ORAL ANSWERS TO QUESTIONS

RODRIGUES - AIR TICKETS, FISHERMEN, ADDITIONAL STIMULUS PACKAGE, ETC.

The Leader of the Opposition (Mr P. Bérenger) (By Private Notice) asked the Prime Minister, Minister of Defence & Home Affairs whether, in regard to Rodrigues, he will state –

(a) where matters stand in respect of the request for the -

   (i) suspension of fuel tax on air tickets, and

   (ii) release of Rs10 m. to encourage registered fishermen to shift to other activities;

(b) why the Rodrigues Regional Assembly has been sidelined in respect of the Additional Stimulus Package for Rodrigues;

(c) if Solit-Air will be allowed to operate, and

(d) the number of times he has visited Rodrigues in his capacity as Prime Minister and if he proposes to visit the island in the near future.

The Prime Minister: Mr Speaker, Sir, with regard to part (a) of the question, we are giving a boost to the tourism industry in Rodrigues by suspending the travel tax to Rodrigues until December 2010 and Government will make up the shortfall of Rs10 m. to Airport of Rodrigues. This was mentioned in the Budget Speech, I believe. Thus, there are no more taxes on travel to Rodrigues.

I am advised, however, that Air Mauritius applies a fuel surcharge on air fares from Mauritius to Rodrigues and vice-versa in order to recover the costs of fuel on the route. This is, Mr Speaker, Sir, an international practice and Air Mauritius follows the same practice on all its destinations.

I am further advised that Air Mauritius has posted losses on the route for the last five years totaling Rs152.9 m. which it has absorbed as part of its solidarity with Rodrigues.
Thus, the House may wish to note that this route is already, therefore, subsidized heavily. It is also to be noted that my Government allowed a second operator on the route in 2005, but the latter stopped its operations apparently due to heavy losses incurred on the route.

I am also advised that Air Mauritius operates, at least, one daily flight to Rodrigues and up to five frequencies during peak periods, that is, during school holidays.

Mr Speaker, Sir, as regards parts (a) (ii) and (b) of the question, I am informed that the Additional Stimulus Package announced in December 2008 and the recent budget measures to broaden and deepen the package have been designed to cover the whole nation. Indeed, both programmes paid specific attention to the needs of different regions, including Rodrigues. As part of the support to local Government, Rodrigues received the same Rs50 m. as other parts of the country.

Rodrigues, Mr Speaker, Sir, is one of the regions of the Republic that has been worst affected by this unprecedented recession. We have, however, been proactively supporting the development of Rodrigues before the crisis actually hit. This has allowed us to develop the institutional framework in Rodrigues for national institutions to respond rapidly and effectively at this difficult juncture.

With the recent extension in the Budget of the Mauritius Transitional Support Mechanism to all sectors and with the development of new instruments, via the Saving Jobs and Recovery Fund, we are now able to deploy a range of interventions to save jobs, protect people and prepare for recovery in Rodrigues as we do for other parts of the nation.

The same national institutions and instruments are being deployed in Rodrigues as in other parts of the country. However, we also look to close collaboration with the Rodrigues Regional Assembly (RRA) to move matters forward quickly. However, national institutions with the required expertise will need to be in the forefront of delivery if we are to rapidly provide relief to Rodrigues.

Where appropriate, Mr Speaker, Sir, as for example with the Rs50 m. of additional public infrastructure, the RRA has been provided resources under the Additional Stimulus Package to implement those projects. In addition, we are providing Rs22 m. of funding to expand the road network at Citron Donis and to upgrade Baie Topaze.
Similarly, Rs187 m. has been earmarked under the Food Security Fund for Rodrigues which will be disbursed through the RRA. Projects planned for implementation through December 2009 include tracked roads, rehabilitation of drains, fencing to protect farms and purchase of various agricultural equipment and instruments.

Elsewhere, we have always sought close collaboration with the RRA to empower our fellow citizens in Rodrigues to help them help themselves. For example, as far back as the formulation of the 2008/09 Budget, at the Estimates Committee it was agreed that the National Empowerment Foundation would co-finance with the RRA a programme to empower fishermen to allow them to increase their income whilst giving up their fishing cards.

In the dialogue which subsequently evolved between the RRA and Central Government, we have stood up for the rights of the fishermen to be empowered to engage in new activities such as octopus harvesting, fish farming, crop cultivation, animal rearing and other activities other than fishing. The Empowerment Programme will help the fishermen via its various schemes to get employment or to become self-employed. The target, Mr Speaker, Sir, is to identify activity that can generate at least Rs8,000 a month to allow the fishermen and their families to live above the poverty line.

It may be noted that following the survey carried out by the Empowerment Programme in March of last year some 996 fishermen expressed their interest to join other activities other than fishing. In this context, in May 2008, the Empowerment Programme developed a Special Scheme for fishermen willing to cease fishing in the lagoon. The scheme provides for a soft loan of up to Rs150,000 through Cooperative Credit Union per beneficiary, repayable over seven years plus one year moratorium at an interest rate of 6.5% per annum. In addition, the beneficiaries will receive technical assistance and monitoring support and training from professionals of National Empowerment Foundation. Moreover, Rs100 m. has been already transferred to the DBM for onward transmission to Cooperative Credit Union for disbursement of projects. The Empowerment Programme Office at Rodrigues which has been operational by the end of July 2008 has already received some 100 projects.

Unfortunately, Mr Speaker, Sir, we have been unable to move forward and release the funding provided in the Budget because the RRA has turned down several offers to find a compromise formula that would empower fishermen and allow them to move to gainful employment that would provide an income above the poverty line. Instead, the RRA has sought
legal action for release of the money to be used as a one off grant to the fishermen. We have not supported this stand because it would do little to move the fishermen to sustainable economic activity that would allow them to earn their living and move out of poverty. The matter is currently in front of the Courts and until the outcome is known or the RRA drops the legal action to find a negotiated solution we are unable to make further progress in disbursing the Rs10 m. earmarked to empower fishermen.

The National Empowerment Foundation will coordinate various efforts in Rodrigues as part of its restructuring at national level to be more effective in finding synergies between the Empowerment Programme, the Decentralised Co-operation Programme and the Trust Fund and Eradication of Absolute Poverty Programme. Indeed, it is working the same way as in the rest of the Republic via a dedicated Programme Executive Committee for Rodrigues. Civil Society from Rodrigues will be represented together with the Rodrigues Regional Assembly.

The Budget has earmarked Rs100 m. to the National Empowerment Foundation for a stimulus package for Rodrigues from the Saving Jobs and Recovery Fund and the Food Security Fund. In addition, the Decentralised Cooperation Programme has supported micro projects in the field of irrigation, livestock management, reforestation and agricultural and agro-industrial production. Efforts will be strengthened over the next 18 months. The Trust Fund has disbursed a sum of Rs6.4 m. for 1,350 beneficiaries in Rodrigues for the financing of community based projects namely provision of water tanks for rain harvesting, distribution of school materials to children and construction of housing units. These programmes will continue in coordination with the other schemes now being regrouped under the National Empowerment Foundation.

Mr Speaker, Sir, the extension of the DBM scheme to facilitate settlement of arrears for another year will also apply to businesses in Rodrigues.

Rodrigues will also benefit from the same scheme for growing onions and the scheme for the breeding of goats will also be extended to small breeders in Rodrigues.

We are undertaking a review with the assistance of the Agence Française de Développement to improve water supply including an assessment of desalination options which is jointly being undertaken with the Rodrigues Regional Assembly.

The MID Fund is also financing a wind farm project for electricity generation.
With regard to part (c) of the question, I am informed that in a letter dated 31 March 2009, Solit Aviation Ltd, a company recently incorporated in Rodrigues, apprised my colleague, the hon. Vice-Prime Minister and Minister of Tourism, Leisure and External Communications, of the proposal to operate scheduled air services on the domestic route and, subsequently, between Rodrigues and Réunion Island, using a British Aerospace 146-100 type aircraft which has an 80-seat capacity.

In the same letter, Solit Aviation Ltd has also stated that the company would submit its project profile in the near future. On 14 April 2009, a feasibility study was, in fact, submitted to my colleague, the hon. Vice-Prime Minister and Minister of Tourism, Leisure and External Communications. The report was assessed by the Department of Civil Aviation and in a letter dated 08 June 2009, the Director of Civil Aviation has advised the promoter the following –

(1) the proposal does not clearly define who will be the post holder for the flight operations matters;
(2) the post holder for the maintenance is not mentioned;
(3) there is no indication concerning the training of the flight crew;
(4) the study does not provide information as to whether the aircraft will be registered in Mauritius or dry leased or wet leased etc, and
(5) no details on control and ownership are provided.

Mr Speaker, Sir, I wish to stress that as of now, apart from Solit Aviation Ltd, there are two other companies that have expressed their interest to operate scheduled air services on the Rodrigues route. In the context of the avowed policy regarding air transport liberalisation, my Government will certainly welcome healthy competition on the domestic route which can only be in the interest of the travelling passenger, in general, and also of the Rodriguan population, in particular.

Such a competition will no doubt give an added dimension to our ongoing and sustained efforts to promote the Rodrigues destination.

Any policy decision to designate a second operator on the Rodrigues route will have to per force take into consideration the technical and legal requirements laid down in the Civil Aviation legislations as well as such other conditions as may be prescribed by the Director of Civil Aviation.
Mr Speaker, Sir, I am further informed that consultations between the Department of Civil Aviation and Solit Aviation Ltd are still ongoing at this stage.

In respect of part (d) of the question, in my capacity as Prime Minister, I have visited Rodrigues on two occasions.

Yes, I propose to visit the island in the near future provided I find the time. I suppose when Parliament goes on recess I might find time.

I wish to point out, however, Mr Speaker, Sir, that several Ministers of my Government visit Rodrigues on a regular basis.

I have been in regular contact with the Chief Commissioner of the Rodrigues Regional Assembly and the Minority Leader, and I have met them on several occasions to discuss issues relating to the development of Rodrigues.

I would like here, Mr Speaker, Sir, to reiterate what I said recently in the House during the debates on the budget.

My Government is fully conscious of the difficulties that Rodrigues is facing in the aftermath of the current unprecedented economic crisis and we will stand by them during these hard times.

My Government stands for all the citizens of the Republic of Mauritius and our mission is to make sure that each and everyone of them gets the opportunities to live up to his or her god-given potential.

Mr Bérenger: Mr Speaker, Sir, in his Budget Speech on 22 May, the Minister of Finance had said that the economy of Rodrigues is most severely hit by the ongoing international financial and economic crisis and the Prime Minister today has said, for his part, that Rodrigues is the worst affected region of the Republic. Can I ask him whether he is aware how dramatic the situation is, that hotel occupancy in Rodrigues has dropped to lower than 20%, especially the big hotels? This is having a terrible impact on the whole economy. Is he totally aware of the dramatic situation in Rodrigues?

The Prime Minister: Yes, Mr Speaker, Sir, I am aware, like in Mauritius also there has been a drop, of course, more dramatically in Rodrigues from the figures I have got. I don’t know whether the policy being followed is the right policy at the moment. I should say, Mr Speaker,
Sir, that the policy of tourism in Rodrigues is decided by the Rodrigues Regional Assembly. Nothing is decided from the Ministry of Tourism here. In fact, I should say that the previous Government help, with the MTPA, I think, gave Rs700,000 in the last year, they were in Government. When we came in Government, Mr Speaker, Sir, we increased that figure from Rs700,000 to Rs2 m. Now, we have increased the recent figure to Rs6 m., but the policy for tourism, that is, what kind of policy they decide for what kind of tourists, what land they will give to what people, to what hotel, all these things are decided by the Rodrigues Regional Assembly, but, of course, we are always ready to help. If they ask for advice, we will certainly do that.

Mr Bérenger: Being given that whatever words the hon. Prime Minister and myself we use, we seem to agree that the situation is dramatic. In such a dramatic situation, won’t the hon. Prime Minister agree with me that this concession on the travel tax which, I understand, brings down the plane ticket by a mere Rs150 whereas the request for suspension of the fuel tax by whatever name you call, would allow the plane ticket between Mauritius and Rodrigues to be brought by slightly more than Rs3,000, won’t the hon. Prime Minister agree with me that what has been offered, that is, the concession on the travel tax, is dérisoire, being given the impact of the crisis on the tourism sector and the whole economy and that, therefore, much more should be done urgently.

The Prime Minister: I did say, Mr Speaker, Sir, that Air Mauritius has posted losses for the last five years totaling Rs152.9 m. which it hasn’t passed on. It has absorbed this as part of its solidarity towards Rodrigues. I should also add, Mr Speaker, Sir - perhaps I should have said it - that apart from what I said, there is also the AML which has also waived all the landing charges for Rodrigues flight, which comes to around Rs10 m. per year, and also the Cargo Handling Corporation subsidises freight to Rodrigues and this is to the cost of around Rs20 m., but whether they can actually drop the airfare more, I should…

(Interruptions)

That’s what I said! They are already losing money. I should also say, Mr Speaker, Sir, and which I mention, the fuel surcharge. This is done because of…..

Dr. Ramgoolam: I should also say Mr Speaker, Sir, the fuel - which I mentioned - surcharge is done because of the fuel has gone up, but normally when the fuel, hopefully the
price of oil will go down, this actually is removed when it goes down, because it is heavily subsidising that it feels, otherwise the losses will be even more for Air Mauritius. As I also mentioned there was one other company that has also stopped ceased the operation because, in fact, of the losses being incurred on that route.

**Mr Bérenger:** When the Prime Minister comes back on the losses that Air Mauritius says it is making on the Rodrigues route and he ventures to say that Catovair stopped before because it was making losses. This is not the occasion to open a debate on that, but that is wrong. They were possibly losing, but they stopped because at the heart of their project was the Agalega project, right on the heart. When that was stopped they could not keep on losing money on Rodrigues. Is the Prime Minister not aware that he is contradicting himself? On the one hand, he is saying that Air Mauritius is losing money, he cannot make any further effort and he tells us that, apart from Solit-Air, two other companies have made a request to make loses.

**Dr. Ramgoolam:** Very often, unfortunately, it is like this, if you ask people. Do you know how many people apply to have filling stations? All of them are making losses, but they still apply. They think that they can make profit, good for them, they would try, if they make losses, bad for them, but Catovair …

*(Interruptions)*

They are making losses actually! That is the situation! Some people think that it is a cash cow, so to speak, Mr Speaker, Sir, and they can make profit. As for Catovair, I should say, this is not related to the Agalega. There are only 300 people in Agalega. How would they have made profit on that?

*(Interruptions)*

They would not have made! And, in fact, they made heavy losses on the Rodrigues, but this is another debate.

**Mr Bérenger:** Mr Speaker, Sir, as far as the Rs10 m. which the Rodrigues Regional Assembly has requested to be allowed to spend from its own budget within the terms of the autonomy legislation to encourage fishermen to move to other parts of the economy to other activities, what is being proposed now is loans of up to Rs150, 000 through the National Empowerment Fund, which is something completely different. Will not the hon. Prime Minister
agree with me, when you look at the legislation voted by this Assembly setting up the Rodrigues Regional Assembly, it is absolutely clear that the responsibility for the fisheries sector and, particularly, for the protection of the lagoons in Rodrigues, rests with the Rodrigues Regional Assembly? Does the hon. Prime Minister dispute that? I mean the schedule is clear, the law is clear, and if that is the case, they should be allowed to do what they decide, even mistakes if it is a mistake, but they have been granted by law genuine autonomy. Does not the Prime Minister agree with me that this is violating the spirit and the wording of autonomy legislation?

Dr. Ramgoolam: Mr Speaker, Sir, first of all, let me say that I did meet, when this issue was raised, the Chief Commissioner and I did tell him that we want to ensure that Rodrigues has all the facilities that we can, but within the procedures that are laid down. In fact, discussions were started with the Ministry of Finance of the time and it looked as if they were going to go for a compromise. What we want to ensure, Mr Speaker, Sir - I heard the hon. Leader of The Opposition said, even if there are mistakes – is that, as far as possible, to avoid mistakes, but within the law. Now they put the case in front of the Court, there is a different interpretation from the Ministry of Finance about whether they can actually do this grant like this or whether we can have some control to see that this money is not wasted, is not given to the wrong people, and also to ensure that we protect the lagoons in the region of Rodrigues. Whether in fact, the court decides - what they will decide we don't know. We are still proposing that the Chief Commissioner - I thought myself, I must say, that there was nearly a compromise reached and I don't know what happened in the discussions, we are still telling him that maybe he should drop the case and try to find a solution so that we can disburse that money.

Mr Bérenger: In my question Mr Speaker, Sir, I have heard that in the last Budget presented by the hon. Minister of Finance, the Rodrigues Regional Assembly was sidelined and, when he replied, the hon. Prime Minister tended to say the opposite. Is he aware of the following and does he not consider that this is true that the Regional Assembly of Rodrigues has been sidelined? In the Budget Speech reference is made all over the place to be Empowerment Foundation, not once - you will remember in the first Budget he forgot Rodrigues completely, and in this one he forgot any mention to the Rodrigues Regional Assembly. This Stimulus Package over Rs100 m. in Rodrigues is to be administered by the Empowerment Foundation. The Rodrigues Regional Assembly has nothing to do with the implementation he spells out in the Budget Speech. What's more, we give autonomy to Rodrigues and it is the Ministry of Finance
who chooses which road is going to be rehabilitated. I could not believe my eyes. We are providing Rs20 m. funding to expand the road network at Citron Denis and upgrade at Bay Topaze. Well, if that is not in violation of autonomy, what is? They can't even choose which and finally the solution to the water problems and even re-assessing of the desalination options is done outside the scope of the Rodrigues Regional Assembly, at least, they should be fully on board.

**Dr. Ramgoolam:** Mr Speaker, Sir, I must say to the hon. Leader of the opposition that all of this was discussed with the Chief Commissioner and with the assistance of the Rodrigues Regional Assembly. When he mentioned these two roads it was precisely because this had been discussed and he mentioned them by name in his Speech, Mr Speaker, Sir. There is also, I should say, for the Rs100 m. for example, I did mention that Rs100 m. has already been transferred to the DBM for onward transmission to the Cooperative Credit Union, but the Empowerment Programme itself, there is an office in Rodrigues itself which is operational by the Rodrigues Regional Assembly, they look at it, they discuss and this is how matters are proceeding. Everything, even for the water supply, this was discussed and this is why the hon. Vice-Prime Minister and Minister of Finance mentioned it in his Speech; it was after discussion with the Chief Commissioner.

**Mr Bérenger:** It was so easy to say so. Why not mention the Rodrigues Regional Assembly once? Not any reference in the whole Speech, giving the impression, therefore, that there are sidelined completely, out of due respect, he should have said that. Before I can move to the new airline companies that are seeking to operate on the loss-making route in Mauritius and Rodrigues, the so-called loss-making routes, can we have the name of the two other companies that have applied for permission to operate and do we have the name of the South African partner of Solit-Air?

**Dr. Ramgoolam:** Au fait, I don’t have the names of the two other companies that have applied and also I do not know who the South African partner, but this information can be given to the hon. Leader of the Opposition.

**Mr Bérenger:** Can we move to the last part of my question? I heard the hon. Prime Minister said yes, he is going to go to Rodrigues in the near future and then link that up to the forthcoming recess of Parliament. Can I appeal to him and will he agree with me that the
situation is such in Rodrigues that he should find time over a week-end to fly there and send us a strong signal and start genuine dialogue with the Regional Assembly and the Opposition and the trade unions, everybody, because the mood is bad in Rodrigues and there is the need urgently to send a strong signal which, I believe, only the presence of the Prime Minister, as soon as possible, can send.

**The Prime Minister:** I must say that there is dialogue with both the Chief Commissioner and the Leader of the Opposition in Rodrigues. In fact, I have told them that, every time they come, - because sometimes, they come for one day and then leave, and I don't know - to make it a point to meet me. I must say that both of them not only meet me, but give me details of what they are doing. They have criticisms of each other, as here, but we take them on board. I do meet them. When I have time, I will go, Mr Speaker, Sir. The hon. Leader of the Opposition, himself, when he was Prime Minister, went only once; he did not have time.

*(Interruptions)*

**Mr Speaker:** Last question! I will give it to hon. Lesjongard, and then back to the Leader of the Opposition. I am sorry, time is over!

**Mr Lesjongard:** Thank you, Mr Speaker, Sir. The legislation governing the RRA makes provision for the Chief Commissioner to attend Cabinet meeting in Mauritius, whenever the Government deems it fit. May I ask the hon. Prime Minister whether the Chief Commissioner has attended any Cabinet session, especially to express the views that he has made public lately?

**The Prime Minister:** As far as I know, Mr Speaker, Sir, this has not happened, even during the previous Government’s time.

*(Interruptions)*

There was no need? We will see if the need arises. We are discussing. As I said, let us not get into that impression. I know that there are some people who are stirring trouble in Rodrigues, and we are following it very carefully; we know what is happening. I think they are misguided in what they are doing, and I hope they realise that they are misguided. We want to work together with Rodrigues, as I said just now for the airlines, even though they might make losses. These are private companies and, if they end up making losses, I think that is their problem; we do not
want to interfere. I know that my colleague, the Vice-Prime Minister and Minister of Tourism, has had two additional demands from Solit-Air, which is also still negotiating. They have not cleared a few things. We welcome competition and more routes in Rodrigues, we are subsidising the routes, and we are doing what we can, Mr Speaker, Sir. We will take on board whatever the Chief Commissioner and the Leader of the Opposition say when they meet us.

Mr Bodha: In view of the fact that tourism is one of the most important pillars, can the hon. Prime Minister enlighten the House as regards the fall in the receipts of tourism in the recent months?

Secondly, I would like to know whether Rodrigues is still taken care of when there is a promotion of Mauritius in international fairs.

The Prime Minister: As I explained earlier, Mr Speaker, Sir, as far as the policy for tourism in Rodrigues is concerned, it is completely autonomous. They decide on what kind of tourists they want to attract, whether they want to have - as we have done here in Mauritius - mass tourism or not. We are always ready to help. I think it is a mistake to go for mass tourism in Rodrigues, but that is, at the moment, they believe is true. They decide, but what we have done, as I explained earlier, is to increase the amount of money for the MTPA to be able to promote Rodrigues abroad.

Mr Von-Mally: Mr Speaker, Sir, can I ask the hon. Prime Minister whether we are contemplating the possibility of more often selling the destination of Mauritius and Rodrigues as a package?

Secondly, being given that the price of tickets to Rodrigues is on the high side, about Rs8000, can I know if we can use the Additional Stimulus Package and the SJR Fund to help with this fuel tax, so that we can lower the price of the ticket?

Mr Speaker: The Prime Minister has answered this question fully!

The Prime Minister: I have answered the question, but let me reply to the first part of the question about promoting Mauritius and Rodrigues together. In fact, I believe this is what is being done now with the MTPA. They are trying to see whether they can promote both. Very often, tourists come to Mauritius and they also go to Rodrigues. We are trying to promote this more. As for the other suggestion, we will look into it.
Mr Speaker: Questions that have been answered cannot be put again. Hon. Spéville, and then the Leader of the Opposition!

Mr Spéville: The hon. Prime Minister stated that, as far as tourism in Rodrigues is concerned, it is the RRA which is responsible. Can I ask the hon. Prime Minister whether he is aware that, about January 2008, the Minister of Tourism went to Rodrigues, and one of the decisions taken was to change the name of airport of Rodrigues, which was one of his ideas to boost tourism here? Will he agree that so far this has an adverse effect of this industry?

The Prime Minister: As far as I know, there is a feasibility study that is being submitted for the extension of the Rodrigues airport.

Mr Bérenger: My last question, Mr Speaker, Sir, will be the following. I made my point that the Prime Minister going to Rodrigues as soon as possible would be sending a strong signal, as is required these days. Will the hon. Prime Minister agree with me that, as in the case of the fisheries sector, Rodrigues, apart from having its Regional Assembly, needs a full-time Minister here in Mauritius? Will he agree with me that this is required, and that this is the proper time to send this signal right now?

(Interruptions)

The Prime Minister: In fact, Mr Speaker, Sir, I don't know whether the hon. Leader of the Opposition gets some information. In fact, this is one of the issues that I have discussed with some colleagues here, namely whether this should not be contemplated later on.

(Interruptions)

This is what I am wondering: whether the hon. Leader of the Opposition's tentacles are growing or whether he is hearing what we are saying. But this is one of the things we are looking at. I am not saying that we are going to do, it but this is one of the things that we are looking at.

Mr Speaker: Time is over! Questions addressed to the Dr. the hon. Prime Minister! The Table has been advised that Parliamentary Question B/534 will now be replied by the Attorney General, and Parliamentary Question B/541 addressed to the Vice-Prime Minister & Minister of Finance will be replied by Dr. the hon. Prime Minister.