

Debate No. 30

Answers to Private Notice Questions - 05 August 2003

Debate No. 30 of 05.08.03

TOURIST ARRIVALS FROM FRANCE & OCCUPANCY

RATIO OF HOTELS

The Leader of the Opposition (Dr. N. Ramgoolam) (*By Private Notice*) asked the Minister of Tourism and Leisure whether, in regard to the tourism sector, he will state -

the period 01 January to 30 June 2003, compared to the same period last year -

number of tourists from France, our main market, and

occupancy ratio of hotels, and

tourism receipts for the same period 01 July 2002 to 31 March 2003, compared to the same previous period.

The Minister of Youth and Sports (Mr R. Yerrigadoo): Mr Speaker, Sir, with your permission, I shall be answering this PNQ.

As regards part (a)(i) of the question, the number of tourists from France for the period 01 January to 30 June 2003 stood at 97,130 as compared to 100,408 for the same period last year.

As regards part (a)(ii), the average occupancy rate of hotels is 62% as compared to 66% during the same period of last year. Mr Speaker, Sir, this can be accounted due to more rooms being available this year. There were lots of renovation and certainly more rooms are available this year after the renovation period.

As the House is aware, since September 11 2001, the world has not been quite the same place and the travel and tourism market has suffered a slump worldwide. There has been a cascade of events, viz the Bali terrorist attack, the Mombossa event and the more recently Iraqi war.

Mr Speaker, Sir, being aware of the importance of the tourism sector for our economy, all necessary steps are presently being taken by the Ministry of Tourism and Leisure and the MTPA, both locally, regionally and on its main source markets in Europe with a view to counteracting any adverse effects likely to result from the recent world events.

Other strategies used range from stepped-up public relations efforts and targeted advertising to seeking close collaboration and support from the trade and meetings and workshops.

At this particular point in time, Mr Speaker, Sir, the tourism industry is set against a backdrop of high uncertainty and confusion.

Today there is an ongoing global war and this has caused major disruptions, security and safety fears, which are keeping both leisure seekers and corporate travellers away. The market is jittery and latent tension is further fuelled by constant and frequent fears not to fly far away from home.

In view of such circumstances, it is heartening to know that our latest figures for the period mentioned above have shown a slight decrease, however the future is not so hazy. We have, so far, increased our efforts quickly and responsibly to counteract potential reduction in future customer demand by stepping our efforts in most markets in Reunion, South Africa, Austria, Switzerland, Italy and Germany.

As regards part (b) of the question, the tourism receipts for the period 01 July to 31 March 2003 stood at Rs13,745 billion as compared to Rs 14,762 billion for the same period last year.

This can be accounted for by the soft pricing of products by hotels to face severe pricing competition abroad in light with a recovery action strategy plan especially after the recent world events and the Iraqi war.

However, the House will note that since April 2003 to date, there are indications of a slight catching up on those figures.

Dr. Ramgoolam: I thank the Ag. Minister of Tourism and Leisure. I do not know how much he will know of the subject, but can I ask him ..

(Interruptions)

If he knows, it's good. I hope he knows. Can he give an explanation as to why specifically there should have been a significant drop in tourism from our main market, that is, France? He just mentioned that there has been a decrease of 3.3%. Why especially France?

Mr Yerrigadoo: In the substance of my answer, I would have thought it would have been very clear. The hon. Leader of the Opposition would know that from the month of May onwards France has been taken aback by firstly continuous strikes which had had very bad repercussions on the market, specially for tourists and also severe droughts prevailing in France have added up to that. However, we have set up many actions on campaigns, on advertising; and there is a big campaign coming up as from the next season, September 2003, launching in big magazines such as *l'Express*, *l'Observateur*, with specific interests for Mauritius. There are also specific events, which target tourism from France. The Raid Vittel Amazone 2003 will be launched in France in September 2003 and will follow up in Mauritius as from the 13 to 21 October. This is a high profile event with radio, TV, satellite transmission covering Mauritius with documentary on TF1, France Television, MC News Sports, Voyages, Escales taken up by on-stop advertising in dailies, magazines. So, all these have been stepped up, Mr Speaker, Sir.

The MTPA Paris office is continuing in stepping up its effort to maintain, if not improve, marketing activities, such as updating the sales manual "*Passport pour l'île Maurice*" amongst travel agencies in France. The Mauritian website will be updated by the end of August/September 2003 which will also target new niche markets. The House would be aware in Mauritius we are targeting two things right now the safe destination and the niche markets, very select destinations. Obviously, this is a niche market requiring special targeted advertising and promotion campaigns. This is exactly what we are investing into, Mr Speaker, Sir, and we do hope that this is going to be a much beneficial marketing strategy to bring more tourists specially from Paris destination.

Dr. Ramgoolam: Does the Minister realise that in spite of what he has said about marketing magazines etc, people in the trade are saying that not enough is being done and, in fact, nothing has really been done? I do not want to target the Ag. Minister, but this is what people in the trade are saying. Can he say exactly how many such promotion exercises have taken place?

Mr Yerrigadoo: I do not have the exact figure, but certainly quite a lot has been done. There has been a calendar of activities going on for years which have stepped up

with the recent world events. As I have said in my answer, after the terrorist attacks, a lot has been done. For the *rentrée* of September 2003, I have mentioned a series of initiatives such as advertising, mass publicity, targeting specialist events as the Raid Vittel Amazones 2003 and other targets for the French market, especially, our promotional campaign clips and the like, which our rivals in the tourist industry are resorting to. It is a niche market. We are hampering on the fact that Mauritius is not any other destination; it is Mauritius, a safe and select destination. The Ministry and the MTPA are doing their best together with the private sector to step up that destination.

Dr. Ramgoolam: As I said, the Minister is the Ag. Minister and he is saying a lot of things. In fact, nothing specific is being given, just a list of these niche markets. Everybody know all this. Can the Minister explain how does he expect the Government to reverse this trend when, in fact, there has been a reduction in the marketing and promotion budget in euros?

Mr Yerrigadoo: Mr Speaker, Sir, there are many other avenues of public private partnership. Many new strategies are being used with the hotels, with different travel groups, with airlines, to market the destination in many countries which I mentioned in my answer, especially South Africa, Australia, Switzerland, Italy and Germany. At the next *rentrée* in September 2003, we will pool all our efforts together and we are sure it will reap its fruits. As from April this year, the new campaign which we have launched, targeted especially those destinations that I have mentioned. There are indications of slight catching up, but, certainly, we are going to closely follow up these trends.

Dr. Ramgoolam: My question was: how does he expect this trend to change when, in fact, the budget in euros has been decreased?

Mr Yerrigadoo: Despite the fact that the Leader of the Opposition is alluding to the so-called budget decrease, in real terms, there are many other avenues and strategies together with the private sector, the hotel industry, which will shortly be put into practice to target those niche market destinations.

Mr Duval: Mr Speaker, Sir, the euro has increased by 20% recently. In real terms, the budget of the MTPA has fallen compared to last year. It is now Rs139 m. compared to Rs140 m. last year. The whole speech of the Ag. Minister of Tourism has been the need to step up. How on earth does he expect the MTPA to step up anything when its budget is being cut in real terms by 20%?

(Interruptions)

Mr Yerrigadoo: Mr Speaker, Sir, we are certainly thinking very global here. We are not saying that it is up to the MTPA to do all promotions and the marketing. It is a public private partnership in the marketing of a safe and select destination. It is true; the hon. Member has alluded to figures in real terms. But, as I mentioned in my answer, there are new strategies with the public and private sector which are being worked on and which will be put into practice for the *rentrée* of September 2003.

Mr Duval: Mr Speaker, Sir, we know the performance of the Mauritius tourism industry compared to worldwide figures. We accept that there has been a problem in some areas in the tourist industry, but if you take South Africa ...

(Interruptions)

Mr Speaker: Order!

Mr Duval: Let me finish my sentence! Not just South Africa! According to the tourism barometer of the World Tourism Organisation, South Africa: 11%; Barbados:

9%; Maldives: 20.7% for April 2003; Sri Lanka: 28%; India: 11%. People are doing much better than Mauritius. The point being made here is that the budget of the MTPA – I am sure the representatives from the MTPA will agree – has been cut. It is now ineffective and there has been no response to the September 11 event and the events in Iraq.

Mr Yerrigadoo: Let me answer the hon. Member. The hon. Member mentioned South Africa and a number of other destinations. Mr Speaker, Sir, as the House would be aware, concerning all those countries which the hon. Member has just mentioned, we have said time and again that we have got a marketing strategy for Mauritius and that strategy will depend on two essential pillars: safe destination and a select market. Clearly, we are not targeting the same market segments. Our emphasis in Mauritius is more on quality than on quantity - high standard luxury hotels in Mauritius as compared to lodges in South Africa. The hon. Member has rightly pointed out South Africa. South Africa does not target the same market as in Mauritius. In fact, the hon. Member mentioned the figure of 11%. In fact, it is 13%. This is the true figure. I will tell you why it is 13%. We know that the price exchange of the rand is very low. South Africa enjoys frontier tourism. People from countries like Swaziland, Lesotho, etc. come over the weekends in 3-star hotels in South Africa. There are lots of charter flights coming to South Africa. There are lots of conferences taking place in South Africa since the last two years. The World Summit is a recent example. Not a week or two go by without their having some high profile conferences in South Africa. As I said, we are clearly not targeting the same market segments.

The hon. Member referred to Barbados, Maldives. The figures which the hon. Member mentioned are *en relation* after the 11 September attacks. If the hon. Member would look at the figures on that same website, in the period of 2000, Barbados and Maldives are two different *cas de figure*.

Maldives has, in fact, new hotel inputs. I am advised that three new luxury hotels have actually come to Maldives. But Barbados has more 3-star hotels. In real terms, figures from 2000, before the 11 September event, are, in fact, very relative.

The hon. Member alluded to market forces. Mauritius is in the euro zone as compared to South Africa which is in the dollar zone. Exchange rates have had an incidence on the pricing policy, as the hon. Member correctly alluded to the appreciation of the euro. Core products are different. In South Africa, there are adventure, wild cliff tourism, beach destination. In Mauritius clearly, we are not talking the same language. We have to put things in the right perspective.

(Interruptions)

Mr Speaker: Order, please!

(Interruptions)

Hon. David, for some time, you have stopped with the language I had referred to in my announcement. You have started to say the word *gopia*, I would not tolerate that.

Mr Duval: Mr Speaker, Sir, after such failure there is so much self satisfaction! It is surprising! Can the Minister give us one single or a few positive actions that the Government took specifically to counter the effects of the 11 September event and the Iraq war? He should not just find reasons for others' success and reasons for the failure of Mauritius. This is what Government is doing in every single area.

Mr Yerrigadoo: I am sure that the hon. Member did read the press, when the Prime Minister was in Paris, when he led that mission on marketing Mauritius. Time and again, new strategies have been taken up. We have not been sleeping *sur nos lauriers*,

waiting for things to happen. We certainly have not been taking as cheap excuses *néfastes* performances from other destinations. We have been working in close collaboration at the Ministry with the MTPA, all our regional offices in UK and France. We have had lots of new marketing strategies to step up the market, to react. I'll give you three specifics. In UK, there have been vast campaigns, especially targeting on buses; in Milan, there has been a big billboard campaign. Mr Speaker, Sir, we know that the tourist industry has got specific periods to target specific arrivals, and we have taken all the necessary measures, with all our PR and advertising teams in Europe, in our niche markets. Certainly, for the September 2003 *rentrée*, the needful is being done and the results will show, Mr Speaker, Sir.

Mr Duval: Mr Speaker, Sir, if the Minister reads the figures, he will see that Italy has, unfortunately, fallen by 1.6%. In view of the specific actions that have supposedly been taken, the Minister has, unfortunately, cited the press conference of the Prime Minister. Can he confirm that there were only three foreign journalists attending that press conference?

Mr Yerrigadoo: I would certainly need notice of that question. I would invite the hon. Member to address a specific question to the substantive Minister when he is back.

Dr. Boolell: Mr Speaker, Sir, the sector is in decline, when we look at the number of arrivals, when we look at the receipt, at the occupancy rate. Can I ask the Minister whether this Government has a clearly defined strategic marketing policy in respect of 2003?

Mr Yerrigadoo: We certainly, unlike the previous Government, do have a clear-cut strategy, which revolves around the Ministry, the MTPA, public/private partnership. Let us make it clear. Yes, there has been a slight decrease. But, when the hon. Member is alluding to rate occupancy in hotels, as I rightly said in my answer, true it is that, last year, at the same period, the occupancy rate was 66% and true it is that now, it is 62%. The reason is very simple. Last year, there were less rooms available, because there were either hotels being renovated or new hotels up coming to the market. This year, for this season, there are more rooms available on the market. We are fairing quite well, despite a difficult, confused slump after the terrible events in Mombassa, Bali and Iraq.

Dr. Ramgoolam: The Minister has been wrongly briefed, and I would suggest that he does not say things he does not know. Does he know that the last year we were in Government...

(Interruptions)

It is not unfair! Because he mentioned figures which he actually does not know!

(Interruptions)

Mr Speaker: Order!

Dr. Ramgoolam: The last year we were in Government, the growth in that sector was 14%, and not 3%. So, all his *bla-bla-bla* is not convincing anyone on this side as well as on the other side. Does he know – and that's why I feel it is a bit unfair to ask him that question, because he is the Ag. Minister – that the budget for promotion in the Ministry is done in such a way that, in January, they have already allocated what they want to spend? Therefore, they do not have a flexibility to react really, when some unforeseen events take place. Is he aware of that?

Mr Yerrigadoo: Two points, Mr Speaker, Sir. Firstly, to react to the fact that during their last year in Government, there was a growth of 14%. True, it is, but there were certainly not the Mombassa and Bali events. There were certainly not yet the September 11 events, and we should be really at ease with this, Mr Speaker, Sir, to realise the rational, tangible facts that have affected the whole worldwide

tourism/travellers' market. It is not true to say that the whole budget for marketing has already been targeted and allocated. There is ongoing flexibility at the offices at the MTPA and at the Ministry of Tourism. It is a very proactive market, and the allocation is done in a very proactive manner, to see in which target destination, which niche market destination we are going to invest into, with regular monitoring. As I said, it is a very proactive market, and the officers are reacting in favour to that. I must add that there is, again, a new strategy, public/private partnership with the hotels, the travelling industry, to beef up that segment of the market.

Dr. Ramgoolam: Mr Speaker, Sir, the Minister is talking about September 11. He must realise that there was a great financial crisis in Asia during our period. The flexibility I am talking about is being mentioned by people in the trade...

(Interruptions)

I can't mention names here, as you know. Does the Minister not think that he should recommend that there should be, not only an increase in the budget, but some flexibility, a *fonds* that can be used in case of unforeseen events?

Mr Yerrigadoo: There is necessary flexibility at the Ministry to re-allocate, to retarget certain destinations, to put money where the market is. There is constant monitoring on all our niche markets, on all the market segments Mauritius targets, and there are, as I said, initiatives on other markets as well to bring the travel industry into Mauritius.

Mr Dowarkasing: Mr Speaker, Sir, may I ask the hon. Minister whether he can confirm whether there has been a growth in the number of tourist arrivals from the UK?

Mr Yerrigadoo: In fact, if we take it overall, there has been a percentage increase in the growth. But, it is very relative, and we have taken the market over again. For the first semester of 2003, there has been an overall increase of 3.9% in all other markets, and these are real figures, Sir.

Mr Dulloo: The hon. Minister should have referred to the figures of last year, as far as UK is concerned. But, he just gave the reasons why there has been an increase in tourism in certain markets like South Africa, Maldives and Barbados, as a result of the positive campaign being led to the effect that they are a safe haven. May I ask the Minister whether, the fact that there has been a negative propaganda in Mauritius regarding the terrorism scare, *lanate*, SARS, this has had a negative impact on tourist arrival and has, in fact, led to a decrease, and therefore the image reflected by the Government of Mauritius was so bad that the tourists have gone to Maldives, South Africa, instead of coming to Mauritius?

Mr Yerrigadoo: Mr Speaker, Sir, Government, the Ministry, the MTPA, have always done, and are doing, all that can be done to maintain the image of Mauritius as a safe and select destination. We certainly, so far, have been successful in that. It is very dangerous to allude to certain reasons Members have been alluding to, Mr Speaker, Sir. With all due respect, I have yet again to repeat, Sir, that those destinations the hon. Member has again made mention of, don't target the same market segments as Mauritius. They target lodges, three star hotels. We are clearly not talking the same type of tourism. They are talking of charter flights, of different sorts of cut-down policies.

Dr. Boolell: Can we have from the Minister a breakdown in respect of the money spent by the MTPA on accommodation, advertising and payment to officers?

Mr Yerrigadoo: Of course, Mr Speaker, Sir, I would need notice of that question, and I invite the hon. Member to put that question to the substantive Minister.

Dr. Ramgoolam: I heard the Minister mention at the beginning that the occupancy ratio has gone down due to more rooms becoming available. Does he not think

that we should look at this carefully? I hope he is aware that the 5 star hotels are complaining that their occupancy rate has been low compared to what it was. Does that fit with the policy of opening new hotels in every nook and corner of the country at the same time?

Mr Yerrigadoo: Mr Speaker, Sir, as I have correctly explained and the Member has correctly understood why the rate of occupancy has gone down, the 5 star hotels have been recently involved in the soft pricing products to face the severe pricing competitions in light of recovery action. We certainly have a very sound policy of promoting Mauritius, our tourist industry and we are certainly going ahead with that, Sir.

Mr Paya: Mr Speaker, Sir, I think that last week the Mauritian Government received a prize in the United States by the famous Travel & Tour Magazine. I would like to ask the Minister why we were awarded that prize by this famous magazine?

Mr Yerrigadoo: Very simply, Mr Speaker, Sir, for two reasons. The magazine said that Mauritius remains one of the most select and quiet destination and one of the safest on this earth.

Dr. Boolell: Mr Speaker, Sir, we all know that there is no proper monitoring of the Fund earmarked in respect of the MTPA. Can the Minister...

(Interruptions)

The Deputy Prime Minister: Mr Speaker, Sir, you've said time and again that such statements should not come before a question. The statement is wrong and your ruling is that no such statement should be forthcoming.

Dr. Boolell: Can the Minister give the House the reason as to why the Director of MTPA in Paris was revoked? Was it not precisely because he drew the attention of the Minister as to the way the money was spent?

Mr Speaker: No, we do not know whether he has been revoked for this reason. The hon. Deputy Prime Minister took the point. The hon. Member can ask why was the Director revoked?

Mr Yerrigadoo: I am advised that my colleague, the substantive Minister, has already answered that question. Anyway, Sir, I need notice of that question and I invite the hon. Member to address this question to the Minister of Tourism and Leisure.

Dr. Boolell: Will the Minister state whether the strategy of Government in respect of marketing has been reduced to opportunistic photos taken by the Minister with a few starlets?

(Interruptions)

Mr Yerrigadoo: This is totally incorrect. We have a sound and clear-cut policy and we know where we are going, Mr Speaker, Sir.

(Interruptions)

Mr Speaker: Order please!

Dr. Ramgoolam: As the hon. Minister is speaking of encouragement to the operators in other sectors, does he know that the small operators complain that there is too much administrative load for them to operate? What is being done to help the small operators?

Mr Yerrigadoo: Mr Speaker, I need notice of the question again and I invite the hon. Leader of the Opposition to put the question to my colleague.

Dr. Ramgoolam: Sir, it so happens that in this weeks' "Economist" which just came out on Monday - which the hon. Deputy Prime Minister reads - there is a whole article about the turmoil in the travel business. I suggest the Minister reacts to what is being said -

"Terrorist threats, the Iraq war, SARS and the economic downturn in western economies are all being shrugged off as consumers demonstrate once again how remarkably high holidays come on their list of priorities".

Then it goes on to give reasons that the broader statistics support this picture. I do not want to read too much of that article, but even in countries like Israel, it is up to 44%; we've just heard about South Africa, even in places like Kashmir it is up and you cannot find a hotel room. So, can the Minister, therefore, stop using the argument of 11 September, SARS or whatever? They should put their money where their mouth is and compare to what other countries are doing. That is my suggestion.

Mr Yerrigadoo: Mr Speaker, Sir, we've already lengthily answered this question and the hon. Leader of the Opposition knows that the Ministry, the MTPA and Government are certainly doing all that they can together with the private hotel industry to step up the market image destination of Mauritius.

Mr Speaker: I am advised that PQ No. B/551 will be answered by the hon. Minister of Environment.

BOI/MIDA - MINISTERIAL RESPONSIBILITY

(No. B/550) **Mr A.K. Gungah (Second Member for Grand' Baie and Poudre D'Or)** asked the Prime Minister, Minister of Defence and Home Affairs and Minister of External Communications whether, in regard to ministerial responsibility, he will for the benefit of the House, state -

f the Minister to whom responsibility for the BOI has been entrusted is also responsible for industrial estate management; and

f the Minister to whom responsibility for MIDA has been entrusted is also responsible for export promotion.

The Prime Minister: Sir, the answer is as follows -

Minister of Finance is responsible for the Board of Investment under Section 2 of the Investment Promotion Act.

The Minister of Industry and International Trade is responsible for MIDA, which in turn is responsible for export promotion and the development and operation of industrial sites and estates.

(PQ NO. B/551 - See after PQ No. B/572)

CONVENTIONS/TREATIES (INTERNATIONAL) - RATIFICATION

(No. B/552) Mr V. Baloomoody (Third Member for Rivière des Anguilles and Souillac) asked the Prime Minister, Minister of Defence and Home Affairs and Minister of External Communications whether he will reassure the House that all future ratifications of international conventions and treaties involving Mauritius will be brought to the attention of the Assembly by way of appropriate motions.

The Prime Minister: Mr Speaker, Sir, in a statement which I made in the National Assembly on 17 April 2001, I said that in future ratifications of International Conventions and Treaties would be brought to the attention of the Assembly by way of appropriate motions.

In order to implement the decision, the Ministry of Foreign Affairs and Regional Co-operation which is responsible for the ratification of International Conventions and Treaties has established appropriate administrative measures which have been communicated to all Ministries since the advisability of adhering to such Conventions and Treaties are examined by sectoral Ministries.

After further consultations, Government has agreed that some Conventions/Treaties would be given widest publicity, to ensure greater transparency, wider national participation and public sensitization in the running of Government affairs, by way of a motion in the National Assembly, whilst legitimate discretion would be preserved on others.

AFRICAN UNION - INSTITUTIONS - SETTING UP

(No. B/553) Mr V. Baloomoody (Third Member for Rivière des Anguilles and Souillac) asked the Prime Minister, Minister of Defence and Home Affairs and Minister of External Communications whether he will state the stand of Government on the various bodies set up by the African Union, and whether he will make a statement thereon.

The Prime Minister: Mr Speaker, as the House is already aware the African Union (AU), which replaced the Organisation of African Unity (OAU), was officially launched in July 2002 during the Durban Summit. An interim period which started July 2002 ended with the Maputo AU Summit in July 2003.

The Constitutive Act of the African Union provides for the following nine organs -

- (i) The Assembly of the Union
- (ii) The Executive Council
- (iii) The Pan-African Parliament
- (iv) The Court of Justice
- (v) The Commission
- (vi) The Permanent Representative's Committee
- (vii) The Specialised Technical Committees
- (viii) The Economic and Social and Cultural Council

9 Financial Institutions

At the Durban OAU/AU 2002 Summit, the Assembly adopted the Rules of Procedures of both the Executive Council and the Permanent Representative's Committee as well as the Statutes of the Commission which in effect led to the coming into operation of these organs.

The setting up of all other institutions is one of the top priorities in order to make the Union a viable and effective organisation for the Continent's development.

I wish to inform the House that the Durban OAU/AU 2002 Summit also adopted the Protocol establishing the Peace and Security Council. This new organ provides for a collective security and an early warning arrangement to facilitate timely and efficient response to conflict situations in Africa.

As regards the Pan-African Parliament I informed the House last week, in reply to PQ No. B/522, of the far-reaching implications of the Protocol which required to be examined in detail before a decision is taken to ratify it.

As the House would note not all the organs of the Union have yet been established. Rules and Regulations for each outstanding organ will have to be defined in a Protocol relating thereto.

The Government of Mauritius was engaged at all levels in the transition from the OAU to the AU and is committed to participate actively in the establishment of the outstanding organs of the AU which are necessary to give effect to the aims and objectives spelt out in the Constitutive Act of the AU.

I also wish to inform the House that the Maputo Summit adopted the Protocol relating to the establishment of the Court of Justice of the African Union. Mauritius has expressed interest to host the seat of the Court and is lobbying intensively in that direction.

AIR MAURITIUS SCANDAL - POLICE INQUIRY

(No. B/554) Mr M. Dulloo (Third Member for Grand' Baie and Poudre d'Or) asked the Prime Minister, Minister of Defence and Home Affairs and Minister of External Communications whether in regard to the Police inquiry into the scandal of the *caisse noire* and of embezzlement of funds at Air Mauritius, he will, for the benefit of the House, obtain information as to -

whether the inquiry is completed;

the charges preferred against each of the persons arrested and the outcome in each of their respective cases; and

the amount of money allegedly embezzled and the amount recovered so far.

The Prime Minister: Mr Speaker, Sir, I am informed by the Commissioner of Police that the Police inquiry has been completed and the cases referred to the Director of Public Prosecutions on 24 October 2001.

Eight persons were arrested during the course of the inquiry. They were all bailed out. One of them has passed away. Of the remaining seven, the DPP has, on 08 November 2002, advised prosecution against one for conspiracy on two counts before the Intermediate Court. He pleaded guilty to both counts and was sentenced on 06 March 2003 to undergo 3 years penal servitude on each count. On the same day, he gave notice of appeal against the judgement and furnished 2 sureties in the sum of Rs10,000 each to prosecute the appeal.

The advice of the DPP on the six remaining persons is awaited.

An amount of Rs85,031,346 was reported to have been allegedly embezzled. Out of this sum, a total of Rs30,759,347 representing deposit and interest was returned to Air Mauritius on the instructions of the DPP.

Mr Dulloo: May I ask the hon. Prime Minister whether the refund of the sum of Rs30 m. is in respect of just one person who was arrested and suspected? Has he effected the refund? Can I also ask him whether the competent authorities, including the Police, are still pursuing the possibility of refund from the other suspected persons?

The Prime Minister: This is the amount that was remitted to the Police during the course of the inquiry.

Mr Dulloo: Can I know by whom it was so remitted?

The Prime Minister: Well, I am not very sure, but I think it was by Mr Gerard Tyack.

Mr Dulloo: Can I ask the hon. Prime Minister whether he is aware that after the scandal of the MCB/NPF ...

Mr Speaker: There is a question on that subject. Why don't you wait for the question?

Mr Dulloo: ...whether an inquiry is being conducted to establish the linkage between the *caisse noire* of Air Mauritius, what happened in Air Mauritius and what happened at the MCB bank?

The Prime Minister: I need notice of that question.

MCB/NPF AFFAIR - INQUIRY

(No. B/555) Mr M. Dulloo (Third Member for Grand' Baie and Poudre d'Or) asked the Prime Minister, Minister of Defence and Home Affairs and Minister of External Communications whether in regard to the MCB/NPF affair and allegations of embezzlement of funds at the Mauritius Commercial Bank Ltd., he will, for the benefit of the House, obtain information as to -

whether the inquiry is completed;

the charges preferred against each of the persons arrested and the outcome in each case; and

the amount of money allegedly embezzled and the amount recovered so far.

The Prime Minister: Sir, I am informed that the inquiry has not yet been completed.

Regarding part (b), I am informed that the Independent Commission Against Corruption (ICAC) has lodged a number of provisional information against persons who are being investigated. ICAC has provided a list of these persons together with the provisional charge, which I am tabling.

In regard to part (c), I invite the hon. Member to refer to the reply given to the PNQ of 18 June 2003 where the Minister of Social Security, National Solidarity and Senior Citizen Welfare had informed the House that the Mauritius Commercial Bank had already made a total refund amounting to Rs881.5 m. representing deposit and interests to the National Pensions Fund.

Mr Dulloo: Mr Speaker, Sir, it has been made public - and our attention has been drawn to the fact - that there are possibilities of embezzlement in other funds, especially public funds apart from the NPF. So, can we know whether the inquiry....

Mr Speaker: On what does the hon. Member base himself to say that there have been possibilities of embezzlement?

Mr Dulloo: Well, we raised the question...

Mr Speaker: Hon. Dulloo, you can't make a statement!

Mr Dulloo: If Mr Speaker followed, we put a series of questions on the last occasion regarding the National Saving Fund, the Sugar Insurance Fund Board and other such organisations where there were possibilities of embezzlement. The hon. Prime Minister referred to the case..

Mr Speaker: Hon. Dulloo, I have given my ruling to the effect that you cannot come here and make a statement of facts at question time. You are speaking of possibilities. On what do you base yourself to say that there have been possibilities of embezzlement? I don't know. You should come with specific questions and the Prime Minister will reply if he has the answers.

(Interruptions)

Mr Dulloo: Mr Speaker, Sir, I am asking the Rt. hon. Prime Minister whether there have been allegations of embezzlement of funds. The question is on embezzlement of funds. I want to know whether an inquiry is being conducted about possibilities of embezzlement of funds in other public funds like the SIFB, the National Saving Fund and elsewhere.

The Prime Minister: I need notice of that.

Mr Dulloo: As we are speaking of embezzlement of funds and embezzlement falls within the purview of Police, may I ask the Prime Minister whether the Police is at all conducting an inquiry in any other aspects of embezzlement to which the attention of the public has been drawn?

The Prime Minister: I need notice. I'll find out.