didn't get the question.

**Dr. Ramgoolam:** Would the Minister be able to give the number of net job losses for the first and second quarters of 2004? They are available.

**Mr Fowdar:** I don't have the figure right now with me.

**Dr. Ramgoolam:** Does the Minister have it or does he not have it?

**Mr Fowdar:** Mr Speaker, Sir, I don't have the figures right now with me.

**Dr. Ramgoolam:** Already, some of the figures are mentioned: 1,127 in the first quarter; 6,399 in the second quarter. I am surprised that the Minister says that he does not have the figures for the third quarter.

**Mr Fowdar:** I didn't say that we don't have the figures, Mr Speaker, Sir. I said that I don't have the figures with me right now here.

**Dr. Ramgoolam:** I thought when I asked a question on the EPZ, the Minister would have made the effort to find the figures and give them to us. We have to ask everything in the question. The Minister should have made the effort....

**The Prime Minister:** On a point of order, Mr Speaker, the Standing Orders have it that questions cannot be put on information that is already available in official documents. This is exactly what the Leader of the Opposition is doing. Those figures are available in official documents. I would like you, therefore, to rule that the Leader of the Opposition is out of order.

**Mr Speaker:** It is true that, according to our Standing Orders, there is no need in questions to seek information, which is already available in official documents. I take it that these information are available in CSO document.
(Interruptions)

I am not in the presence of the document right now. So, I would not be able to say whether it is available in the official document. If the Minister says it is available in the official document, it would be so.

**Dr. Ramgoolam:** If the hon. Minister does not want to give the figures, it is because it is very negative. That is the reason he does not want to give the figures. Everybody knows the figures, except him! Can I ask the hon. Minister whether he is aware that there have been in July itself more than 2,500 job losses?

**Mr Fowdar:** I repeat once again, Mr Speaker, Sir, there is no point in hiding the figures. The fact that I am the acting Minister, I don't have all the figures and the figures that the Leader of the Opposition has asked for, have been given; I am not hiding any.

**Dr. Ramgoolam:** How can the Government speak of the worst being behind us if all the figures from every quarter are deteriorating?

**Mr Fowdar:** I don't think that we have again to be so much pessimistic. We are moving in the right direction now. Things are getting stable. We are improving and it is not good for us to say that we are going down more and more. I think that it is good that we are taking some more breath and we have got the Third Country Fabric, which is going to help us. I think we are going in the right direction.

**Dr. Ramgoolam:** Was it not the foreign Minister who said that we are losing jobs in the EPZ sector à une vitesse horrifiante? What does the Minister call this then?

(Interruptions)

**Mr Duval:** Mr Speaker, the issue is that every action that the Government has taken so far has been a total failure. Can the Minister, who has just mentioned the Equity Fund, ......

(Interruptions)
anti patriotique! You have taken no action so far, that is anti-patriotique! I'll tell you of that if you want me to. Can the hon. Minister tell this House...

Mr Speaker: Order!

Mr Duval: .....there was a one billion Equity Fund that was voted a year and a half ago, how much of that has been invested in the EPZ?

Mr Fowdar: Mr Speaker, Sir, it is not correct to say that we are not doing the things that need to be done. I have enumerated more than eight steps that have been taken. I have mentioned TEST, CDR, NEF, Textile Modernisation Fund. We are leaving no stone unturned to see to it that jobs losses are saved, that we don't lose more jobs in the textile sector.

Mr Duval: I don't know whether my question was wrongly phrased. Could the hon. Minister confirm whether this particular stone that apparently has not been left unturned, from the Equity Fund of Rs1 billion, one and a half years later, not one single cent has been spent on the EPZ sector to date and that is the shame of it!

Mr Speaker, Sir, let's take now another issue that the Minister has so proudly announced, the Corporate Debt Restructuring Committee (CDRC). Can the hon. Minister tell us - or if he does know, perhaps I should tell him to check and confirm - that only 4 enterprises have been referred by the Central Bank to the commercial banks? According to my information, not one of these four enterprises have had their finances resolved by the private banking centre.

Mr Fowdar: Mr Speaker, Sir, I am informed that the funds are available and it is for the enterprises to take benefit from it.

Mr Duval: I thank the Minister for confirming both points that I mentioned. Can I now take the TEST, which we have said is a failure? Can the hon. Minister tell the House that in fact, if we look at the whole picture, only twelve enterprises have gone through the stages of TEST, that is, not just attending the seminar and submitting the accounts? We agree that 50 did the initial seminar. Only twelve companies have taken advantage of TEST out of the 500 companies in the EPZ. That is why, Mr Speaker, if we extrapolate, it would take tens of years to get through the whole EPZ and that is why they are closing like flies.
**Mr Fowdar:** Mr Speaker, Sir, it is very unfortunate that my colleague is not in Mauritius, because he knows his portfolio better than me. I only hope that you don't take advantage of it to ask small details, petty things that you would presume that I don't know.

*(Interruptions)*

**Mr Speaker:** Order! Order, please!

**Mr Fowdar:** As far as TEST is concerned, Mr Speaker, Sir, we have figures. There has been a total number of 53 companies registered for this scheme. Three of them were closed. Fifty companies were serviced by TEST....

*(Interruptions)*

Yes, these are the figures I am giving. Why does the hon. Member say no? The number of indicators completed is 49. The number of clinics carried out is 22 and the number of reports done is 48. TEST is an ongoing exercise. It is not the end of the story. We are continuing with the TEST exercise. Let us wait and then we will see the results. What is the rush?

**Mr Duval:** We don't want to argue with figures. We agree 50 attended seminars and sent the accounts. The Minister said 22, I said 12 only went through the TEST process. Out of 500, it is still a failure, Mr Speaker, Sir! This is what we are saying to the Government. All that the Government has expressed so far are pious hopes and no action, whatever has been taken.

**Mr Fowdar:** Mr Speaker, Sir, I can tell you that there are more companies now interested to undergo the TEST initiative.

**Dr. Boolell:** Mr Speaker, Sir, since the EPZ sector is undercapitalised and the factories are heavily indebted, can I ask the Minister what is being done to make the incentives and facilities more attractive so that these factories can take advantage?

**Mr Fowdar:** I did not get the question, Mr Speaker, Sir.

**Dr. Boolell:** I did not hear the reply, can the Minister speak up, please?

**Mr Fowdar:** I did not hear the question.
Dr. Boolell: I am saying that since the EPZ sector is undercapitalised and the factories are heavily indebted, I would like to know what is the Government doing to re-engineer the facilities and incentives to make them more attractive so that these people can take advantage?

(Interruptions)

Mr Speaker: Order!

Mr Fowdar: Mr Speaker, Sir, I am not going to shout. I have already enumerated the different measures that we are taking. I am not going to list the same measures again.

Dr. Boolell: In the meantime, so many factories are closing; people are losing job; there is abject poverty and Government is doing nothing, but is going on a spending spree. Can I ask the Minister what does Government intend to do to come to the rescue of those people who have been made redundant, whether Government intends to set up a welfare work scheme, instead of going on a spending spree, constructing buildings for no apparent reasons, purchasing cars, Mr Speaker, Sir!

(Interruptions)

We know, Mr Speaker, Sir; recruiting Advisers ....

Mr Speaker: Hon. Boolell, please! Let the Minister reply.

Mr Fowdar: Mr Speaker, Sir, everybody living in Mauritius, I think everybody knows what this Government is doing for the laid-off workers…

(Interruptions)

It is no news unless some people are sleeping, Mr Speaker, Sir.

Mr Speaker: Order, please!

Mr Fowdar: We have a redeployment desk at the Ministry of Employment and there have been several training programmes for the laid-off workers: retraining, multi-skilling and we are trying to see to it that these people get a job. They are trained and they are being redeployed in other sectors. It is totally incorrect to say that we are doing nothing in this direction.

Dr. Boolell: Why the IMF has stated that unemployment is a big scourge in this country? Government is doing nothing to sort out the problem, Mr Speaker, Sir.

(Interruptions)
**Dr. Ramgoolam:** The hon. Member says that he is doing everything he can, but every time there are job losses, Government organises fairs. Is he aware that the people who attend those fairs are themselves saying that it is a loss of time, nothing is happening, it is just a show for the MBC to be able to show that Government is doing something? But actually nothing is happening. Is he aware of that?

**Mr Fowdar:** Mr Speaker, Sir, I will invite the Opposition to come up with a question concerning the issue of fairs and the number of people who have been redeployed. We will give the figures.

**Dr. Ramgoolam:** I will ask the Minister the question straightaway. Can he tell us out of the 7526 people who have lost their jobs between January of this year to June this year, how many have been reemployed through those fairs?

**Mr Fowdar:** I do not have the figures.

*(Interruptions)*

I have asked the Leader of the Opposition to come up with a question and I will then give him the reply. But let me tell you one thing Mr Speaker, Sir. At present, there are 5000 vacancies in the EPZ sector and it is totally unfair to say that there are no jobs …

*(Interruptions)*

**Dr. Ramgoolam:** Are all those people who are saying that there are no jobs are just saying it for nothing? In fact, they are lying according to the hon. Minister. Is this what the Minister is saying?

**Mr Fowdar:** I did not hear your question.

**Dr. Ramgoolam:** I said that the Minister does not want to answer. He says that there are 5000 vacancies. So, why are these people saying that these job fairs have created nothing? Can he tell us? Are these people lying?

*(Interruptions)*

**Mr Speaker:** Order! Now, enough is enough. No cross talking, please!

**Mr Fowdar:** Mr Speaker, Sir, I have not heard any statement from anybody saying that he has been in a job fair and he has not received satisfaction, that he has not been redeployed according to his capacity and experience. As I said, we have 5000 jobs in the EPZ sector, plus we have more than 20,000 expatriates working in the sector. I am sure that we are
going to extend the first job fair which we have started in Vacoas and we will go round the country to see to it that people who have lost their jobs be given another opportunity.

**Dr. Ramgoolam:** It is well documented and even in the press locally people have said that this is a loss of time, nothing is happening, it is just a show for the MBC to be able to show that something is being done. Since the Minister has not been able to tell us how many of the 7526 people who have lost their jobs between January and June of this year have been reemployed, can I ask him - perhaps he does not have the figure - why the Government has misled the country in saying that the waiver for the Third Country Fabric has been approved by the Senate?

**Mr Fowdar:** I did not get the question, Sir.

**Dr. Ramgoolam:** Since the hon. Minister cannot tell us how many of the 7526 people have been reemployed from January to June and he mentioned the Third Country Fabric, the waiver, can he tell us why the Government has misled the population by stating that we have received the waiver for the Third Country Fabric already?

**Mr Fowdar:** I think we did not mislead the population by saying that we have obtained the Third Country Fabric. It has been approved.

**Dr. Ramgoolam:** It is a mistake to think that it has been approved. It is clear that the people in Government do not know how the legislative process works in the United States of America. They have got two House for Congress that have to approve it; not just one, that is not enough. So, I'll ask the Minister to correct that mistake, because the US Embassy has said that it has not been approved.

**Mr Fowdar:** Mr Speaker, Sir, the Third Country Fabric falls under the Miscellaneous Tariff Bill and this Bill has been passed by the two Houses - the House of Representatives and the Senate. After the passing of the Bill, it has gone to the Congressional Conference Committee and there Mauritius has been included to benefit from this derogation for Third Country Fabric. The House of Representatives has already approved this Bill; the Senate is on leave because of the elections..

*(Interruptions)*

**Mr Speaker:** Order, please! Order!
Mr Fowdar: And after the elections, on 16 November, the Senate will have what we call a lame duck session and during this session all the outstanding Bills are passed.

Dr. Ramgoolam: Some people are giving the Minister false information. He said that it has been approved, but it is to be approved by the two Houses. He first said that the two Houses have approved it and then he said the Senate has not approved it. Which is which?

Mr Fowdar: Mr Speaker, Sir, there is no opposition to Mauritius being included in this Third Country Fabric. There is no opposition to that. The House of Representatives has already approved and the Congressional Conference Committee has included Mauritius. I think we all know that there is presidential election in the United States. So, there is this administrative work to be completed until the 16 November where the Senate will approve the Bill.

Dr. Ramgoolam: Sir, I must tell the Minister again that there are various cases where approval has been withheld; this has nothing to do with us; I am not saying that they are against us; it is a package and this waiver falls within part of the package. Is he aware, for example, that in the Miscellaneous Tariff Bill, that there are some Senators who are objecting to that package for some countries? Is he aware of that?

Mr Fowdar: Mr Speaker, I would like to remind the Leader of the Opposition that when the Bill is approved in November, it is going to be retroactive as from 01 October, which means that nothing is lost. We are going to have refund of the duty already paid.

As far as the issue raised by the Leader of the Opposition is concerned, it does not concern Mauritius. Nobody opposes to the fact that Mauritius is being included as one of the countries benefiting from the derogation.

Dr. Ramgoolam: I said that it does not concern Mauritius, but it goes as a package. As regards the Bill, is the Minister aware that there are some Senators who are objecting very strongly against Laos in that package?

Mr Fowdar: Mr Speaker, there is only one senator who is concerned.
**Dr. Ramgoolam:** In the package, Laos has been strongly protested against by some Senators. It works as a package; they do not vote for one country.

**Mr Fowdar:** Mr Speaker, Sir, as I said, it does not concern Mauritius. It is only for Laos.

**Dr. Ramgoolam:** I asked also about the trend of export earnings from the United States. Would the Minister confirm that it is going down and down and that it is now minus 17%?

**Mr Fowdar:** The figures show that there has been a reduction. This is obvious and we know why.

**Mr Dulloo:** The figure given by the Minister as regards the workers who have lost their job during the financial years 2002-03 and 2003-04 is 28,702. There is a net loss of 18,890. Could we know out of those workers who have lost their job, how many of them have been redeployed, especially through the job fairs that he has mentioned?

**Mr Fowdar:** Mr Speaker, I have just replied to that question.

**Mr Speaker:** Time is up. I'll allow the Leader of the Opposition one last question.

**Dr. Ramgoolam:** Thank you, Mr Speaker, for allowing me one last question. The figures show that people are actually losing jobs. Would he consider to have either a hardship committee or a redundancy fund for those people who are finding it very difficult to get reemployed, especially people who are over 40?

**Mr Fowdar:** Mr Speaker, Sir, we are doing all that is possible to save jobs and to come to the help of those who are being laid off.

**Mr Speaker:** We come to the next item 'Questions addressed to the Prime Minister'. I have been advised that PQ Nos. B/775, B/778 and B/800 will be answered by the hon. Prime Minister.