ORAL ANSWER TO QUESTION

SALARY COMPENSATION

The Leader of the Opposition (Mr P. Bérenger) (By Private Notice) asked the Vice-Prime Minister, Minister of Finance & Economic Empowerment whether, in regard to the 5.1 per cent increase in old age pensions, social aid benefits and the salary compensation proposed by Government, he will state—

(a) the grades of employees in the public and private sectors who will be excluded by the Rs12,000 monthly salary ceiling;

(b) if Government is prepared to raise the 5.1 per cent increase and lift the Rs12,000 ceiling, and

(c) if Government will offer another increase as from 01 January 2010.

The Vice-Prime Minister, Minister of Finance & Economic Empowerment (Dr. S. Sithanen): Mr Speaker, Sir, these are unprecedented times calling for exceptional measures all over the World. We have never seen a situation where world trade is falling by double digits and most countries in the world are undergoing a synchronized downturn with the majority in recession or close to it. Some countries have also collapsed, something not seen since the 1930’s. Many of our trading partners are mired in a deep and long recession with rising level of unemployment, very high fiscal deficits and soaring debt levels. South Africa, one of our most important trading partner, slid into a deep recession yesterday with a decline in growth of more than six percent for the first quarter of 2009. According to the ILO, 100 million people will lose their jobs as a result of the downturn and the World Bank predicts that over 100 million people in poor countries will fall below the poverty line. Mr Speaker, Sir, there are high risks of a social crisis and a humanitarian disaster in many poor countries.

Our reforms have made us resilient, but not immune to these large economic shocks from the rest of the world with our main exports of both goods and services affected by the sharp fall in demand in our traditional export markets. Moreover, there is a shift from long haul to short haul tourism that is further affecting our economy. This trend is aggravated by the AH1N1 virus.
Mr Speaker, Sir, this is the context within which we have had to make the tough choices that governing a country effectively is all about. We have had to solve real problems in real time with workable solutions that deliver results that save jobs, protect our population and prepare for recovery.

We have had to find the right balance and the right equilibrium between protecting jobs and supporting purchasing power. This Budget has done so by providing as much as is possible under the difficult circumstances and targeting stronger support to the most vulnerable and those most in need.

Mr Speaker, Sir, this Government is committed to putting people first and we have always done so whilst being responsible and taking account of the specific circumstances. Last year, when our economy was performing well as a result of our reforms, we used the fiscal space we had earned to provide the PRB in one go. This is in contrast to the previous PRB, paid in two steps, despite a rosier international context.

This year, Mr Speaker, Sir, we would have liked to provide a more generous package but we have had to balance compensation against preserving employment.

In other countries this tradeoff between jobs and pay has resulted in drastic policy options that we have been able to avoid by a responsible, yet compassionate approach to the budget, and making the right choices, however hard they are.

Mr Speaker, Sir, we have avoided the wage freeze and the deep cuts in public expenditure as in many countries in Eastern Europe, shorter work weeks including sharing jobs in the United States, forced leave without pay in California, frozen pensions and salaries in Ireland and Latvia, eliminating the thirteenth month bonus and cutting pensions in Hungary, salary cuts in Singapore and massive public sector layoffs in Seychelles and Ireland.

Mr Speaker, Sir, in California, which would be the 6th richest economy if it were independent, drastic measures are being considered, including cutting funding for social services including removing coverage from 225,000 poor children. Some health programmes, including family planning and pre and post natal care will be cut sharply or eliminated. Child welfare programmes will be cut by 10 percent. Cuts in the education budget will shorten the school year by a week, require teachers to be laid off and cause larger class size. Cuts in spending on higher education in California will result in 50,000 fewer students and 5,000 fewer staff.
In Mauritius, one of the most rational ways to save jobs that was advocated by many and has been practiced across the globe would have been to impose a wage freeze.

However, Mr Speaker, Sir, in recognition that this would impose undue hardship on those with modest income, we have rejected this easy solution. Instead, we have balanced solidarity with job preservation by maintaining the approach of the NPC to compensate 71 percent of workers at a cost of Rs1.4 billion. Around 80 percent of employees in the private sector and 40 percent in the public sector would be eligible for the salary compensation.

In fact, 258,000 out of 320,000, i.e. 81 percent are eligible for compensation in the private sector. In the public sector, 37,800 are eligible, i.e. 40 percent. In addition, Mr Speaker, Sir, 90 percent of public sector pensioners will benefit from the compensation. Almost all the 15,600 beneficiaries of civil service family protection pensions will also get compensation.

The definition of grades varies across sectors and enterprises. What matters for this exercise is salary.

The NPC has had to balance inflation, productivity, capacity to pay and competitiveness in making its recommendations.

The Rs12,000 cut-off reflects the policy to give greater protection to those that are hit the hardest. While appealing for solidarity and a sense of social consciousness from those who are at the higher end of income, raising the threshold would mean a lower rate of compensation for all or cuts in social benefits to those most in need and would risk imposing an unbearable cost on the economy.

The trade-off between jobs and pay is in tension and many, especially SMEs cannot pay even the amount recommended by the NPC. This is why Government will set up a mechanism, as recommended by the NPC, to ensure that all those who can pay do so.

Mr Speaker, Sir, we should also recall that social policy is not just about compensation and that earnings reflect other increases than compensation. In fact, many employers have paid more than recommended by the NPC when they have been able to do so. We also count on them to carry on this practice this year for those enterprises that have been best able to weather the storm.
Mr Speaker, Sir, more importantly, social protection goes beyond compensation. We have had to create room through a responsible compensation policy to provide for increases in a large array of existing social benefits.

We are providing Rs380 m. to rehabilitate NHDC housing estates. In all over 250,000 beneficiaries of social benefits including pensions will receive compensation of at least 5.1 percent.

The new programmes will cost Government Rs2 billion whilst we have provided another Rs450 m. for the existing social benefits.

Old age pension, Mr Speaker, Sir, is an item dear to the Labour Party which not only introduced it decades ago, but almost doubled it when the current Prime Minister first took office in 1995. Moreover, we ended the humiliation associated with the implementation of the targeting introduced by the previous Government. Given that the pension now covers all, regardless of income and given the aging population, every year we have to provide a three percent increase amounting to Rs300 m. because of the aging population. On top of this and despite the difficult economic situation we are granting the same increase of 5.1 percent to all pensioners that the NPC is recommending for workers at the lower end of the salary scale. We have also increased the lowest rung, Mr Speaker, Sir, from Rs3,500 to Rs3,800 in spite of the difficult situation.

However, Mr Speaker, Sir, we have not been satisfied with this. We have done more for targeted groups that are well identified and need our support. In addition to a 15 percent increase for some 90,000 beneficiaries of income support, we have also provided a 10 percent increase to single mothers and abandoned women and we have extended the child allowance from 20 to 23 years for children in low income families attending higher education. We have also raised the threshold from Rs7,500 to Rs10,000 for scholarships to children whose family has lost an income earner. Moreover, we are allocating Rs60 m. to support small planters.

More important, maybe, is what we have not done. We have neither raised VAT nor extended its coverage, in sharp contrast to the previous Government which did so twice. Similarly, we have relied on a solidarity levy on those who can afford it, instead of following the previous Government in raising income taxes at the expense of jobs and investment.

(Interuptions)

Mr Speaker: Order!
Dr. Sithanen: Mr Speaker, Sir, in these unprecedented times, the best way to protect people and families is to preserve jobs. We have mobilized Rs3.5 billion to achieve this. This is the best way to help the poorest and we are also extending our efforts to help them help themselves by rationalizing and reinforcing our empowerment and poverty alleviation efforts, providing Rs360 m. for the next six months.

Mr Speaker, Sir, clearly we have taken steps to avoid a human and social crisis by finding the right balance between the hard choices made in other countries. It is, therefore, clearly neither wise nor responsible to modify the recommendations of the NPC either by raising the Rs12,000 threshold or by increasing the rate of compensation.

Mr Speaker, Sir, to conclude, we will cross the bridge of what happens in January 2010 when we reach it. However, I must state that compensation is usually for a one-year period. At the same time, if the world economy recovers and our balanced approach bears fruit, the next compensation exercise should provide the NPC more room for manoeuvre.

Mr Bérenger: Mr Speaker, Sir, the hon. Vice-Prime Minister and Minister of Finance has given figures for the percentage of workers/employees involved in the private sectors who will not benefit from any salary compensation. These figures cannot be verified. Can I ask the hon. Minister why is it that he does not give the figures? My question asked for grades. Will he agree with me that, in fact, in the public sector, namely gardeners, carpenters, plumbers, watchmen, electricians, hospital servants, drivers, gangmen, printers, cooks, caretakers, office attendants, messengers, clerical officers, executive officers, typists, all these categories, either from year one, or after a few years’ of increments, in the public sector – they are simple workers – will not benefit from any compensation, and in the private sector, foremen, supervisors, clerical staff, cashiers, and so on, will not. Why has he refrained from replying to my question and giving those grades?

Dr. Sithanen: It is for very simple reasons, Mr Speaker, Sir. First, there are so many grades, not only in Central Government, but also in public sector and in public enterprises. Second, in the private sector, there are thousands and thousands of grades that change across sectors and even within enterprises. Mr Speaker, Sir, the grade is not important here. What is important is the salary cut-off. And the salary cut-off is Rs12,000. And let me give the additional figures. I don’t know whether the
hon. Leader of the Opposition has a copy of the recommendation of the NPC. There is an appendix which says very clearly, Mr Speaker, Sir, that 80% of workers in the private sector, out of 320,000, will benefit from the salary compensation, and 40% approximately in the public sector.

Let me make another point, Mr Speaker, Sir. If you add 94,000 in the public sector and 320,000 in the private sector, this makes 414,000. The total employment, however, in the country is 550,000, which means that there are about 136,000 people who are not covered in the public sector and who are not in the official figures of the private sector. They are self-employed or are in the informal economy who employ people.

Yesterday, the hon. Leader of the Opposition, in his speech, said that these are the categories of workers who are probably more vulnerable to the economic shocks. So, in all likelihood, if we add all these figures, you will see that more than 81% will be eligible for the compensation, because of the 136,000 that are unaccounted for in the private sector and in the Government figure.

Mr Bérenger: I am certainly not prepared to go by figures provided by the MEF to the so-called NPC in the absence of a trade unionist. I will certainly not go along with those figures. The Vice-Prime Minister, however, has not challenged me when I gave him this long list of ordinary workers who will not be benefiting from any salary compensation.

If I can move on to this Rs12,000 per month cap, is he aware that this is going to disrupt the PRB recommendations completely? The PRB has done a thorough work and has come back with rate equilibrium between the different grades, and so on. This arbitrary decision to stop at Rs12,000 per month disturbs completely this set-up. Is the Vice-Prime Minister aware that, within grades, this is how we reward older workers, the younger workers in a lot of these categories which I have mentioned? The first year, the second year worker in the same grade will get compensation - not sufficient - but will get a compensation, and the higher grades will not.

Dr. Sithanen: Mr Speaker, Sir, I started my reply to the question of the hon. Leader of the Opposition by describing the context in which this exercise has been done. I don’t want to gain cheap political points, Mr Speaker, Sir, but let me set the record right for the hon. Leader of the Opposition. He has been Minister of Finance, and there was a year where there was no global recession, there was no global decline in trade; California was not bankrupt; he promised 30% increase in salary to workers;
inflation was 13.5% and, before the negotiation, during the negotiation, and after the negotiation, he gave only 8% to the lowest rung.

(Interruptions)

Mr Speaker: Order! Order!

Dr. Sithanen: This is a fact, Mr Speaker, Sir!

(Interruptions)

Mr Speaker: Order! Order, please!

Dr. Sithanen: Mr Speaker, Sir, the times were better than they are today, and yet...

(Interruptions)

Mr Speaker: Order!

Dr. Sithanen: I listened to him! Mr Speaker, Sir, he promised 30%. Inflation was 13.5%, he gave only 8%, and I hope he understands that 8%...

(Interruptions)

Mr Speaker: Order! Order, please!

Dr. Sithanen: And he is shouting!

Mr Speaker: Order, I said!

Dr. Sithanen: Mr Speaker, Sir, let me tell the hon. Member, that inflation was 13.5%, he gave only 8%. Then we tell him 8% over 13.5% is 59%. Today, 5.1% over 6.9% is 75%, Mr Speaker, Sir. So, in difficult circumstances, we are doing better than what we did when the sea was calm and the moon was lighting, Mr Speaker, Sir.

(Interruptions)

Mr Speaker: Order! I am sorry!

(Interruptions)

Order! Order, please! I have no control on the answer of the Minister.

Mr Bérenger: Mr Speaker, Sir, this is sheer propaganda and hypocrisy. We are going back to 1982...

(Interruptions)

Mr Speaker: Order!
Mr Bérenger: …1982 was tougher than today and it will be better than today.

(Interruptions)

Mr Speaker: Order! If that continues I will have no alternative than to suspend the sitting. Please, please!

Mr Bérenger: Today’s Minister of Finance said more than we said in 1982. He knows and he said it then that the country was bankrupt and we did what we do. We inherited from the Labour Party that rate of inflation, Mr Speaker, Sir.

(Interruptions)

Mr Speaker: Order! Order! Order, please!

Mr Bérenger: 1982 was ten times tougher than today, Mr Speaker, Sir!

Mr Speaker: Order! Order! I think both sides have made their point. Please, come back to the question!

Mr Bérenger: I am sure the Minister will have to agree that capping the salary compensation at Rs12,000 is sans précédent. Even in 1982 or at any other time this has never been done and this is a fact. I am sure the Minister of Finance will have to agree.

Dr. Sithanen: Mr Speaker, Sir, the hon. Leader of the Opposition does not have to shout. He was in a good mood yesterday. I would tell him to get back to his good mood of yesterday, Mr Speaker, Sir!

(Interruptions)

Mr Speaker: Order! Order, please! Order!

Dr. Sithanen: Mr Speaker, Sir, the hon. Member keeps saying that we have to save jobs, we have to save jobs. He was citing Reuter. Mr Speaker, Sir, this is what we have done. We have to strike a balance between preserving jobs and protecting purchasing power. Mr Speaker, Sir, I have given numerous examples where we have
walked the extra mile in order to protect those who deserve it. 95,000 men, women and children on income support, we have given them 15% rise which is 200% of inflation; women who are abandoned, we have given them 10% increase; single women with children, we have increased by 40% Mr Speaker, Sir…

(Interruptions)

Mr Speaker: The question is on capping.

Dr. Sithanen: Of course, I am replying, Mr Speaker, Sir. What we have said, because of exceptional circumstances, we have asked for solidarity.

(Interruptions)

I am answering the question.

Mr Speaker: No, listen! Can I please! The hon. Minister has, in the reply that he has given, explained the philosophy behind his decision. Now the question is that it is the first time that there has been a capping. He can explain and then answer, please. There is no need for you to repeat the same arguments again and again.

(Interruptions)

Dr. Sithanen: Mr Speaker, Sir, this is precisely what I was doing. I was saying that this is exceptional. Never since 1930 has the world gone into a recession! Never since 1940 has global trade declined by 11%! Mr Speaker, Sir, we have asked for solidarity. What does solidarity mean? That those who can afford will share with those who are in vulnerable position. We have imposed three taxes on those who can and we have asked…

(Interruptions)

This is the answer! The hon. Leader of the Opposition cannot tell me, how to answer questions, Mr Speaker, Sir.

(Interruptions)
Mr Bérenger: We knew before him that there is an international financial and economic crisis, well before him! Is the Minister telling us that adding 2% to old age pension, handicappés, veuves, orphelins and lowest paid will make this country bankrupt, adding 2% to these lowest cases!

Dr. Sithanen: Mr Speaker, Sir, he did worst in 1982, Mr Speaker, Sir! He removed old age pension from 6,000 people in 2004, Mr Speaker, Sir; he inflicted psychological stress on hundred thousand old age persons…

(Interruptions)

Mr Speaker: Come to the question now!

Dr. Sithanen: Mr Speaker, Sir, everyday they pray for this country to go down, Mr Speaker, Sir, so that they can walk on cadavres.

Mr Dulloo: On a point of order, Mr Speaker, Sir, can he enter into political controversy and threats?

Mr Speaker: Mr Speaker, Sir, I will take the point of order at the end of the PNQ.

(Interruptions)

Order, please! Hon. David, can you keep quiet, please? I am begging you to keep quiet.

(Interruptions)

Mr Bérenger: Mr Speaker, Sir, the hon. Minister has refused to tell us whether there will be another wage compensation as from the 01 of January 2010 and we know that it is an annual exercise. We insist that there should be an adjustment or there should be a further salary compensation as from the 01 January 2010. Will at least the Minister give the guarantee that under the pretext that we are moving to a
calendar year, the next wage compensation will not take effect as from 01 January 2011?

**Dr. Sithanen:** Mr Speaker, Sir, the priority of this Government, we have stated it clearly and ambiguously in the title of the Budget, is to save jobs, protect people and prepare for the recovery. We will be ahead of the curve, Mr Speaker, Sir. Now the hon. Leader of the Opposition wants to commit what we we are going to say in the speech of the Budget in November 2009. We have another Budget, Mr Speaker, Sir. Let me tell him also, the compensation lasts for one year, Mr Speaker, Sir. There is nowhere, where it is written that the two should coincide. We have a whole range of possibilities. We have taken a series of measures and we will have to see how the world economy unfolds, what would be the impact on unemployment and employment, but we will make an announcement, Mr Speaker, Sir, in due course. We will cross that bridge when we reach it, Mr Speaker, Sir. And that’s basically the commitment that this Government will take.

**Mr Ganoo:** All the trade union federations have disagreed with the proposals of the NPC and are still criticising these proposals. The Minister said in his answer “we” have increased the threshold, “we” have decided what should be the threshold; “we” means Government.

**Mr Speaker:** The hon. Member should put his question!

**Mr Ganoo:** Can I ask the hon. Minister then why does not Government once change the terms of reference of the NPC? Because this is a gimmick, this is a farce. The NPC deciding on its own...

**Mr Speaker:** I am sorry, hon. Ganoo! The question, please! I am sorry, you have seen what is the question, it is not about changing the NPC.
**Mr Ganoo:** But the outcome is the proposals of the NPC. My question is to put an end to this farce so as to give the several Trade Union Federations a chance to come and voice their proposals and consequently to review this question of *les attributions* and the terms of reference of the NPC!

**Dr. Sithanen:** Mr Speaker, Sir, this is opening an old *plaie*. Mr Speaker, Sir, the hon. Member knows that there are four criteria used to determine the compensation by NPC. The first one is inflation, as measured by CPI; the second is the average productivity in the economy; the third is the capacity to pay, and the fourth is the impact of such an increase on employment and unemployment.

Mr Speaker, Sir, all Governments, including many Members on the other side of the House, have gone through that process, and we know that we cannot increase salary compensation solely on the basis of inflation. Mr Speaker, Sir, never has this taken place. In fact, this year, we have taken …

*(Interruptions)*

**Mr Speaker:** Hon. Barbier, please!

**Dr. Sithanen:** This year, Mr Speaker, Sir, they have taken 50% of inflation plus 100% of average productivity, and there has been no formula for what would be the impact on unemployment and on the capacity to pay. But, we invite the Trade Unions to go there and make their voices heard, Mr Speaker, Sir, and try to influence the course of the debate and the recommendations made.

**Mr Jugnauth:** Mr Speaker, Sir, I heard the hon. Minister say that never has there been compensation up to the level of the rate of inflation, but we all know that, in 2004/2005 and 2005/2006, when I was Minister of Finance, we had full compensation up to the level of the rate of inflation. I also agree with the Minister that we are facing unprecedented times. But, we also know that, for the past three
years, there has never been compensation up to the level of inflation. May I know from the hon. Minister, when he was talking about the country facing early harvest, bumper crop, who, in fact, has benefited from the early harvest and bumper crop?

**Dr. Sithanen:** Mr Speaker, Sir, there are three questions in one. The first one is that the hon. Member probably misunderstood what I said. I said that inflation is never the sole criteria that is used to give compensation. We all know how this happens, Mr Speaker, Sir. It is the lowest rung only of the income ladder that will get full compensation. I have been Minister of Finance; I have presented eight budgets, Mr Speaker, Sir. I know how this is done. When Ministers of Finance were doing it, they put a low compensation for a large percentage, and when you average it, in fact, what people get - even when hon. Jugnauth was Minister of Finance - is 52% to 55% of inflation, because it tapers off and, for many people in the Export Processing Zone, they have the increase on their minimum wage and not on the total salary. This is what I meant. Mr Speaker, Sir, let me remind hon. Jugnauth that there is only one Minister, since independence, when inflation was 2.5%, and he gave 5%. I will ask him to go and check who was Minister of Finance in 1993, Mr Speaker, Sir. To come to the point of what has been made, Mr Speaker, Sir? We have created 36,000 jobs in three years. They were creating only 3,000 jobs per year. Who have benefited from it? Workers have benefited from it, Mr Speaker, Sir! The GDP *per capita* has increased. Growth has been 5% instead of 2%. So, workers have benefited from it, Mr Speaker, Sir.

**Mr Dulloo:** Mr Speaker, Sir, the hon. Minister has, again, referred to the SMEs employing almost 50% of the labour force. But, is he not aware that the SMEs produce goods mainly for the local market, to be consumed by the lower and middle income groups. Therefore, may I ask him whether he should not fully compensate
workers, especially those at the middle level management, in order to ensure, if not to improve, but, at least, to maintain their purchasing power for them to consume on the local market? Because demand would preserve jobs, and jobs will preserve those SMEs.

**Dr. Sithanen:** Unfortunately, the hon. Member has not been appointed shadow Minister of Finance, Mr Speaker, Sir. He does not know what he is talking about.

(Interruptions)

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

**Dr. Sithanen:** Mr Speaker, Sir, he is saying that all SMEs produce for the local market. Obviously, he does not know what he is talking about. Firstly, there are many SMEs that produce for the export market, and there are many SMEs that are outsource to the Export Processing Zone, Mr Speaker, Sir. They work locally, but they support the export processing units. My colleague, the Vice-Prime Minister, hon. Duval, knows that there are many small firms which support the tourism sector. If the tourism sector is affected, they will be affected also. What he is saying does not make any absolute sense. Yesterday, Mr Speaker, Sir, the hon. Leader of the Opposition said that the SMEs are the most affected and, in fact, many SMEs, according to a survey that has been carried out by the Ministry of small business, about 80% to 85% of SMEs will not be able to pay compensation, Mr Speaker, Sir, because they are facing dire trouble.

**Mr Speaker:** Two last questions! Hon. Bodha and hon. Lesjongard. Please be short!
Mr Bodha: Mr Speaker, Sir, I will, in fact, take the point where he left it, that is, this issue of capacity to pay, and the recommendation that a mechanism should be put up to see to it that in enterprises where there is no capacity to pay, workers still get a compensation. May I ask the hon. Vice-Prime Minister – he mentioned this mechanism – what is the mechanism and whether, according to the survey which has been carried out by the Ministry of Labour, those workers are going to be ensured compensation in these difficult times?

Dr. Sithanen: In fact, the recommendation of the NPC - I hope hon. Bodha has read it – is that there are those who can pay, but there are many who can’t pay. It is a tricky one, Mr Speaker, Sir, because there are many, among SMEs, who will have difficulties to pay this. The NPC will have to come forward with proposals on how this can be done.

Mr Lesjongard: Mr Speaker, Sir, the hon. Vice-Prime Minister and Minister of Finance has already set an economic background in his reply. But, is he aware that, today, there are lots of families in this country living on a single meal per day? Does he think that the 5.1% increase or that salary compensation will improve that situation, Mr Speaker, Sir?

Dr. Sithanen: Mr Speaker, Sir, let me be very candid about it. The simple answer is “no”. But again, Mr Speaker, Sir, the Prime Minister of Singapore said that it is better to accept a freeze or a decrease in salary and keep your job, than to have a high increase in salary and lose your job, Mr Speaker, Sir. If there is one Government that has done a lot for the poor it’s this Government, headed by the Prime Minister. Yesterday, they were complaining. They never did anything for eradication of absolute poverty, Mr Speaker, Sir.

(Interruptions)

Mr Speaker: But there is nothing to challenge. Hon. Jugnauth will put his question, and then the hon. Leader of the Opposition! Order now!
Mr Jugnauth: Mr Speaker, Sir, I heard the hon. Minister boasting about the raising of the ceiling of salary, where the full 5.1% is being given, from Rs3,500 to Rs3,800. But, we all know that when he took office, the ceiling was already Rs4,300, and he brought it to Rs2,700. Can he explain why he brought it to Rs2,700?

Dr. Sithanen: We did not do that, Mr Speaker, Sir. We have set up an independent institution. It is the independent institution, in its wisdom, that has done that. And people who have generated 40,000 jobless, who have raped this economy, who have increased public debt to 70% are trying us to give us lessons.

(Interruptions)

Mr Speaker: I am sorry! This is a simple question, and the hon. Minister has explained and said that the NPC decided upon it. That’s all! Hon. Leader of the Opposition!

Mr Bérenger: Mr Speaker, Sir, I have two questions if you will allow me. I listened to the hon. Minister. One thing which he has just said disturbs me. He referred to the NPC recommendations to say that these recommendations say that the firms who can’t pay won’t pay. In his Budget Speech, he referred to the NPC when talking about salary compensation. I am asking the hon. Minister whether that means that there will be no Bill as there is every year? Does that mean that, as recommended by the NPC, only those who can pay will pay, and that there will be no Bill before the House to give this minimum, which is insufficient, to all employees?

Dr. Sithanen: There will be a Bill, but there will be exceptions.

(Interruptions)

Mr Speaker: When the Bill comes, we will discuss about it. Time is over!

Mr Bérenger: I have one last question, if you will allow me. The hon. Minister has not given the guarantee that, as we move to the calendar year, there would be another salary compensation as from 01 January 2010. He has said that we will cross the bridge when we reach it. Can we interpret that as meaning that there
will be, between now and November/December, the possibility of another salary increase as from 01 January 2010?

**Dr. Sithanen:** Mr Speaker, Sir, the hon. Leader of the Opposition keeps saying that the situation is bad and we have to protect jobs. We have to see how the situation evolves, and we will take a decision based on what will happen to the global economy and what will happen to the local economy.

**Mr Speaker:** Time is over!