

**MAURITIUS FOURTH NATIONAL ASSEMBLY**

**FIRST SESSION**

**Debate No. 19 of 2009**

**Sitting of Tuesday 23 June 2009**

**The Assembly met in the Assembly House, Port Louis,  
At 11.30 a.m.**

**The National Anthem was played**

*(Mr Speaker in the Chair)*

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**Fourth National Assembly**

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**First Session**

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**Sitting of Tuesday 23 June 2009**

**PAPERS LAID**

**The Prime Minister:** Sir, the Papers have been laid on the Table –

**A. Prime Minister's Office -**

- (a) Certificate of Urgency in respect of the following Bills -
  - (i) The Notaries (Amendment) Bill (No. XIII of 2009); and
  - (ii) The Mauritius Land Transport Authority Bill (No. XIV of 2009).
- (b) The Report on the Treatment of Offenders in Mauritius for the year 2007.

- (c) The Annual Report and Audited Accounts of the ) Mauritius Oceanography Institute for the year 2007/2008.

**B. Ministry of Finance and Economic Empowerment**

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- (a) The Digest of Environment Statistics 2007.
- (b) The Digest of Industrial Statistics 2007.

**ORAL ANSWERS TO QUESTIONS**

**BANK OF MAURITIUS – ANNUAL REPORT & AUDITED ACCOUNTS, REVENUE & EXPENDITURE, ETC.**

**The Leader of the Opposition (Mr P. Bérenger)** (*By Private Notice*) asked the Vice-Prime Minister, Minister of Finance and Economic Empowerment whether, in regard to the Bank of Mauritius, he will state -

- (a) why its annual report and audited accounts for 2007-2008 have not been laid before the National Assembly;
- (b) the average rate of interest earned on invested reserves as compared to that paid on foreign loans, indicating total revenue and expenditure for 2007-2008 and 2008-2009 to date;

- (c) the profits transferred to Government by the Bank in 2008-2009, and
- (d) if he is aware of cases of abuse thereat and of conflicting situation prevailing at the level of the Board.

**The Vice-Prime Minister, Minister of Finance and Economic Empowerment (Dr. R. Sithanen):** Mr Speaker, Sir, with your permission, I shall also reply to PQ No. B/588 addressed to the hon. Prime Minister.

It is important to stress that the Bank of Mauritius Act provides under Sub-Section 3(3) that the Bank is independent in the pursuit of its objects and therefore performs its functions independently. It does not report to the Minister of Finance on its operations and its management.

As regards part (a) of the question, the Bank of Mauritius, Section 32 (3) of the Bank of Mauritius Act 2004, stipulates clearly that the Bank shall, not later than four months after the close of its financial year, cause to be made and submit to the Minister a copy of the annual accounts certified by the auditors together with the report on its operations during the year to be submitted to the National Assembly. However, the annual report and audited accounts for 2007-2008 have not been submitted to me and, therefore, I cannot lay it before the National Assembly.

It must be pointed out that this is not the first time that there have been delays in the submission of annual accounts. In 2004, 2005, 2006 and 2007 there were delays. For instance for 2004, the report was submitted in November 2004, for 2005 in March 2006 and for 2007 in August 2008. The Bank of

Mauritius has posted on its website a long communiqué dated 17 June 2009 giving the reasons for the delay in submitting these reports. I am tabling a copy of that communiqué Mr Speaker, Sir, in order not to take the time of the House. I am informed by the Bank of Mauritius that the annual report would be submitted to me in the third week of July 2009.

As regards part (b) of the question, it should be made very clear, Mr Speaker, Sir, that the management of the foreign exchange reserves of our country and the payment of Government foreign loans are by law two very distinct and separate functions of the Central Bank. The exchange reserves management decisions must be kept totally independent of the debt management decision. The foreign exchange reserves of the country are kept essentially as a security to guarantee a safe level of imports to meet the needs of the population and the economy. Security, liquidity and rewards are key criteria that underpin reserves management. This should at no time be put at risk by using reserves to meet the financing needs of Government.

The average rate of return on invested reserves for 2007/08 and 2008/09 are 5.39 percent and 4.35 percent, respectively. The amounts earned were Rs2.564 billion and Rs1.181 billion. Government has been contracting external loans from various institutions for periods ranging between 4 to 40 years. The average rates on these loans are 2.97 percent for 2007/08 and 2.66 percent for 2008/09. Total interest paid by Government on the external loans amounted Rs320.7 m. and Rs390 m. respectively. Mr Speaker, Sir, even if the maturity profiles of invested reserves of the Central Bank and the external loans contracted by Government are significantly different, the returns

earned on invested reserves are significantly higher than the cost of external loans of Government in both 2007/2008 and 2008/2009.

As regards part (c) of the question, the profits transferred to Government by the Bank in 2008/2009 amounted to Rs1.885 billion. This includes Rs1.325 billion in respect of profits of 2007/08 and Rs559.8 m. as arrears in respect of profits of 2006/07 transferable to Government statutorily. Both transfers, Mr Speaker, Sir, are in accordance with the statutory requirement in the Bank of Mauritius Act. I wish to add that the Estimates provided for an amount of Rs1.61 billion.

As regards part (d) of the question, the Bank of Mauritius is independent and I am not informed, Mr Speaker, Sir, of the proceedings of its Board however I am not aware of any case of abuse. However, some Board Members have written both to the Prime Minister and to myself to inform us of conflicting views on some issues.

**Mr Bérenger:** Mr Speaker, Sir, I am sure that the hon. Minister will agree with me that the present Bank of Mauritius Act was passed in September 2004 and proclaimed in November 2004. The law is now clear, as the hon. Minister has said. The Bank of Mauritius is by law required to submit its annual report and its audited accounts within four months of the closing of its financial year. Will he, therefore, agree with me that, in fact, as things stand, we are more than one year after the closing date? *C'est sans precedent* - 12 months - the financial year ended June and the report is still not available. Does he agree with me that this is unacceptable and outside the law?

**Dr. Sithanen:** I agree that it is outside the law. This is very clear as the hon. Leader of the Opposition has said and as I

indicated in my initial reply, Mr Speaker, Sir. Unfortunately, it is not the first time that this has happened. In 2004, it was late, not by many months; in 2005, it was submitted on 31 March 2006, Mr Speaker, Sir.

*(Interruptions)*

I was not the Minister of Finance in 2005.

*(Interruptions)*

Yes, but this is the report for 2005. The Leader of Opposition knows very well that the report is always submitted one year after the event and, in 2006, it was submitted later. Mr Speaker, Sir, I must confess that I am not happy about it. However, the Central Bank is independent; they have posted a long communiqué to explain why it has taken a longer time to publish the annual report. I spoke to the Governor this morning and he assured me that the report will be submitted to me on the third week of July and I will lay it on the Table forthwith, Mr Speaker, Sir.

**Mr Bérenger:** The Bank of Mauritius clearly *a noyé le poisson dans l'eau* and the hon. Minister of Finance is trying to do the same today by laying a copy of a *communiqué* that was clearly designed to be as lengthy so that no one would read it. Will the hon. Minister agree with me that what took place is the following: the Bank of Mauritius tendered out for the printing of the annual report, chose one company, then decided that it was too long, cut a few pages, retendered, chose a second company, then found that because the report is shorter one can change the binding procedure, the glue was changed, and, therefore, a third tender was made - three companies involved. Then, within a few

days after a third company was chosen, the Bank of Mauritius was informed by that company that they are subcontracting outside the country and the Bank of Mauritius has accepted that. Does the hon. Minister tell me that this is acceptable?

**Dr. Sithanen:** I have said it. There is no need for the hon. member to raise his voice. I agree with him that this is unacceptable ...

*(Interruptions)*

...but this is outside my purview. The hon. Leader of the Opposition has said it very often. I find myself in a situation replying for things for which I am not responsible. So, I will try to be very fair in answering this question. I am also not happy about it. I was away from Mauritius, Mr Speaker, Sir, when there was an interpretation that the report was given to me. I said very clearly that the report has never been given to me. I agree with the hon. Leader of the Opposition that this should not happen. It has happened before. It has happened again and it is not acceptable.

**Mr Bérenger:** This has never happened, tendering three times and ending up with a company that subcontracts to overseas, this has never happened. This is *sans précédent*, I am sure the Minister will agree. Now when we look at what has taken place, this is in the communiqué *mais noyer dans l'eau boueuse de la banque centrale*. Will the Minister agree with me that either this is gross incompetence or there is corruption into that? It must be one of the two. What is it?

**Dr. Sithanen:** It can be neither, Mr Speaker, Sir. I know what the Leader of the Opposition is trying to do. But I am not going to fall into this trap. If the hon. Leader of Opposition



believes in what he is saying, especially the second possibility he knows what he should do. I am not happy with the communiqué myself. I have said it to the Prime Minister. But this is outside my control and, Mr Speaker, Sir, it is a long communiqué. But I have to report to the House what statutorily I am supposed to do. I have not received the report. I have not been able to lay it on the Table of the Assembly. I sincerely hope that this will not happen next year.

**Mr Bérenger:** After what has happened, as I said, it is either gross incompetence, tendering three times and ending up with a company that subcontracts outside Mauritius in 2009. It is either gross incompetence or corruption! To see clearer things, can the hon. Minister give me the names of the three companies that got the tender one after the other and the name of the foreign company to which the printing has been subcontracted and the sums in each case?

**Dr. Sithanen:** I do not have the name of the three companies. Let me admit, Mr Speaker, Sir, I do not think it was an exercise in competence. Let me be very honest about the way it has been done. I do not know the name of the companies. I read the communiqué. I respect the independence of the Central Bank. I have not even asked them who is A, who is B and who is C company? The only thing that I have asked, Mr Speaker, Sir, is what is the sum involved. They have told me that the amount is indeed low.

**Mr Bérenger:** The hon. Minister of Finance can ask the sums and give us when supposedly it is very low, but not the details thereof, but he cannot ask the names! What kind of independence is that honestly? Now, after this has been made clear, on the second point, the hon. Minister just said that he is

not impressed by the competence in these tendering procedures, in this illegal lateness of laying the copy of the report of the bank. The hon. Minister has given figures, if I heard him correctly, of return on reserves invested in foreign currency and, if I heard him right, 5% and 4% return. Is he aware that on 10 of June supposedly *le sommeil du gouverneur s'est cassé à l'occasion d'une visite du Bank for International Settlement* and he went public to say that the return which the Bank of Mauritius is getting on invested reserves in foreign currencies is unacceptable because 0.5% and 1%? How does he reconcile what the Governor said publicly and it was reported and the figures we have today?

**Dr. Sithanen:** Mr Speaker, Sir, let me reassure the hon. Leader of the Opposition. I would ask the name of the three and I would submit them this afternoon. I did not ask for them and I realise that he was likely to ask the question on the amount, but not on the companies. But I will give the information, Mr Speaker, Sir. I have no reason to hide anything. I will operate in full transparency with respect to the Bank of Mauritius. The hon. Leader of Opposition has asked a specific question on 2007/ 2008 and 2008/2009. The financial year runs from July to June. We have the cumulative figures for that two period and the figures that I have given, Mr Speaker, Sir, is with respect to the return on the amount invested on our reserves for 2007/2008 and 2008/2009 until 31 May 2009, which is eleven months. What the Governor was referring to - and which I am sure the Leader of Opposition knows about - is what will happen in the future. Everybody knows that return on dollars and on euros, and also on Swiss francs and on UK pound are coming down. But, concurrently, the loan that you take also in these currencies are coming down. That is why I have given the two figures. Even

though, Mr Speaker, Sir, I have to inform the House, we cannot compare the two. In one case, we are borrowing for up to 30-40 years and, in the other one, the key criteria for investing our reserve is basically liquidity, because we need to have access to this money in order to pay for the import of the country. I think what the Governor was stating, namely that when you invest in dollars, returns will come down. This is why they are discussing with the BIS, with the World Bank to see how, under these difficult circumstances, they can still improve returns while keeping the liquidity aspect of our reserves.

**Mr Bérenger:** But the problem is that the hon. Minister was not in the country. But I am sure that he read on the Internet or as soon as he was back. He found time to phone me the next morning after he was back. So, he must have read the press and so on. What did the Governor say? He said that the present return is between 0.5 and 1%, and this is unacceptable. We have that kind of Governor. And he added that the Bank of Mauritius should take more risks. The greatest risk is the Governor himself! Is Government happy that the Governor is issuing statements like that? 0.5 to 1% return, which is negligible, as he said, and that he is going to take more risks now - the Bank of Mauritius; our Central Bank?

**Dr. Sithanen:** Mr Speaker, Sir, I rang the Leader of the Opposition - let me clarify this - because he had made a statement in the press, that I was responsible for not laying the report in the House. I spoke to hon. Cuttaree and to the hon. Leader of the Opposition and I told him that it has nothing to do with me. I was attacked unfairly, because I cannot lay on the Table a report that has not been submitted to me. So, that was

the conversation that I had with both hon. Cuttaree and the Leader of the Opposition.

With respect to the point made by the Leader of the Opposition, Mr Speaker, Sir, these are the figures that we have. The same people who are telling us that we should not take risks are the same who are telling us to put 50% of our reserves in gold.

*(Interruptions)*

I have to laugh, because I am in a good mood today; I am going to cross fire with the Leader of the Opposition twice today; once now, and second in the afternoon. But, Mr Speaker, Sir, the other one is more risky. Let me explain to the House the way the reserves are invested. Part of it is in a current account, because we need to have access to liquidity; part of it is short-term money market, and we do that with the Central Bank only because of security and confidence. The third one, they invest in medium-term and there they invest only in securities that are triple 'A', but with banks also that are triple 'A'.

There are people who tell us that it is possible to increase slightly your reward and not to invest in triple 'A' securities. They have asked the BIS to advise them and they have also requested the World Bank to give them advice on how they can do it. But they will certainly, Mr Speaker, Sir, not invest 50% of the reserves of the country in gold. That would be the summit of stupidity and of risk also.

**Mr Bérenger:** I am sure that the hon. Minister will be keen to learn why I mentioned his name. He stated what he told me. Is he agreeable to learn that I named him after receiving a letter from the same Governor, binding him, saying that he has done

his part, and, therefore, *induisant le Leader de l'opposition en erreur*? This is the kind of Governor that we still have with us these days, and I am sure that the Minister is happy to learn that, and I told him that on the phone as well.

If I can move on to the next point, the Minister confirmed - from what I heard -that the amount of profits received from the Bank of Mauritius in 2008-2009 was Rs1,885,000,000. The hon. Minister is aware that the law says that the Bank of Mauritius cannot transfer to Government, as profit, more than 85% of its total profit. That sum is more than 85%. It includes something else, but it is presented as profits for that year 2008-2009. Again, will the Minister agree with me that the Bank is travelling outside the strict provisions of the law?

**Dr. Sithanen:** Mr Speaker, Sir, in the summing up that I made last year on the Budget, I did respond to a similar point made by the hon. Leader of the Opposition. When the hon. Leader of the Opposition was Minister of Finance, he took even the reserves from the Central Bank in one year. He knows that very well. In one year, more than 100% of the profit was transferred to the Ministry of Finance. When hon. Jugnauth became Minister, the transfer was zero. I must credit him that he changed the law and reinstated that a maximum of 85% of profit has to be transferred. But, in one year, Mr Speaker, Sir, *ine devalise tout*.

*(Interruptions)*

**Mr Speaker:** Order now!

**Mr Sithanen:** Mr Speaker, Sir, the hon. Leader of the Opposition is obviously referring to page 5 of the accounts where there was Rs559,823 m. What has happened is that, for

2006-2007, the Bank of Mauritius had created a reserve for its open market operations and, according to the Ministry of Finance and also to the SLO, this is not in conformity with the 85% provision. There was a disagreement on whether, in addition to the 15% that should be put in a reserve, the Bank of Mauritius could create another reserve for open market operations. The law is very clear; they cannot do it. While we were seeking advice from the SLO, the year had been completed. In fact if the hon. Leader of the Opposition takes the same figure Rs1.763 b. x 85%, he will get exactly the figure that we have this year, Mr Speaker, Sir. So, it is a prior year adjustment for a difference in a reserve that was made by the Bank of Mauritius over and above the 15% provision for open market operations which does not exist in the law. Maybe, we have to provide for this in the law. But, as the law exists today, it is very clear that they have to transfer 85% of the profit to the shareholder, which is the Government of Mauritius.

**Mr Bérenger:** The hon. Minister tells us that he is not aware of any abuses at the Bank of Mauritius. Does he find it normal that, according to letters which he has received and which I have received also, the Governor is not abiding by the decisions of the Board? The Board takes decisions, and he does not apply the decisions. On the other hand, he insults the Board. This week, he accused members of his Board, appointed by the hon. Prime Minister, of treating the Bank *comme la boutique du coin*. This is not acceptable! Who is going to take us, as a country, as a Central Bank, seriously, with that kind of thing?

**Dr. Sithanen:** Mr Speaker, Sir, this is a tricky one. There is a confusion, I must admit, in the law itself, when it was changed. I don't want to go into the details. The operating word is

basically that, prior to the enactment of the 2004 Act, the Board was responsible for general policy and administration whereas, subsequent to the new Bank of Mauritius Act, the general policy and affairs and business of the Bank shall be subject to a Board of Directors. So, there is a difference in interpretation.

Having said that, Mr Speaker, Sir, I think there is room for improvement by the Governor in the administration of the Bank, and in the way Board decisions are implemented. There is an IMF team that is coming to Mauritius, that will try to iron out this difference between what should be the responsibility of the Board and that of Management. The Governor is the Head of the Management at the Bank. There is some confusion, but I will certainly admit that there is significant room for improvement in the administration and in the day-to-day management of Bank.

Having said that, Mr Speaker, Sir, let me be very fair. On substance, that is, interest rate policy, exchange rate policy, monetary policy and not investing 50% of the reserve of our country in gold, I am in total agreement with the Governor of the Bank. I must be very fair on that, Mr Speaker, Sir. On the substance of monetary policy, we don't have disagreement, whatever the press might say and whatever other people might say. We fine-tune our decision Mr Speaker, Sir. I was happy yesterday, even though I did not intervene, on keeping constant the interest rate. So, on interest rate policy, on exchange rate policy and on how to manage the reserve, I do not think there is any disagreement. Obviously, I think he can improve his bedside manners in terms of administration and management on a day-to-day basis.

**Mr Bérenger:** The hon. Minister has told us where he agreed with the Governor. Will he care to tell us whether he

agrees with the Governor, when Rs25 m. are spent on the 40<sup>th</sup> anniversary when hundreds of thousand of rupees are spent on flowers, supplied by somebody close to the Governor, when people are taken on contracts without the approval of the Board, when lots of money are spent on lunches and dinners, we are not taking about bedside manners, restaurant manners? Does the hon. Minister agree also with the Governor on such issues?

**Dr. Sithanen:** Mr Speaker, Sir, I have said very clearly that on substance of monetary policy, interest rate policy, I agreed. I have never gone to wine and dine with the Governor. Some people who belong to the party on the other side have been. So, I do not go to wine and dine, Mr Speaker, Sir with the Governor. So, I do not agree on some of abuses, if there are abuses. But, as I have said, Mr Speaker, Sir, I have to be very clear on substance of the monetary policy, on interest rate policy, there is convergence between the Ministry of Finance and the Bank of Mauritius. On the abuse, if there are abuses and they are proven, I obviously regret them, and I condemn them. But, Mr Speaker, Sir, there are people in the party of the MMM, that go and wine and dine, Mr Speaker, Sir, with the Governor.

*(Interruptions)*

**Dr. Sithanen:** Yes...

**Mr Bérenger:** Then, go to hell! He should go to hell! This is a lie!

*(Interruptions)*

**Mr Speaker:** Order! Order!

**Mr Bérenger:** This is a lie! I challenge the Minister to give names. Give names!

*(Interruptions)*



**Mr Speaker:** The question was whether there were abuses at the bank. I do not know why the hon. Minister had to refer to the Members going to wine and dine. It has been on both side of the House. Order! Now, hon. Leader of the Opposition you have use the word lie, I will ask you.....

*(Interruptions)*

**Mr Speaker:** No, I am sorry. I would request ....

*(Interruptions)*

**Mr Speaker:** No, the MMM, you have said. It was not relevant. Can you please withdraw the word?

**Mr Bérenger:** He has to withdraw first the insinuation.

*(Interruptions)*

**Dr. Sithanen:** Mr Speaker, Sir, I have not said an MP. I repeat it, someone from his *bureau politique*, has dined and wined with the Governor.

**Mr Speaker:** This has nothing to do with answer, please

**Mr Bérenger:** Also among the abuses, in the letter which he has received and the Prime Minister received, two various serious things, two serious allegations are made -

- (1) That contrary to the provision of the law, the Governor is refusing to give details of expenditure on trips overseas. This used to appear on the report and as per the law it has to appear in the report. He refuses to give details to his Board. Has this being inquired into?
- (2) The allegation is also made that 30 money changers licenses have been granted by the Governor without again going through the Board. Such various serious allegations have been investigated into, or not?

**Dr. Sithanen:** Mr Speaker, Sir, let me apology if I have given the impression that it is one of the Member. It is not one of the Member, but it is one of the member of his Bureau Politique. Mr Speaker, Sir, I have said it very clearly, I am not here to defend abuses. We will look into these abuses and I have demarcated very clearly my line, Mr Speaker, Sir. On the substance of monetary policy, on interest rate policy, on exchange rate, there is no difference. On some of these issues, you know, obviously, I disagree with what is happening. We try to do our best to make sure that there is no repetition of these alleged abuses.

**Mr Jugnauth:** Mr Speaker, Sir, with regard to the annual accounts, I see that the *communiqué* of the Bank of Mauritius mentions that for the financial year ended 30 June 2008 duly certified by the auditors were forwarded to the Minister on 31 October 2008, that is, within the statutory limit. There is something very confusing here, because we are talking about the two most important institutions of this country, the Bank of Mauritius and the Ministry of Finance. Can the hon. Minister say to this House what action has been taken in order to clarify this situation because it is not healthy? For example, has the hon. Minister talked to the Governor about the situation and what actions have been taken to remedy this situation?

**Dr. Sithanen:** I have spoken to the Governor and he has given me the same explanation which he posted on the web. Unfortunately, the law does not give me the power to remedy. In many cases, when something does not happen, there is something that happens. The way the law is written does not allow me any remedial measures, Mr Speaker, Sir.

**Mr Bérenger:** He can be sacked.

**Mr Speaker:** Hon. Lesjongard, and then hon. Leader of the Opposition.

**Mr Lesjongard:** Thank you Mr Speaker, Sir. Can the Vice-Prime Minister confirm whether with regard to lunches and dinners, the Bank of Mauritius has spent some Rs2.5 m. in a year and, if this is true, doesn't he find it shocking that this amounts to some Rs10,000 per day over a period of 250 days when we know that some people from the region of Roche Bois are lunching from waste in a transfer station.

**Dr. Sithanen:** Mr Speaker, Sir, I have read the figures in the press just like the hon. Member has. I do not know, Mr Speaker, Sir, so we will ask the information and I would provide it to the House.

**Mr Speaker:** Hon. Bhagwan, because you have set a question in writing, yes!

**Mr Bhagwan:** Of course, Sir...

**Mr Speaker:** I am sorry, I forgot that.

**Mr Bhagwan:** Thank you, Mr Speaker, Sir. I will come back to the *excès* of the Governor. Can I ask the hon. Minister because here again in Parliament and outside, he has made an appeal to the population to "*faire des economies, serre ceinture.*"

**Dr Sithanen:** No, we have not said "*serre ceinture*".

*(Interruptions)*

**Mr Bhagwan:** Can I know from the hon. Minister whether he been made aware of the dinners which are being held at the Bank of Mauritius up to three in the morning, the happy hours which are being held at the Bank of Mauritius up to three or four

in the morning, whether he is aware and he agrees with the expenditure as far as overseas missions are concerned by the Governor and whether he has been aware that the Governor says everywhere that is a parallel Government, he does not have to give answer anybody, only to the Prime Minister, so he is not afraid of anybody?

*(Interruptions)*

**Dr Sithanen:** Mr Speaker, Sir, I do not have any Member on this Board. There is no representative of the Ministry of Finance. I read also in the press just like my hon. friend, hon. Bhagwan, what has happened. So, I shall ask the questions. We will send a series of questions to the Governor and to ask for replies.

**Mr Bérenger:** My last question will be: what is taking place at the Bank of Mauritius is illegal, shocking, but also dangerous for the country. Will the hon. Minister agree with me - I know it's not him who appoints the Governor or revokes him, it's the Prime Minister - that enough is enough. The guy must go and if he agrees with me, will he advise the Prime Minister to that effect?

*(Interruptions)*

**Dr Sithanen:** Mr Speaker, Sir, I knew he was going to ask - this would be his parting shot, Mr Speaker, Sir. He knows very well what I think, and he wants me to say what I don't want to say, Mr Speaker, Sir.

*(Interruptions)*

**Mr Speaker:** Time is over! The Table has been advised that PQ B/581 and PQ B/582 addressed to the hon. Prime

Minister have been withdrawn. Question addressed to the hon. Prime Minister, hon. Jhugroo!

### **CID – CASES - INQUIRY**

**(No. B/578) Mr P. Jhugroo (Third Member for Port Louis North and Montagne Longue)** asked the Prime Minister, Minister of Defence and Home Affairs whether, in regard to the cases reported at each of the offices of the Criminal Investigation Division, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to the outstanding number thereof as at to date, on a yearly basis, in which inquiries have not yet been completed?

**The Prime Minister:** Mr Speaker, Sir, there are 36 CID units including one unit in Rodrigues operating under the Central CID. They deal, Mr Speaker, Sir, with a wide variety of crimes and misdemeanors.

I am informed by the Commissioner of Police that despite all the efforts put in by the Police, enquiry in some of the cases taken a longer time to be completed due to the complexity from various reasons.

The hon. Member will appreciate that it would take quite some time to compile, especially on a yearly basis, all the outstanding cases of the 36 CID units covering the whole island. The list will be circulated once compiled.

**Mr Jhugroo:** Can the hon. Prime Minister inform the House whether the victims are being made aware of the progress of the inquiry?

**The Prime Minister:** No, I never intervene in the progress of the inquiry, Mr Speaker, Sir. The Police have their independence and they have to carry on the inquiry. I never interfere in an inquiry to see how it is proceeding.

**Mr Jhugroo:** What I asked the hon. Prime Minister is whether the victims are being made aware of the progress of the enquiry?

**Mr Speaker:** The Prime Minister has answered. He stated he does not interfere, he does not know. Next Question, hon. Jhugroo!

*(Interruptions)*

I am not going to allow waste of time during Question Time. There are so many questions.

## **POLICE SERGEANTS - PROMOTION**

**(No. B/579) Mr P. Jhugroo (Third Member for Port Louis North & Montagne Longue)** asked the Prime Minister, Minister of Defence & Home Affairs whether, in regard to the Police Sergeants with more than 10 years working experience in this grade, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to the number thereof, indicating if consideration will be given for them to be promoted either to the rank of Sub-Inspector of Police or that of Police Inspector.

**The Prime Minister:** Mr Speaker, Sir, I am informed by the Commissioner of Police that as of 18 June 2009, there were 1,113 Police Sergeants in post in the Police Force, of whom 356

reckoned more than 10 years service in a substantive capacity in that grade.

I am also informed that promotions in the Police Force are governed by the provisions of Regulation 19 of the Disciplined Forces Service Commission Regulations as well as Standing Order 16 of the Police Force which set out the procedures to be followed.

I am further informed that at present the following avenues for promotion of Police Sergeants to the rank of Sub-Inspector of Police or Inspector of Police exist in the Police Force –

- (i) Police Sergeants reckoning at least 10 years' satisfactory service in a substantive capacity in the grade are eligible for promotion on the basis of experience, merit and seniority to the grade of Sub-Inspector of Police, depending on the availability of vacancies. I understand that an exercise is currently under way for the filling of 56 existing vacancies in the grade of Sub-Inspector of Police.
- (ii) Police Sergeants reckoning at least two years' service in a substantive capacity in the grade may sit for the Competitive Examination to the rank of Inspector of Police conducted by the Disciplined Forces Service Commission. Those who pass the Competitive Examination are considered for promotion as Inspector of Police, again depending on the number of vacancies available in that grade.
- (iii) Police Sergeants posted to some specialised units of the Police Force, such as the Special Mobile Force, the Explosives Handling Unit, the Special Mobile Force

Engineering Squadron, the Radio Workshop and the Dog Unit, are considered for promotion to the grade of Sub-Inspector of Police and Inspector of Police on the basis of their qualifications, experience, merit and seniority by the Disciplined Forces Service Commission. Promotions are subject again to vacancies existing in the grade of Sub-Inspector of Police and Inspector of Police.

- (iv) Police Sergeants who are nominated to follow approved training courses of at least one year's duration in Military Academies abroad or in other recognized institutions overseas, may, on successful completion of such courses, be considered for promotion as Inspector of Police.

### **FOREIGNERS – PROPERTIES – PURCHASE**

**(No. B/580) Mrs S. Hanoomanjee (Second Member for Savanne & Black River)** asked the Prime Minister, Minister of Defence & Home Affairs whether, in regard to the foreigners who have purchased properties, in Mauritius, which do not fall under either the Integrated Resort Schemes or the Real Estate Development Schemes, he will state the number thereof, since July 2005 to date, indicating –

- (a) their respective nationality, and
- (b) if the prior authorization of his Office was sought and obtained in respect of all the cases.

**The Prime Minister:** Mr Speaker, Sir, with regard to parts (a) and (b) of the question, I wish to inform the House that since July 2005, my office has issued 19 authorisations under the Non-citizens (Property Restriction) Act to non-citizens from the



following countries: France, South Africa, UK, India, Italy, Sweden, Japan and Monaco.

I wish to point out that with the coming into operation of the Business Facilitation (Miscellaneous Provisions) Act in 2006, the Board of Investment authorises the acquisition of immovable property for business purposes by non-citizen investors. However, my office is generally consulted by the Board of Investment whenever such applications are examined and prior to issue of any authorization.

As regards residential properties, in addition to the Integrated Resorts Scheme and the Real Estate Scheme which was announced in the Budget Speech 2007-2008, it is aimed at giving small land owners the opportunity to participate directly in such developments.

In fact, Mr Speaker, Sir, it has been brought to my attention that schemes are being used to circumvent the provisions of the Non-citizens (Property Restriction) Act to enable non-citizens to acquire or hold residential property outside the above-mentioned schemes or by the use of leasehold rights, '*droit d'occupation*' or successive subsidiaries.

These schemes are in contradiction and contravention with the spirit of the Non-citizens (Property Restriction) Act. Furthermore, they are in direct competition with the two other schemes, that is, the Integrated Resorts Scheme and the Real Estate Scheme; and also result in a loss of revenue to Government in terms of Registration Duty and Land Transfer Tax.

It was announced in the last Budget Speech, Mr Speaker, Sir, that the legislation is being amended to prevent non-citizens

from acquiring residential properties outside these two schemes, that is, the Integrated Resorts Scheme and the Real Estate Scheme without the required authorisation. Consultations have been held with all stakeholders to plug the loopholes in the law and amendments for that purpose will be included in the forthcoming Finance (Miscellaneous Provisions) Bill.

Furthermore, we are also considering action, Mr Speaker, Sir, against those who have acted in contravention with the spirit of the laws in place, as well as to recover the unpaid duties and taxes arising out of these transactions.

**Mrs Hanoomanjee:** Mr Speaker, Sir, can the hon. Prime Minister say whether he has made any inquiry with a view to detecting the number of companies or the number of trusts which have been formed and which have eventually circumvented the whole procedure?

**The Prime Minister:** In fact, this is what we are looking at, Mr Speaker, Sir. There are not many, but there are a couple, I think, who have done this and we are looking at that.

**Mrs Hanoomanjee:** Can the hon. Prime Minister say how much money Government has lost through the illegal transactions so far?

**The Prime Minister:** It is difficult to answer that question, Mr Speaker, Sir, until we have actually done the inquiry. At the moment, we cannot do it until we plug these loopholes that I have mentioned.

**Mrs Hanoomanjee:** Can the hon. Prime Minister inform the House whether these promoters are Mauritians or foreign nationals?

**The Prime Minister:** I think they are both.

**Mr Bérenger:** Mr Speaker, I have a question, if you will allow me. I think the hon. Prime Minister say that generally the Board of Investment informs the Prime Minister's Office of this or that request. Have there been cases where this generality has not applied, that is, cases where the Board of Investment has moved on its own and has this been investigated into?

**The Prime Minister:** In fact, I said it on purpose, Mr Speaker, Sir. I see the hon. Leader of the Opposition has picked on it. In fact, what has happened is that the late Secretary for Home Affairs was a Director there, his views were always sought by the Board of Investment on application from non-citizen investors for that position of immovable property for business purposes. Because he was there, his views were sought, now that he is not there, we are about to put somebody else in his place, that is why I said generally. In the meantime, we have asked the Board of Investment to actually get the authority from my office.

**Mr Bérenger:** Did I hear the hon. Prime Minister say that Government is considering action against those who have gone against the spirit of the law? Has he received legal advice from the State Law Office that, *en notre Etat de droit*, you can act where the spirit of the law - but not the letter of the law - has been violated?

**The Prime Minister:** In fact, there is the law that says that you should not break those rules. We are looking at that. That is why we are still having discussions with the State Law Office to come to a final decision. But, in the meantime, for future cases, in any case, we are going to plug those loopholes.

**Mr Ganoo:** Mr Speaker, Sir, I come back to these schemes which have been used to circumvent the law as it is. Can the hon. Prime Minister tell us whether these schemes or these projects have been drafted by a notary and was the Registrar General aware of these alleged sales or transfer of property?

**The Prime Minister:** The deeds were drawn by notaries and the Registrar General is now aware.

**Mr Ganoo:** Can the Prime Minister's Office then send a document, a communiqué, to all the notaries and tell them not to proceed with that type of sale? Is that possible?

**The Prime Minister:** In spite of the fact that there is one person that is continuing, that is why I am saying that we have to ensure that they pay whatever they due to the State.

### **POLICE OFFICERS - VIP SECURITY UNIT - ELECTION ALLOWANCE**

**(No. B/581) Mr S. Lauthan (Third Member for Port Louis Maritime & Port Louis East)** asked the Prime Minister, Minister of Defence & Home Affairs whether, in regard to the Police Officers, posted to the Very Important Persons Security Unit, who have worked during the recent by-election in Constituency No. 8, Moka and Quartier Militaire, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to –

- (a) the number thereof, indicating their respective grades, and
- (b) if they have been paid the election allowance and, if so, when and, if not, why not.

*(Withdrawn)*

**UNIVERSITY OF MAURITIUS - ALLEGED  
MISMANAGEMENT - INQUIRY**

**(No. B/582) Mr S. Dayal (Second Member for Quartier Militaire & Moka)** asked the Prime Minister, Minister of Defence & Home Affairs whether he will state if he will consider appointing a Visitor to conduct an inquiry into allegations of mismanagement in the affairs of the University of Mauritius.

*(Withdrawn)*

**MINORS - RAPE CASES – JULY 2005 TO JUNE 2009**

**(No. B/583) Mr N. Bodha (First Member for Vacoas & Floreal)** asked the Prime Minister, Minister of Defence & Home Affairs whether, in regard to reported cases of rape in which minors have been involved, either as victim or accused, since July 2005 to date, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to the number

—

- (a) thereof, and
- (b) of minors who have been convicted, indicating the sentence inflicted.

**The Prime Minister:** Mr Speaker, Sir, I am tabling the information requested by the hon. Member.

However, I would like to refer to the hon. Member to the reply I gave to PQ No. B/103 on 07 April of this year, wherein I

mentioned the measures taken to reinforce protection afforded to children to prevent sexual abuse.

**Mr Bodha:** May I ask a supplementary question, Mr Speaker, Sir? May I ask the hon. Prime Minister whether he is aware that, in some cases, offences of rape are, in fact, converted into a charge of sexual relations with female under the age of 16?

**The Prime Minister:** That is not within my purview, Mr Speaker, Sir, whether they look at it and look at what evidence they have. They have to look whether the evidence will actually stand in court, I suppose. They look at all these parameters before they decide, but I can ask a follow-up of this.

**Mrs Labelle:** I would like to refer to this question, because there are really several cases of rape of minors and it even concerns girls of eight years and where this case,, when it goes to court has been stated as sexual intercourse with minors. Recently there have been other cases. May I reiterate the request of my colleague to the hon. Prime Minister if he can insist upon the Commissioner of Police so that we can be enlightened on such situations because it is becoming, I would say, a common practice?

**The Prime Minister:** I don't know whether it is becoming a common practice, because there are cases of rape actually which are on the list but, I suppose, Mr Speaker, Sir, lawyers would know. It depends on the evidence that is available, but I will certainly draw his attention to it. I should point out also, Mr Speaker, Sir, that we have amended the law to make the penalties stiffer, for example, for crime of rape, it has changed from five years to ten years, and for a person having intercourse

with a minor under the age of 16 or mentally handicapped it has changed again from 10 years to 20 years.

**Mr Bérenger:** Mr Speaker, Sir, it is a fact that a certain number of cases have been changed from raping a minor through sexual intercourse with a girl of less than 16. Can I know from the hon. Prime Minister whether he has checked in all those cases, the DPP's office was consulted or whether in certain cases the Police took it upon itself?

**The Prime Minister:** I think the procedure is that the Police do the investigation and then they send it to the DPP. I don't know whether the hon. Leader of the Opposition is saying whether the DPP was consulted before the charge was changed, but I think not, Mr Speaker, Sir. I am speaking without having talked to the DPP. I don't speak to him, Mr Speaker, Sir. Basically, I suppose....

*(Interruptions)*

I can talk to the Police. In fact, the Police are doing their investigation. They decide on whether it should be rape or illegal sexual intercourse. It could well be to do with evidence that they get, whether it would actually stand in court, whether it would pass the evidential test. I think that is what is happening, but I will check with the Commissioner of police.

**Mrs Labelle:** Mr Speaker, Sir, more so some cases came to our knowledge. It is as from the Police when they make the investigation; in some cases, Police officers even require the mother of the child: 'Okay, wait until they are going to get married and leave the case'. Such behaviour is still prevailing in our services. May I ask the hon. Prime Minister to look into

that? Police officers do not have to tell young girls who have been raped to just wait and get married to this person. From what I heard, there is sometimes a sort of connivance between the rapist and the Police officers.

**The Prime Minister:** Mr Speaker, Sir, we must be careful not to put blame and allegations, mere allegations. Give us proof, give us evidence, I will look into it! But the hon. Member cannot just make an allegation and see what is happening. This is done to demoralise the Police. The hon. Member should be very careful, she must be patriotic. If she has got any evidence, she should give it.

**Mr Dowarkasing:** Mr Speaker, Sir, may I know from the hon. Prime Minister, in case of minors being accused of rape, whether there is any recurrence in some cases?

**The Prime Minister:** If the hon. Member comes with a substantive question, I will answer it.

## **FOREIGNERS - PERMANENT RESIDENCE SCHEME & SAPES**

**(No. B/584) Mr N. Bodha (First Member for Vacoas and Floreal)** asked the Prime Minister, Minister of Defence and Home Affairs whether, in regard to the grant of permanent residence, he will state the number of foreigners who have applied therefor, since 2006, indicating the number of applications which have been refused.

**The Prime Minister:** Mr Speaker, Sir, I am informed that prior to October 2006, there were two schemes for granting permanent residence to non-citizens, namely –



- (i) the Permanent Residence Scheme for expatriates who invest a minimum of 500,000 US Dollars in Mauritius, and
- (ii) the Scheme to Attract Professionals in Emerging Sectors (SAPES) to attract scarce and new talents, know-how and expertise. Beneficiaries under the scheme were granted Work and Residence Permits for three years. At the expiry of the three-year period, they were entitled to apply for permanent residence.

Under the Permanent Residence Scheme, eight applications for permanent residence were received in 2006 and granted accordingly.

Under the SAPES, seven applications for permanent residence status were received since 2007, out of which two have been granted permanent residence status. The remaining five applications were received and are under consideration, but they have not been given that status yet.

Following the coming into force of the Business Facilitation (Miscellaneous Provisions) Act on 01 October 2006, the Permanent Residence Scheme and the SAPES were repealed and replaced by the Permanent Residence Permit for ten years.

The Permanent Residence Permit for ten years is applicable to expatriates who hold Occupation Permit or Work Permit for three years and meet the following criteria -

- (i) Investor must generate an annual turnover of, at least, Rs15 m. for three consecutive years;
- (ii) Self-Employed Category generating an annual income of at least Rs3 m. for 3 consecutive years;

- (iii) Professionals holding an Occupation Permit or Work Permit and earning a monthly salary of, at least, Rs150,000 for three consecutive years, and
- (iv) Retired non-citizens who transfer into Mauritius a sum of 40,000 US Dollars per year for three consecutive years.

I am informed by the Board of Investment that non-citizens falling into the categories of investor, self-employed and retired non-citizen, shall, in fact, become eligible to apply for permanent residence only on or after 01 October 2009. As such no application has been received.

**Mrs Hanoomanjee:** Mr Speaker, Sir, can the hon. Prime Minister say whether those two who have been granted permanent residence, their families, either the spouses or the children of those who have been granted the permanent residence, have taken up employment in Mauritius?

**The Prime Minister:** There are two schemes, Mr Speaker, Sir. The permanent residence scheme was introduced in January 2000 and the other one was introduced in February 2002 and persons who are eligible for the permanent residence scheme include the spouse of the investor, the child, the stepchild, the lawfully adopted child under the age of 18, and then the immediate wholly dependent next of kin, a maximum of three. So, if they fall into that category, they will automatically be allowed, if they satisfy the criteria.

**Mr Dowarkasing:** Does the hon. Prime Minister have the figures for Rodrigues also?

**The Prime Minister:** As far as I see there is nobody from Rodrigues, but, maybe, they are going to come to us later on.

## **PRISONS - CCTV SURVEILLANCE SYSTEMS**

**(No. B/585) Mrs M. Martin (Second Member for Curepipe and Midlands)** asked the Prime Minister, Minister of Defence and Home Affairs whether, in regard to the prisons, he will, for the benefit of the House, obtain from the Commissioner of Prisons, information as to if CCTV Surveillance Systems have been installed in all of them and, if not, why not.

**The Prime Minister:** Mr Speaker, Sir, I am informed by the Commissioner of Prisons that Closed Circuit Television (CCTV) Surveillance Systems are now in use at the New Wing Prison at Beau Bassin, at Phoenix Prison and at Beau Bassin Central Prison. As far as Beau Bassin Central Prison is concerned, additional cameras are being installed in order to cover the outer perimeter. Remember, we had a question in Parliament. This project is scheduled to be completed by December of this year.

As regards the Grand River North West Remand Prison, the CCTV system which has been out of order - in fact, it was damaged in 1999 during the riot - they tried to repair it, but the repair was unsuccessful. It is beyond repair and is now being replaced by a new system. A Consultant is presently working on the specifications and location of these cameras. It is expected - I say expected because there are some procedures they have to follow - to be completed by the end of this year.

On completion of the above two projects, a study would be then carried out for the installation of CCTV at the Women Prison and Petit Verger Prison.

I am further informed by the Commissioner of Prisons that the Correctional Youth Centre for Boys and the Richelieu Open

Prison are two facilities which are of minimum security nature and the installation of CCTV there is not warranted at this stage.

**Mrs Martin:** Following the installation of CCTV in the prisons, can the hon. Prime Minister say whether there has been notice of any deterring effect on aggressive behaviour of prisoners towards the prison officers and vice versa?

**The Prime Minister:** Mr Speaker, Sir, I am told by the Commissioner of Prisons that he is satisfied with the workings of the CCTV cameras. It is a system which is meant to watch the movement and the behaviour of detainees.

**Mrs Martin:** Mr Speaker, Sir, can I ask the hon. Prime Minister where the tapes of these cameras are stored, if there are any tapes?

**The Prime Minister:** I don't know whether these are tapes or CDs, but they are stored. They are stored for a period of time; they cannot be stored eternally.

**Mrs Martin:** With a view to avoid tampering of evidence, can the hon. Prime Minister say whether these CDs are stored inside the prison premises itself or outside?

**The Prime Minister:** I can't say where they are stored, Mr Speaker, Sir, but I know they are stored for a period of time, not for ever.

### **“CROSSING THE ROAD OUTSIDE A PEDESTRIAN CROSSING” - OFFENCE**

(No. B/586) **Mr Y. Varma (First Member for Mahebourg & Plaine Magnien)** asked the Prime Minister, Minister of Defence and Home Affairs whether, in regard to the

pedestrian crossings, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to the number of persons who have been booked for not using same for crossing the road, since the coming into operation of the regulations in relation thereto as at to date, on a yearly basis.

**The Prime Minister:** Mr Speaker, Sir, I am informed by the Commissioner of Police that, since the coming into operation of the Road Traffic (Pedestrian Crossings) Regulations in 2002, no person has been booked for the offence of “Crossing the Road Outside a Pedestrian Crossing”.

Regulation 8 provides that where pedestrian crossings exist between adjacent intersections, pedestrians shall not cross the road at any place except on the crossing. Consequently, this regulation does not apply to all pedestrian crossings in general.

Mr Speaker, Sir, road safety remains one of our priorities, and the Police are already assisting pedestrians on crossings, which are at risky intersections and on roads having a heavy flow of vehicles, apart from the humps that we actually use. By the mere presence of Police Officers on the spot, pedestrians generally refrain from crossing the road at any place, except at the pedestrian crossing. The Police, therefore, usually adopt a preventive approach to address this issue; and more attention is being focused on sensitising pedestrians on the need to use those crossings at all times.

### **MBC – ALLEGED MISMANAGEMENT**

**(No. B/587) Mr R. Bhagwan (First Member for Beau Bassin & Petite Rivière)** asked the Prime Minister, Minister of

Defence and Home Affairs whether, in regard to the Mauritius Broadcasting Corporation, he will state the remedial measures he proposes to take in view of the allegations of mismanagement in the affairs thereof.

**The Prime Minister:** Mr Speaker, Sir, following various allegations of mismanagement in the affairs of the MBC, including those made regarding the “Pepsi Sega Hungama”, if the hon. Member remembers, I took the initiative to ask the Management Audit Bureau to enquire into the matter.

I have now received the report from the Management Audit Bureau, and this report is being studied by my office.

I shall certainly consider appropriate remedial measures in the light of the findings and recommendations of this report.

**Mr Bhagwan:** Mr Speaker, Sir, can I know from the hon. Prime Minister whether he has been made aware of serious allegations concerning the whole issue of publicity, and whether the Management Audit Bureau has been asked to look into that particular problem of the whole publicity network with the MBC Managers and has been asked to make a study? If yes, can we know where matters stand?

**The Prime Minister:** Mr Speaker, Sir, the MAB was asked to look into the matter of the 'Pepsi Sega Hungama', including all the aspects which they have done.

**Mr Bhagwan:** Mr Speaker, Sir, can we know from the hon. Prime Minister when the House can be apprised of the findings of the MAB?

**The Prime Minister:** First of all, my office will have to study it. I will have to talk to various officers, and then I will take appropriate actions after having looked at all the implications of the MAB report.

**Mr Barbier:** Mr Speaker, Sir, can I ask the hon. Prime Minister whether a copy of this report will be laid in the Library of the National Assembly?

**The Prime Minister:** May I remind the hon. Member that I took the initiative to ask the MAB to do an enquiry. I would not have asked if I did not want to. I did ask, and that is for my office to look at, and we will see whether there is need for it or not.

**Mr Guinness:** Mr Speaker, Sir, can I know from the hon. Prime Minister whether there was another MAB report on the financial situation of the MBC and if yes, whether a copy of the report can be laid on the Table of the Assembly?

**The Prime Minister:** I suppose the hon. Member is referring to the report that the Director-General made; that was very praiseworthy on the MBC. Is that the report that the hon. Member is talking about?

**Mr Bhagwan:** Mr Speaker, Sir, can I ask the hon. Prime Minister whether he has had the opportunity, as Minister responsible for the MBC/TV, to discuss with the Chairperson of the MBC/TV of the different *excès* of the management, including the Director-General, and whether any recommendation has been made to the MBC/TV by the Ministry concerning a code of conduct which they have to adopt in the management of the affairs of the MBC/TV?

**The Prime Minister:** In fact, Mr Speaker, Sir, once I asked the MAB to do an enquiry, I prefer not to speak to anyone, so that I don't appear to have taken sides for anyone. Once the report is ready, I will look at it.

**Mr Jhugroo:** Mr Speaker, Sir, can I ask the hon. Prime Minister whether he is satisfied with the management of the MBC?

**The Prime Minister:** As Prime Minister, I am never satisfied with anything. I would try to get even better performance wherever we can.

**Mr Gunness:** Mr Speaker, Sir, the hon. Prime Minister asked me whether I am talking about a report praiseworthy for the MBC. No! I am talking about the MAB report, whereby the MBC had a plan to increase the licence fee, whereby there were projections over so many years to improve the finances of the MBC. Therefore, can I know from the hon. Prime Minister whether this MAB report can be tabled?

**The Prime Minister:** There is no need to table the report, but I did answer that question. First of all, the MBC is not making losses. Their profit has been reduced, but they are not in deficit. They had requested - I think I answered a question from hon. Bhagwan - for an increase in the fees, which Government has turned down.

**Mr Bhagwan:** Mr Speaker, Sir, can I ask the hon. Prime Minister whether he has had an opportunity to look at the news of the MBC/TV? Repeatedly, we have news at 3.00, 6.00, 7.00, 7.30 and 11 o'clock and, on the next day, we have the same news. Did the hon. Prime Minister have the opportunity of looking at himself and other Ministers five times? This is gross



mismanagement. When we look at this and at our Rs100, it is very hard to see them every day on five to six occasions. Can I ask the hon. Prime Minister whether he has had the opportunity to visualise all these news?

**The Prime Minister:** First of all, I never like to look at myself on the MBC. Very rarely, I get a chance to look, and probably it is better that I don't look. Whether the coverage is too much, I will ask them to look at it.

### **BANK OF MAURITIUS BOARD – CONFLICT SITUATION**

**(No. B/588) Mr R. Bhagwan (First Member for Beau Bassin & Petite Rivière)** asked the Prime Minister, Minister of Defence and Home Affairs whether, in regard to the resolving of the conflict situation prevailing at the level of the Board of the Bank of Mauritius, he will state where matters stand.

*(Vide reply to PNQ)*

### **PROMENADE ROLAND ARMAND, LE DAUGUET AND SIGNAL MOUNTAIN – SECURITY MEASURES**

**(No. B/589) Mr R. Bhagwan (First Member for Beau Bassin & Petite Rivière)** asked the Prime Minister, Minister of Defence and Home Affairs whether, in regard to the health tracks of the Promenade Roland Armand at Rose Hill, and those of Le Dauguet and Signal Mountain at Port Louis, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to the number of recent reported cases of

harassment of joggers having occurred thereat, indicating the remedial security measures that will be taken.

**The Prime Minister:** Mr Speaker, Sir, Mr Speaker, Sir, I am informed by the Commissioner of Police that, as at 18 June 2009, no case of harassment of joggers has been reported to the Police at the health tracks being referred to by the hon. Member.

However, a case of harassment at Promenade Roland Armand was verbally reported to the Police, and although no official complaint was received, the Police have intensified vigilance in that region.

I am also informed that mobile patrols, which are carried out by the Western and the Metropolitan (South) Divisional Support Units, the Emergency Response Service, including the Bike Patrols, and by the respective Police Stations have been increased.

I should also add, Mr Speaker, Sir, that the Environmental Division of the Ministry of Environment and National Development Unit has arranged for security services on a 24 hour basis at Le Dauguet and Signal Mountain health tracks. A Security Officer is posted at the entrance of each site for the control of access, prevention of vehicle access and control of parking space.

**Mr Bhagwan:** Mr Speaker, Sir, I have been myself one of the complainant amongst others. I think things are becoming serious. I have had the opportunity to request the Police on behalf of the inhabitants, especially of Port Louis Ward IV, Signal Mountain and the people of Beau Bassin/Rose Hill. Can I reiterate my request to the hon. Prime Minister that seriously

the Police should be asked to look into this aspect visually? They must be there and not going along every 30, 40 or 50 minutes. People start to walk at 5 o'clock in the morning up to 10 o'clock at night. Health is something which is very important. I am making a plea to the hon. Prime Minister on behalf of the people who go to these jogging parks so that Police can take immediate action, to put the CID or whatever unit, to protect at least the women.

**The Prime Minister:** In fact, that is what the Commissioner of Police has told me visual appearance of the Police.

**Mr Speaker:** Time is over! Questions addressed to hon. Ministers!

### **HENRIETTA, GLEN PARK – VRS – LAND ALLOCATION**

**(No. B/596) Mrs F. Labelle (Third Member for Vacoas & Floreal)** asked the Minister of Agro Industry, Food Production and Security whether, in regard to the ex-employees of the Médine Sugar Estate who opted for the Voluntary Retirement Scheme in 2007 and residing in the vicinity of Henrietta, Glen Park, he will state where matters stand in relation to the allotting of their plots of land.

**Mr Faugoo:** Mr Speaker, Sir, I am advised that 431 workers of Médine Sugar Estate opted for VRS II in December 2007, and three sites have been identified and agreed upon for land allocation, namely Cascavelle, Chebel, and Camp Mapou at Henrietta.

With regard to the site at Camp Mapou, Henrietta, which concerns some 57 beneficiaries, the clearances of the 11 service

providing institutions have been obtained. Médine Sugar Estate is currently preparing the relevant plans, which will be submitted along with its application for morcellement permit to the Morcellement Board.

I am informed that these documents will be ready by the end of July this year. The letter of intent will thereafter be issued by the Morcellement Board to enable infrastructure works to start. According to the SIE (Amendment) Act 2007, these works should be completed within a period of 15 months as from date of letter of intent. Upon completion of the works, the plots of land will be allotted to the beneficiaries.

**Mrs Labelle:** Mr Speaker, Sir, may I ask the hon. Minister whether this land has already been surveyed, whether the Sugar Authority has already effected tests on this land? This was a concern expressed by Médine to the persons concerned. They were waiting for such tests to be carried out.

**Mr Faugoo:** This has been done, Mr Speaker, Sir.

**Mrs Labelle:** May I ask the hon. Minister whether he has the date on which this has been effected?

**Mr Faugoo:** The month of May. I don't know the date exactly, but it was done in May of this year.

**PRIMARY & SECONDARY SCHOOL STUDENTS –  
LINGUISTIC & CULTURAL RIGHTS - EQUAL  
OPPORTUNITIES**

**(No. B/597) Mrs F. Labelle (Third Member for Vacoas & Floreal)** asked the Minister of Education, Culture and Human Resources whether, in regard to the primary and secondary school students, he will state if Government is contemplating implementing measures to ensure that equal opportunities be provided to all of them, on the basis of linguistic and cultural rights.

**Dr. Bunwaree:** Mr Speaker, Sir, primary and secondary schools are already equal opportunities settings, and all pupils/students attending these schools are afforded the same opportunities, inasmuch as they follow the same curriculum, use the same textbooks and are taught by educators having the same level of relevant qualifications and training.

However, we have to reckon with the fact that all pupils/students do not have the same facilities and aptitudes, with the result that many of them have learning and other difficulties. It is for this reason that Government has introduced measures of positive discrimination, like the “ZEP Project” in the primary sector, and the “Books for Needy Students” in the secondary sector.

On the linguistic side, English and French are core compulsory subjects, both at primary and secondary levels, whereas the Asian Languages are optional but are extended to pupils/students of non-Asian descent too. Creole language is also used as a support language to facilitate learning at lower primary level.

As regards culture, there is no such subject in its own right either at primary or at secondary. However, cultural issues are integrated in the curriculum and cut across the subjects, more particularly History and Geography at primary level and Social

Science as well as History at secondary level. It is to be noted that ad-hoc cultural activities such as Drama, Theatre, Music are also carried out in schools. Such activities have been initiated this year during the activity period, which has been introduced in secondary schools in January last. They will be fully operational in all schools in 2010, both at primary and secondary levels.

We are making, Mr Speaker, Sir, every effort to ensure that there is, therefore, no linguistic or cultural discrimination of any kind in primary and secondary schools.

**Mrs Labelle:** Mr Speaker, Sir, the Minister will agree that, if we give the same thing to children with different needs, it is not ensuring equal opportunities. In this respect, particularly when low performing students or schools are concerned, studies have shown that when the culture is not being valued, there is high risk for low academic performance. Will the hon. Minister contemplate to initiate actions so that we can have proper studies to see such impact in our education sector? This is my first question.

Secondly, the Minister has said that the Creole language is being used as support in lower primary, but we are all aware that Creole language is being used at all levels, even at University. But, as a language itself, is the Minister contemplating introducing this in our curriculum sector?

**Dr. Bunwaree:** In fact, we are seriously working on this possibility, Mr Speaker, Sir, to see in what way the language can be used as a medium of instruction. It is allowed in Standard I, II & III officially for the time being. But, of course, we are

working on it, and we have to devise ways and means of agreeing on the language itself, which is not yet done, as a written language for the time being. I agree that whenever teachers feel the need of using Creole in any class, this is done, but not at the risk of penalising the English language in any case.

**Mrs Labelle:** May I ask the hon. Minister whether he has taken cognizance of what has been done in PreVoc/BEC and whether he has taken cognizance of the evaluation already effected after more than four years of such training?

**Dr. Bunwaree:** I am constantly in touch with that, because it is of interest to me personally, I must say, Mr Speaker, Sir. But they have not evaluated completely, and there is much work still to be done. In fact, this morning, I had a phone conversation with the Director of BEC, and they are expecting, by the month of August, to come forward with a work paper, and from then on we will see.

**Mrs Martin:** Mr Speaker, Sir, can the Minister say whether he is contemplating initiating discussions. I know there had been a lot of discussions which have started under different Governments, but this time with a view to make at least a step forward in putting the Creole language at par with the other languages which are taught in schools.

**Dr. Bunwaree:** I think I have already partially replied to that. At this stage, we cannot put it at par, but we are moving into that direction. But I must say it is a slow process, and we have to be very careful because all experts seem to agree for the time being that, if we do it too quickly, it could be to the detriment of English, which would not give the good results that we are expecting.

**Mr Lesjongard:** Mr Speaker, the hon. Minister has stated that Creole language is being used as a support language at the lower primary level. Can I know from the hon. Minister whether his Ministry has identified problems related to the use of the Creole as a support language at other levels of education?

**Dr. Bunwaree:** Well, not exactly, but I can say that, on the other side, there is no empirical evidence that the use of Creole as a medium of instruction - and as it is in use - has allowed students to learn better or improve. We do not have empirical evidence.

**Mrs Labelle:** Mr Speaker, Sir, I have heard the hon. Minister mention that experts have stated that introducing the Creole may be to the detriment of English. But an empirical study has been carried out during the past four years for Prevoc BEC, where the results have shown that the English performance of these kids has been increasing at a considerable and impressive way. Is the Minister aware of this? Because this is empirical.

**Dr. Bunwaree:** I have looked into that, Mr Speaker, Sir, but there is no document to confirm what the hon. Member is saying.

### **CHILD BIRTH – CAESAREAN CASES**

**(No. B/598) Mrs F. Labelle (Third Member for Vacoas & Floreal)** asked the Minister of Health & Quality of Life whether, in regard to child birth, he will state the ratio rate by caesarean to natural since January 2003 to April 2009.

**Dr. Jeetah:** Mr Speaker, Sir, statistics available indicate that there has been an increase in the percentage of deliveries done by caesarean section. The rate of caesarean section in



Government hospitals was 31.6% in 2003, and it is 42% for the period January to April 2009. As regards to the rate of caesarean section in the private sector, it was 42.1% in 2003, and it has reached 50.1% in December 2008. Data for period January 2009 to April 2009 from private clinics has been requested, and is being compiled.

Mr Speaker Sir, with your permission, I am tabling the detailed information for period January 2003 to April 2009. I am informed that the rate of caesarean section worldwide is on the increase, and in most countries it exceeds the WHO standard of 15%. In countries like USA and Greece, the rates are 31.8% and 41.6% respectively.

I am also informed that the prevailing rate of caesarean section in Mauritius could be due mainly to the following reasons -

- (a) many pregnant ladies have repeated caesarean section. All women with two previous caesarean section undergo a third caesarean section to avoid complications;
- (b) the high rate of association of hypertension and diabetes with pregnancy. These two diseases are known to have serious foetal and maternal complications, and
- (c) there are many women who marry at a relatively advanced age 35 to 40 years. These pregnancies are classified as high risk because they may lead to serious foetal and maternal complications.

There has been no national guidelines for management of cases in obstetrics and gynaecology. In February 2009, all

consultants in Obstetrics and Gynaecology have been called upon by the Director Health Services (Curative) to prepare national guidelines for dealing with these cases. These national guidelines are incessantly being finalised.

Mr Speaker Sir, I must admit that I view this increase with serious concern, and I have directed the Mauritius Institute of Health to undertake a study on the issue.

**Mrs Labelle:** Mr Speaker, Sir, I would like to thank the hon. Minister for the figures he has just given to the House. Above the medical reasons why caesarians have to be practiced, has the hon. Minister been apprised of several occasions where the time of delivery has to be accommodated as per doctors' agenda? Is there this tendency? Has he been apprised of such situations?

**Dr. Jeetah:** I have been aware of various reasons that are possible causes, Mr Speaker, Sir. But, as I have mentioned, I think the most important thing is to get national guidelines for management of cases.

Secondly, I have requested MIH to make some research on the subject. As I have mentioned earlier on, there is a 50% caesarian rate in the private sector as opposed to 40% in the public sector. Obviously, there is a need to investigate and find some solutions to this problem.

**Mr Bérenger:** Clearly, the hon. Minister has looked carefully on the whole issue. Has work been done to evaluate how things compare? By things, I mean death of mother and/or baby, complications in the case of caesarian interventions as compared to natural birth? Has some work been done to compare how complications and deaths differ?

**Dr. Jeetah:** In fact, this is a fairly complex situation, Mr Speaker, Sir. The difficulty that arises is, once a problem comes up, then there is the question of whether it should have been done by caesarian section or not. I don't have any evidence of any study that states in either way, that's why I have requested MIH to look into the matter.

**Mrs Martin:** The hon. Minister has mentioned some national guidelines which have gone into preparation as from February 2009 – if I am not mistaken. Can he give us details as to when it is expected that these national guidelines will be issued so that the women as well are aware with regard to these practices?

**Dr. Jeetah:** I did mention, Mr Speaker, Sir, it is any time now. I am hoping to get the guidelines as soon as possible, but I can't give the hon. Member a date.

**Mrs Hanoomanjee:** The hon. Minister has just mentioned three categories wherein caesarians are usually being performed. B.t does he have figures which fall outside those categories, I mean the ratio rate of caesarians being performed outside those categories which have just been mentioned?

**Dr. Jeetah:** Mr Speaker, Sir, I have got a list of reasons why caesarian sections are undertaken. Issues such as feotal distress, abrutio placenta, detachment of placenta, placenta plevia, etc.We have all the details as well and I can circulate further data.

## **MALCOM DE CHAZAL TRUST FUND – BOARD COMPOSITION & MEETINGS**

**(No. B/599) Mrs F. Labelle (Third Member for Vacoas & Floreal)** asked the Minister of Education, Culture and Human Resources whether, in regard to the Malcom De Chazal Trust Fund, he will, for the benefit of the House, obtain from the Fund, information as to the –

- (a) composition of the Board, and
- (b) number of meetings held by the Board, since July 2005 to date.

**Dr. Bunwaree:** Mr Speaker, Sir, the Malcolm de Chazal Trust Fund Board has not been reconstituted since July 2005.

When the new Government assumed office in 2005, it was decided to review the constitution, functioning and operation of the Cultural Centres and other cultural institutions and this was contained in the Government Programme.

In this context, a Ministerial Committee was set up to look into the matter and advise Government.

As regards Cultural Centres, as we know, an interim decision has been taken. As regards other centres, such as the Malcolm de Chazal and the Basdeo Bissoondoyal Trust Fund Boards, my Ministry is actually working on a repertory of all renowned Mauritians who have marked the arts and culture space in Mauritius with a view to finding ways and means to perpetuate their memories, philosophy and works for future generations and will come up with an appropriate framework for that purpose.

The reconstitution of the Malcolm de Chazal Trust Fund Board and the Basdeo Bissoondoyal Trust Fund will be considered in the same wake.

**Mrs Labelle:** Mr Speaker, Sir, I am a bit surprised to hear this answer and the ease with which it is said. It is through an Act of Parliament that we have got the Malcom De Chazal Trust Fund as well as the Basdeo Bissoondoyal Trust Fund. It is nearly four years now and nothing has been done and there are people who are attached to this Trust Fund. They don't know where they are going. There are grants – I suppose – from Government which are being given to these Funds. Are we interested to know what is happening with these Funds?

**Dr. Bunwaree:** I understand the hon. Member. As I have said, it was in our programme. There are other Mauritians who also have to be honoured. This is why I am waiting for the repertory to come and then we will see.

*(Interruptions)*

This is the decision we have taken. To be fair to the hon. Member, of course, this should not prevent Mauritians in any way, even my Ministry, to honour Malcom De Chazal in various other means. But a decision would be taken very soon. Since I have taken office, I have asked at least for that repertory to be carried out. Work is being done on that. It is nearing completion; I am waiting for that and then we will come forward. If there is the need to do as we have done for the cultural centres to appoint the Board, and if I see that there is no other way for them to perform actively, I'll do it. But then, I want to get this repertory to know how many such Mauritians should also be honoured in the same way.

**Mrs Labelle:** Mr Speaker, Sir, must I take it from the hon. Minister that since he has not completed the list of those he thinks have to be honoured, namely people such as Malcom De Chazal or Prof. Basdeo Bissoondoyal, we have to keep what has been decided concerning these people aside, until the Ministry has completed the list? It is as if those two persons do not deserve until the list concerning others is being completed.

**Dr. Bunwaree:** No, this is the question of constituting the Board. But, we don't let the work be affected. The Ministry is seriously looking into that. In fact, we can organize all the functions that are supposed to be taken care of by the Board and this can continue and should.

**Mrs Labelle:** I am sorry, one last question, Mr Speaker, Sir. I was just looking again at this Malcom De Chazal Trust Fund Act. There is nothing that we can do without the Board and the hon. Minister is fully aware, because there were letters from his Ministry. Since 2003 and 2006, every action that was asked, it was replied: "please wait until the Board is constituted." And now, the hon. Minister is telling me that something can be done. There is nothing that can be done without the Board and the Minister is fully aware. Is he aware of these letters?

*(Interruptions)*

**Mr Speaker:** Let the hon. Minister answer! Does he agree with this?

**Dr. Bunwaree:** What I have said is that my Ministry can allow activities and the functions of the Board to be carried out.

*At 1.00 p.m. the sitting was suspended.*

*On resuming at 2.30 p.m. with the Deputy Speaker in the Chair.*

**The Deputy Speaker:** The Table has been advised that Parliamentary Question Nos. B/600, B/601, B/612, B/629 and B/634 have been withdrawn.

### **BRAMSTHAN – STONE CRUSHER - POLLUTION**

**(No. B/600) Mr G. Guinness (Third Member for Montagne Blanche & GRSE)** asked the Minister of Environment and National Development Unit whether he is aware of the serious pollution problem caused by a stone crusher to the inhabitants of Bramsthan in Constituency No. 10, Montagne Blanche and Grand River South East and, if so, will he state the remedial measures that will be taken.

*(Withdrawn)*

### **BELLE ROSE, CLEMENCIA AND LA NOURRICE, OLIVIA - COMMUNITY CENTRES**

**(No. B/601) Mr G. Guinness (Third Member for Montagne Blanche & GRSE)** asked the Minister of Environment and National Development Unit whether, in regard to the community centres situated at Belle Rose, Clemencia and La Nourrice, Olivia, in Constituency No. 10, Montagne Blanche and Grand River South East, constructed since 2005 and which are ready to be

operational, he will state if they will now be put at the disposal of the inhabitants for the purpose for which they were set up.

*(Withdrawn)*

### **VUILLEMIN/PITON DU MILIEU – ROAD TARRING**

**(No. B/602) Mr S. Dayal (Second Member for Quartier Militaire & Moka)** asked the Minister of Public Infrastructure, Land Transport and Shipping whether he will state if he will consider the advisability of having the road leading from Vuillemin to Piton du Milieu, ex-tea belt, upgraded and tarred so as to alleviate hardships caused to the sugar cane planters of the region.

**The Minister of Local Government, Rodrigues & Outer Islands (Dr. J. B. David):** Mr Deputy Speaker, Sir, with your permission, I shall reply to this question. I am informed by the Moka/Flacq District Council that the road from Vuillemin to Piton du Milieu which is found within sugarcane fields needs to be resurfaced.

I am further informed that the Council is not in a position to undertake the resurfacing of the road estimated to cost Rs15 m. due to financial constraints and as it is not frequently used by commuters except sugarcane lorries.

However, Mr Deputy Speaker, Sir, taking into consideration that the aforesaid road is found in the previous tea belts, I intend to hold consultations with appropriate authorities with a view to finding a satisfactory solution.

**Mr Dayal:** Mr Deputy Speaker, Sir, the situation there is very dangerous, especially as it is harvest time and lorries do ply this road. There is a bridge which is made of wood there and my colleague, hon. Pravind Jugnauth, visited it last week. This is



really in a chaotic situation. I should like to impress upon the hon. Minister to liaise with the relevant authorities to do the needful and the soonest possible because harvest time is on.

**Dr. David:** This is what I have said, Mr Deputy Speaker, Sir.

**Mr Jugnauth:** May I inform the hon. Minister that there is a number of bushes that have grown near the road and that these are, in fact, preventing the proper passage of lorries? If the hon. Minister could see to it that at least these are cleared so that the lorries could get along?

**Dr. David:** We will certainly do that, Mr Deputy Speaker, Sir.

### **POTATOES AND ONIONS – CESS FEES**

**(No. B/603) Mrs S. Hanoomanjee (Second Member for Savanne & Black River)** asked Minister of Agro Industry, Food Production and Security whether, in regard to potatoes and onions, he will state the reasons as to why cess fees have been introduced in 2008 and 2009, respectively.

**Mr Faugoo:** Mr Deputy Speaker, Sir, I am advised that the Agricultural Marketing Board has, in accordance with Section 11 of the Mauritius Agricultural Marketing Board Act, been levying a cess on import of potato since 1998 following the liberalization of imports of that commodity. The cess was 20 cents per kg.

In view of the accumulated deficits registered by the AMB during the period 2002 to 2008 to maintain a strategic stock of potato which amounted to more than Rs30 m., the Board has

decided in February this year to increase the rate from 20 cents to Rs1.50 per kg.

With regard to onions, the importation of the commodity was partly liberalized as from 2008. The Board of the AMB, has, likewise, decided to levy a cess of Rs1 per kg on imported onions to enable it to maintain a strategic stock.

With measures to be undertaken under the Food Security Fund Strategic Plan, local production of potatoes and onions is expected to reach 80% of self sufficiency by 2011 and 2015 respectively. As such, importation will decrease drastically and the levy will be revised accordingly as maintenance of a buffer stock will diminish.

**Mrs Hanoomanjee:** Mr Deputy Speaker, Sir, does not the Minister think that with regard to onions, usually there is the granting of a permit of around 25 tonnes each to importers for the importation of around 2000 tonnes of onions? Doesn't the Minister think that this policy should be reviewed as this only goes towards the detriment of consumers because during the two months that the importers are allowed to import onions they much prefer to toe the line to the price of the AMB which is twice higher than the cost price of those importers?

**Mr Faugoo:** As I said, Mr Deputy Speaker, Sir, they have to charge because they have a cost which they incur when they keep a strategic stock. It is only since last year that importation of onions have been liberalised at 50%. In fact, in 2009 they have imported 43% of the total import. As I said, with the boosting up of local production, automatically we will have to revise whatever rate is being imposed now.

**Mrs Hanoomanjee:** Mr Deputy Speaker, Sir, I will repeat my question. Usually there is a limited number of importers who are allowed to import onions and they are each given a quota of around 25 tonnes each, so that when they import 25 tonnes each, the cost is much higher and, on top of that, now, they have to pay the cess of Rs1,000 per tonne which is to the detriment of consumers. Consumers are paying a higher price for those commodities when, if reviewed, can bring down the price of both onions and potatoes.

**Mr Faugoo:** I agree; it is the same for potatoes as well. We cannot review at this stage because that will have a bearing on the cost of keeping a buffer stock.

**Mrs Hanoomanjee:** Mr Deputy Speaker, Sir, regarding cess, doesn't the Minister think that there seems to be a contradiction in the policy of the Ministry? On one side, there is the question of reviewing, reducing cess with a view to ultimately eliminating it on sugar and now, on the other side, for potatoes and onions the amount of cess is being increased. Definitely, there is a contradiction in the policy of the Ministry itself and this has to be borne by consumers.

**Mr Faugoo:** We have to compare like with like, Mr Deputy Speaker, Sir. As I said, we are liberalising onions only since last year and there was a cess which was being imposed since 1998 on potatoes which was of 20 cents on 1kg and it no longer reflects the cost involved as far as AMB is concerned for stocking and also for strategic buffer stock.

**Mrs Hanoomanjee:** Mr Deputy Speaker, Sir, I don't think the Minister has given the reply as to why there has been the

policy of increasing the amount of cess. For example, for potatoes, in 2008 it was Rs200 per tonne; in 2009, it is Rs1500 per tonne and consumers are having to bear the cost of the increase of the price of those commodities and we all know that both onions and potatoes are widely being used in Mauritius.

**Mr Faugoo:** The hon. Member is asking the same question again and again, Mr Deputy Speaker, Sir, and I will give the same reply. AMB has incurred a loss of Rs30 m. over the past few years and they have to find a way somewhere to recoup the costs.

**Mrs Hanoomanjee:** If I understand, it is consumers who have to subsidise the cost of the increase in the price of potatoes and onions. Can the hon. Minister confirm that it is consumers who are being asked to subsidise the price?

**Mr Faugoo:** The price which is charged to consumers reflects the cost.

### **EMPOWERMENT PROGRAMME - UNEMPLOYED WOMEN**

**(No. B/604) Mrs S. Hanoomanjee (Second Member for Savanne & Black River)** asked the Minister of Women's Rights, Child Development and Family Welfare whether, in regard to the unemployed and retrenched women, he will state the number thereof who have, since July 2005 to date, grouped themselves into business networks, indicating the respective fields of operation.

**The Vice-Prime Minister, Minister of Finance and Economic Empowerment (Dr. R. Sithanen):** Mr Deputy Speaker, Sir, with your permission, I am replying to this question.

The Special programme for Unemployed Women under the Empowerment Programme was set up in the 2006/07 Budget as part of a comprehensive approach to address the problem of high unemployment and retrenchment among women.

A sub-committee of the Empowerment Programme was set up to develop Schemes to put women back in employment. The sub Committee has held consultative meetings with Women Associations, NGOs, relevant public as well as private institutions, and it has concluded that for the success of the scheme, it was imperative to develop group networking among the unemployed and retrenched women.

Accordingly the unemployed women have been encouraged to set up business networks.

In fact, from June 2007, several brainstorming sessions have been carried out with unemployed/retrenched women to sensitise them on the benefits of working in groups and, at the same time, to identify their interests and motivation in business projects.

To date, some 203 such networks have shown interest in developing business. Out of these 203, 147 have already started their projects and they are networked in the following -

- Duck rearing, processing and distribution.
- Strawberry cultivation and marketing.
- Patchwork and textile craft production.
- Home Textile design wares and garment making.
- Onion Mars cultivation, processing and marketing.
- Interim Services – Under this project the group acting as network agency to mobilise and market services of

individuals for home care, domestic gardening and babysitting.

Over and above encouraging women to group themselves for business purposes the National Empowerment Foundation has also been assisting unemployed/retrenched women who wish to secure a job to acquire the necessary skills. As to date the NEF has provided placement/internship and training to some 2500 women in various sectors namely, Hotel, ICT, Manufacturing, Service, Health-Care, Agriculture & Farming and Food Production.

Mr Deputy Speaker, Sir, we have been making consistent progress in reducing unemployment among women. The rate of unemployment among women had reached 16.4 per cent due mainly to massive job losses in the textile and clothing industry which was shedding jobs held by women at an alarming rate. We have since taken a series of measures to put women back in jobs and to open opportunities for them to set up businesses. As a result, the number of unemployed women has come down by 18 percent since 2005, that is, from 31,700 to 25,800. The unemployment rate accordingly of women has come down from 16.4 percent in 2005 to 12.7 percent in 2008. This is good progress considering that between 2001 and 2005 the female unemployment rate has jumped from 9.5 percent to 16.4 percent.

**Mrs Hanoomanjee:** Mr Deputy Speaker, Sir, I agree that networking is important as well as training as the Deputy Prime Minister has just said. But I understand that those women have been geared towards production and they have been trained as well. Can the Minister say as to why, up to now, in spite of the fact that these women have followed training courses in fields

such as patch work – the Minister just mentioned - design, garment making, there is no standardisation of production?

**Dr. Sithanen:** I am not aware of this problem of lack of standardisation. The question was on networking. I think we have started a good job and the Chairperson of that particular group is doing a very good job to encourage women to network. So, there is one aspect in terms of business activities and there is another one in terms of training and a third one in terms of trying to find alternative jobs for retrenched women. So, if the hon. Member has a specific question on lack of harmonisation in standard, she can submit it to me, I will give it to the lady who is the Chairperson of that group and I am sure she will look into it.

**Mrs Hanoomanjee:** Mr Deputy Speaker, Sir, you know if there is no standardisation of production there will be no marketing outlets. Can the hon. Minister say how many of the products of those women have found their way into our hotels, they have had a sort of guaranteed market in our hotels?

**Dr. Sithanen:** Mr Deputy Speaker, Sir, nobody can give a guaranteed market. What we can do is to help women to identify market possibilities; there will be a new market outlet in Bambous which will start to operate. We are constructing a new tourism village and we have also agreed to discuss with the hotel sector in order to provide an outlet. But there, the quality also is very important. This is where probably we have to give more training in order to ensure that – I am not very sure whether standardisation is the right thing because you need horses for courses also, not everybody would like to have a standardised product. We have to produce - I kept telling everybody who

comes to see me, who wants to do business:" do not do what you want, you have to produce what the market will purchase."

**Ms Deerpalsing:** Mr Deputy Speaker, Sir, may I ask the hon. Vice-Prime Minister and Minister of Finance, in view of the answer that he gave to the original question, what specific measures and programmes are being formulated, policy measures, to address the high level of female unemployment?

**Dr. Sithanen:** Mr Speaker, Sir, because we started with a huge gap in gender unemployment, the unemployment rate of women was about 18% in 2005 and that of men, I think, was about 8 or 9%. Today the unemployment rate of men is about 4.6%, in effect, this means that there is only frictional unemployment. But there is a huge gender gap for two reasons, Mr Deputy Speaker, Sir. The huge backlog that we had in 2005 as a result of the closure of many industries in the EPZ. I am sure that the hon. Member knows very well that for every 100 people that work in the EPZ, about 75 are women. We are trying to clear this backlog. On top of that, the participation rate of women has increased in 2005, which is a good thing, which means that women are keener to enter the labour market because of higher skills and education. What we are trying to do, one is to create jobs for everybody and since there is a bigger pool of women, obviously, if we create jobs, women are likely to get these jobs first. In the Budget, Mr Deputy Speaker, Sir, last year and this year, we have introduced some specific measures that are tailored to address the problems of female unemployment. New financing are available to women to start jobs and, in fact, in one particular case, for the unemployment programme, we have agreed to pay 75% of stipend for women as opposed to



50% for men in order to encourage people to take women on training and on placement.

**The Deputy Speaker:** Yes, last question!

**Mrs Hanoomanjee:** Thank you Mr Deputy Speaker, Sir. In fact, my question has already been taken up by hon. Ms Deerpalsing, but to follow on what she has just said, can the Minister say whether a sort of database has been created whereby information with the relevant profiles of unemployed women, those who will have been retrenched, their experience, what they are interested to produce and, at the same time, a database of women entrepreneurs, those who are already women entrepreneurs so that others can at least consult the database and have an idea of where and in which fields those women entrepreneurs have been successful and in which fields they have not been successful and why?

**Dr. Sithanen:** This database did not exist before. We are creating it. We have been able to create a very interesting exchange platform among those who are asking for jobs and those who are willing to offer jobs. We are building that database also for the point that the hon. Member has just raised. But, it is not an easy thing because when she says that people have failed, it does not mean that everybody that has gone into that sector has failed. We are doing our best to create an interactive information platform to allow people who are looking for A to find A.

## **STC – GENERAL MANAGER – VISIT TO SEYCHELLES**

**(No. B/605) Mr G. Guinness (Third Member for Montagne Blanche and GRSE)** asked the Minister of Business, Enterprise and Cooperatives whether, in regard to the State Trading Corporation, he will for the benefit of the House, obtain from the Corporation, information as to if, on or about the month of April 2009, its Director, accompanied by two representatives of the Mangalore Petroleum, travelled to the Seychelles and, if so, the purpose therefor?

**Mr Gowressoo:** Mr Deputy Speaker, Sir, I am informed that following STC's Board approval, the General Manager proceeded on official mission to Seychelles from 09 to 11 April 2009.

He had meetings with representatives of the Seychelles Petroleum Corporation Ltd (SEYPEC). In fact, in February 2005 and again in December 2006, STC had recourse to SEYPEC for DPK - jet fuel, due to delay in arrival of our vessel. There is a mutual relationship between STC and SEYPEXC and also Société Réunionaise de Produits Pétroliers (SRPP) for cooperation especially where one party needs to effect an urgent purchase.

I wish to inform the House that, in January 2005, STC had recourse to Société Réunionaise de Produits Pétroliers for Petroleum Products due to delay in arrival of its tanker. In September 2008, SEYPEC has recourse to STC for supply of DPK due to delay of arrival of their tanker. During the recent mission in April 2009 the General Manager of STC met his counterpart in SEYPEC and discussed the following issues –

- (a) security of supply;

- (b) possibility of STC to buy white oil and fuel oil for SEYPEC, and
- (c) additional business opportunities.

It is good to note that SEYPEC has four petroleum tankers which may be of help in case of need by STC. The General Manager, Mr Deputy Speaker, Sir, of the STC was not accompanied by representatives of the Mangalore Refinery & Petrochemicals Ltd.

**Mr Gunness:** The hon. Minister is saying that no representative of Mangalore petroleum accompanied the General Manager. Can he confirm whether recently the air ticket which has been paid to a travel agency by STC has been refunded by the General Manager and, I think, the two other persons?

**Mr Gowressoo:** Mr Deputy Speaker, Sir, in fact, there were two representatives from Pratibha Shipping Corporation who went on a business visit to Seychelles. The STC did a common invoice in order to pay the air tickets and then it was refunded by the two persons. I have the bank statement - and I can lay it on the Table of the Assembly - of the STC for the refund of 2,215 USD made by the two persons.

**Mr Gunness:** Can I know from the Minister whether the Board approved the participation of the representatives of Pratibha Shipping together with the General Manager on that meeting in Seychelles?

**Mr Gowressoo:** Mr Deputy Speaker, Sir, they were in a private visit to Seychelles, a business visit we can call it. But it is not the Board that approves it; the Board can approve only the departure of the General Manager.

**Mr Bérenger:** They were supposed to be on a private business visit. How is it that the STC, as in the case of races, gets involved and pays for the air tickets and then, supposedly, when we come forward, gets refunded?

**Mr Gowressoo:** Mr Deputy Speaker, Sir, it was refunded just some days after. It is not because the STC did a common invoice for the tickets, whichever...

*(Interruptions)*

**Mr Guinness:** Mr Deputy Speaker, Sir, can we know from the Minister, since it is a private visit, why is it that we must get a common invoice?

**Mr Gowressoo:** It was a business visit for the representatives of Pratibha, Mr Deputy Speaker, Sir.

**Mr Bhagwan:** Can I ask the hon. Minister who made the travel arrangements and to lay copy on the Table of the Assembly of all the invoices which were sent to the STC by the travel agents?

**Mr Gowressoo:** Mr Deputy Speaker, Sir, I can lay what I have, that is, the travel agency invoice.

**Mr Bhagwan:** Can we know which travel agency it is?

**Mr Gowressoo:** The IKS Travel Agency Ltd.

**Mr Jhugroo:** Can I ask the hon. Minister when was the decision taken at the level of the Board for the Director to travel to Seychelles accompanied by these two persons that the hon. Member just mentioned?

**Mr Gowressoo:** These people came to Mauritius and at the same time they went to Seychelles because it is the first time that they thought going to Seychelles for a business visit.

**Mr Gunness:** Can the Minister inform the House whether the General Manager did meet the representatives of Pratibha Shipping in that horse racing activity where the General Manager of the STC was present?

**Mr Gowressoo:** Mr Deputy Speaker, Sir, this I am not aware, but what I know I am stating it to the House.

**The Deputy Speaker:** Last question, hon. Bhagwan!

**Mr Bhagwan:** Can the Minister say to the House whether the way this trip was organised and the way these air tickets were purchased and refund effected that the Director of the STC had been acting as an agent of this Pratibha Shipping?

**Mr Gowressoo:** Mr Deputy Speaker, Sir, this is the opinion of the hon. Member.

**The Deputy Speaker:** Next question, please!

**Ms Deerpalsing:** Sir, I would like to seek your guidance on this and this pertains also to questions B/610 and B/611. According to Erskine May, there is need for declaration of interest; if the Member has an interest in this question, I don't know. I would like to seek your guidance whether the Member should have declared interest in terms of this question.

*(Interruptions)*

**Mr Bérenger:** What is the point? Who is supposed to have declared his or her interest? We cannot raise the point like that without any name, without any Member being....

*(Interruptions)*

**Dr. David:** There has been a point of order and we are requesting your guidance, not comments on the point of order.

**Mr Bérenger:** I rose on the same point of order, Mr Deputy Speaker, Sir, to say that a point of order cannot be in thin air like that. I put it to you: who is supposed to have declared his or her interest?

**Dr. David:** Mr Deputy Speaker, Sir, there is only one Speaker or Deputy Speaker in the House.

*(Interruptions)*

**The Deputy Speaker:** I am on my feet. There have been several instances where questions on *Centrale Thermique du Sud* have been put by this hon. Member and were allowed. I see no reason why I would not allow this question.

*(Interruptions)*

I would like some order in this House, thank you!

## **COMPAGNIE THERMIQUE DU SUD LTEE PROJECT – HIGH POWERED COMMITTEE - REPORT**

**(No. B/606) Mr E. Guimbeau (First Member for Curepipe and Midlands)** asked the Deputy Prime Minister, Minister of Renewable Energy and Public Utilities whether, in regard to the High Powered Committee set up to look into the different aspects and components of the *Compagnie Thermique du Sud Ltée* project, he will state if the Committee had submitted a report and, if so, table copy thereof.

**The Minister of Housing and Lands (Dr. A. Kasenally):** Mr Deputy Speaker, Sir, with your permission, I shall answer to this question.

The hon. Member may wish to refer to the reply made to Parliamentary Question B/1410 in December 2008.

As previously mentioned, an agreement was signed between Government and the Mauritius Sugar Producers' Association in April 2008, providing *inter alia* that Government and MSPA will appoint jointly an independent expert or entity of international repute and with the appropriate expertise to review the energy sector with regard to the Independent Power Producers.

In November 2008, an international bidding exercise was carried out jointly by Government and MSPA.

I can now inform the hon. Member that an independent Consultancy firm, Hunton and Williams LLP, based in USA has been appointed.

The Consultant has started the review on 08 June 2009 and will submit a report after twelve weeks.

**Mr Guimbeau:** Mr Deputy Speaker, Sir, just to inform the House, the hon. Minister has not answered the PQ which is as follows: “in regard to the High Powered Committee set up to look into the different aspects and components of the CTSL”. He has not answered the question.

**Dr. Kasenally:** Mr Deputy Speaker, Sir, this consultant firm will look into all the aspects of the problem raised by the Member, not only *Compagnie Thermique du Sud Ltée*, but all the other IPPs as well.

**Mr Guimbeau:** Mr Deputy Speaker, Sir, can we know from the hon. Minister the reason why the proposed Commission of Inquiry has been replaced by an Inter-Ministerial Committee and then replaced by a High Powered Committee?

**Dr. Kasenally:** The Inter-Ministerial Committee works together with a committee of the MSPA to set up this

International Committee and it is going to look into all the aspects as I have mentioned.

**Mr Guimbeau:** Mr Deputy Speaker, Sir, in reply to PQ B/812, the hon. Prime Minister stated: “in the light of preliminary findings of an Inter-Ministerial committee, I shall consider the advisability of setting up a full commission of inquiry so as to get to the bottom of the matter”. I would like to know if in the preliminary findings, the committee has found any *scandale du siècle* as it was stated by the Minister of Finance or any *magouille* as it was stated by hon. Deerpalsing. We would like to know as far as the findings are concerned where matters stand?

**The Deputy Speaker:** Please put your question!

*(Interruptions)*

No cross talking hon. Sithanen! You stand up if you want to speak. It is the Minister who is replying now. Thank you!

**Dr. Kasenally:** In fact, it was not an inter-Ministerial committee but there were other members in the committee and it was decided on the basis of what we have found, to discuss jointly with the MSPA to set up and to ask for international tender for an independent and high powered arbitrator or experts to look into all the aspects. I don't want to procrastinate or see whether there was a scandal. We will leave it to the international consultant to decide on that.

**Mr Guimbeau:** Mr Speaker, Sir, if there has not been any Commission of Inquiry, that means that there has not been any *scandale du siècle* or any *magouille*. Can the hon. Minister...

**The Deputy Speaker:** No, I will not allow this question.



*(Interruptions)*

Order, please!

**Mr Guimbeau:** M. le président, la conclusion de tout ce qu'on a fait autour de CTDS, c'est de la pure démagogie, à connotation raciste...

**The Deputy Speaker:** I will ask the hon. Member to withdraw this word '*raciste*' in this House. It will not be allowed in this House.

*(Interruptions)*

The hon. Member is being requested to withdraw the word '*raciste*' in this House.

**Mr Guimbeau:** I can withdraw, but there was a hidden agenda during the last campaign, Mr Deputy Speaker, Sir.

*(Interruptions)*

**The Deputy Speaker:** Hon. Member, please, I am on my feet! We are not actually working in an orderly manner. No improper word is to be used; no unparliamentary word is to be used. Please, do not start imputing motives, at any stage, in the proceedings of this House. You are being allowed to put your question. Put them, and that is enough! Thank you!

**Mr Guimbeau:** It is not good, it is not proper to make demagogy on such issues, Mr Deputy Speaker, Sir. This is the whole point I am raising. During the last electoral campaign, the Prime Minister was stating that there was *magouille*...

**The Deputy Speaker:** Hon. Member, please put the question, and that will do. Thank you!

**Mr Guimbeau:** To conclude, I want to know from the hon. Minister...

*(Interruptions)*

**The Deputy Speaker:** Please, put the question! Thank you!

**Mr Guimbeau:** The Minister is hiding the truth, Mr Deputy Speaker, Sir. The House would like know what is the conclusion of the findings of this report.

**Dr. Kasenally:** Mr Deputy Speaker, Sir, I think the hon. Member's imagination is running wild, and he is imputing motives.

**The Deputy Speaker:** Please, do not impute motives! Just answer the question, hon. Minister!

**Dr. Kasenally:** Yes, that's what I am coming to answer. The hon. Member is provoking me.

**The Deputy Speaker:** Then, do not be provoked.

*(Interruptions)*

**Dr. Kasenally:** I am not afraid of Phoenix! I can say whatever I said...

**The Deputy Speaker:** Please, just answer the question!

*(Interruptions)*

Order, please!

**Dr. Kasenally:** Mr Deputy Speaker, Sir, the hon. Member is entitled to his opinion, and I cannot comment on that.

**The Deputy Speaker:** Thank you.

**SOCIETE PIERRE BLEUE - STATE LAND - LEASE**

(No. B/607) Mr M. Allet (Second Member for Beau Bassin & Petite Rivière) asked the Minister of Housing and Lands whether, in regard to the lease of State land to Société Pierre Bleue on *Pas Géométriques* at Anna, Flic-en-Flac, he will state -

- (a) the nature of the lease, and
- (b) the date the lease was
  - (i) approved, and
  - (ii) signed.

**Dr. Kasenally:** The Utility Regulatory Authority Act was proclaimed in ...

*(Interruptions)*

**The Deputy Speaker:** Order, please!

*(Interruptions)*

Order, please! Thank you. Can we have the attention of Members of this House?

*(Interruptions)*

**Dr. Kasenally:** Stop all this!

*(Interruptions)*

**The Deputy Speaker:** Order! Order! I am on my feet! I would like to ask all the Members for their cooperation. I would like everyone to act in an orderly manner. Can I please invite the Minister to reply to this question! Thank you.

**Dr. Kasenally:** Mr Deputy Speaker, Sir, my *fusible* is not *sauté*. So, I start again...

*(Interruptions)*

**The Deputy Speaker:** Hon. Ms Deerpalsing, I would like to ask you to keep quiet, please!

**Dr. Kasenally:** Mr Deputy Speaker, Sir, in regard to part (a) of the question, Société Pierre Bleue holds an industrial site lease over a plot of State land of an extent of 8860m<sup>2</sup> being part of *Pas Géométriques* Anna at Flic-en-Flac for the purpose of a bungalow complex.

The site was originally leased to Mr Demrajsing Sewock for planting fruit trees and vanilla. In 1996, the lease was transferred in the name of Mr Ashvin Krishna Dwarka, at the request of the original lessee, that is, Mr D. Sewock. In 1999, Mr Dwarka submitted a notarial deed witnessing the “*apport*” of his leasehold rights over the subject site in the name of Société Pierre Bleue. Consequently, the lease was transferred to Société Pierre Bleue as from July 1999. In December 2005, the purpose of the lease was changed from planting of fruit trees and vanilla to construction of a bungalow complex. The grant of the new lease in favour of Société Pierre Bleue was approved on 06 December 2005, and the lease signed on 23 January 2008.

**Mr Guimbeau:** Can the Minister confirm there has been a change of purpose of a lease? It was cultivation, and then it moved to industrial. Can the Minister confirm this?

**Dr. Kasenally:** As I said, there has been a change in the purpose of the lease in December 2005.

**Mr Guimbeau:** Can the Minister tell the House if there has been any change in the membership of the *société* from time of approval of the lease and time of signature of the lease?

**Dr. Kasenally:** This is what I have said; from the time of reservation and the grant of new lease made in favour of Société

Pierre Bleue. The site was originally leased to a Mr Sewock. I have made it quite clear in my answer.

**Mr Guimbeau:** If we go to the agreement at article 18 concerning the change of membership and purpose of a lease if you will allow me, I will read it, Mr Deputy Speaker, Sir.

**The Deputy Speaker:** No, I would rather you put your question...

**Mr Guimbeau:** It's two lines. "In case of any change in the membership of the society..."

**The Deputy Speaker:** Hon. Member, I would like you to put your question. You cannot go and read the clause of an agreement. Put your question to the Minister!

**Mr Guimbeau:** No, Mr Deputy Speaker, Sir. It is clearly stated in the agreement that if you change the purpose and shareholders, the lease has to be cancelled. How is it that the lease has been renewed for another 60 years?

**The Deputy Speaker:** So you see, you can put the question without reading the article.

**Dr. Kasenally:** Mr Deputy Speaker, Sir, I think if clause 18 is included in the initial reservation, then the lease cannot be given to another person if there is a change. But, in this case, article 18 does not apply.

**Mr Guimbeau:** I have a last question. What I would like to ask the hon. Minister is to review the procedures on the lease, because this is a typical case, Mr Deputy Speaker, Sir, where some friends get a cultivation lease, then convert the land into industrial, sell it to a society, transfer it to somebody else, and sell it for millions overnight, and the State gets peanuts, Mr

Deputy Speaker, Sir. What I would like to ask the Minister is that when he is going to review the State Land Act to ensure that this kind of things does not occur again.

**Dr. Kasenally:** In fact, Mr Deputy Speaker, Sir, it has been reviewed. That's why we have included article 18, which makes it impossible to change the purpose of the lease. However, we are reviewing it still, and we are trying to improve upon it to prevent people who have got ulterior motives when initially asking for a piece of land for a specific project.

**Mr Allet:** Je souhaite, M. le président, au nom de la transparence, que le ministre fasse une enquête pour éclaircir des zones d'ombre, et je dépose aussi *the industrial site lease between the Government and Société Pierre Bleue*.

**Dr. Kasenally:** I will certainly look into that, Mr Deputy Speaker, Sir.

### **AMBASSADORS/HIGH COMMISSIONERS & TRADE ADVISERS - TERMS & CONDITIONS OF APPOINTMENT**

**(No. B/608) Mr P. Jhugroo (Third Member for Port Louis North & Montagne Longue)** asked the Minister of Foreign Affairs, Regional Integration and International Trade whether, in regard to each of the Ambassadors/High Commissioners and Trade Advisers posted in the Mauritius Embassies or High Commissions, he will state if their respective terms and conditions of appointment have been reviewed following the Pay Research Bureau Report 2008 and, if so, indicate –

- (a) their new terms and conditions of appointment, and

(b) the additional fringe benefits to which they are entitled.

**Dr. Boolell:** Mr Deputy Speaker, Sir, I am advised that the terms and conditions of appointment of each of the Ambassadors/High Commissioners and Trade Advisers in our Missions abroad have been reviewed following PRB Report 2008, and will be further reviewed, where applicable, following the recent PRB Errors and Omissions Report.

The salary, Foreign Service allowance, entertainment allowance, gratuity payable to Ambassadors, High Commissioners, as well as Trade Advisers, has been reviewed. In respect of rent and utilities, the ceiling for Trade Advisers also has been reviewed. The detailed revised terms and conditions for each of the Ambassadors/High Commissioners and Trade Advisers posted in our Missions abroad are being compiled.

**Mr Jhugroo:** I know that it is being compiled. Can I know when it will be compiled and tabled in the National Assembly? Can I have a date from the hon. Minister?

**Dr. Boolell:** As soon as the compilation is done.

*(Interruptions)*

**Mr Jhugroo:** How soon is soon? Because we often hear the same answer. So, how soon is soon? Can the hon. Minister give me a date?

**Dr. Boolell:** Sooner than expected, Mr Deputy Speaker, Sir.

**Mr Jhugroo:** Can I have the expected date and year from the hon. Minister?

**Dr. Boolell:** Before Parliament is dissolved.

### **INDEPENDENT UTILITY REGULATORY AUTHORITY – SETTING-UP**

**(No. B/609) Mr E. Guimbeau (First Member for Curepipe & Midlands)** asked the Deputy Prime Minister, Minister of Renewable Energy and Public Utilities whether, in regard to the proposed setting up of an Independent Utility Regulatory Authority, he will state where matters stand.

**The Minister of Public Utilities (Dr. A. Kasenally):** Mr Deputy Speaker, Sir, with your permission, I shall reply to this question.

The Utility Regulatory Authority Act was proclaimed in September 2008 and pursuant to section 9 of the Act, the appointment of the Chairperson and the three Commissioners is being considered.

### **CEB - INDEPENDENT POWER PRODUCERS – ELECTRICITY PURCHASE**

**(No. B/610) Mr E. Guimbeau (First Member for Curepipe & Midlands)** asked the Deputy Prime Minister, Minister of Renewable Energy and Public Utilities whether, in regard to the proposed purchase of electricity by the Central Electricity Board from the Independent Power Producers, namely, Gamma Coventa and CT Power he will, for the benefit of the House, obtain from the Board, information as to the price per Kwh in each case as compared to the cost per Kwh produced by the Board.



**The Minister of Public Utilities (Dr. A. Kasenally):** Mr Deputy Speaker, Sir, with your permission, I shall reply to this question.

The power generation park of the CEB comprises different types of generating units namely fuel oil and kerosene. These units were commissioned at different periods. Each unit has its own generation cost per kWh. However on average, at March 2009, the cost per kWh was Rs3.57. The average cost is subject to fluctuations based on the cost of fuel and exchange rates.

With regard to the proposed purchase of electricity from Gamma Covanta and CT Power respectively, I am advised by the CEB as follows -

With regard to the Gamma Covanta project, it is expected that the plant will be commissioned in the third quarter of 2011. The project for the generation of electricity for a capacity 20 MW was initiated following a Letter of Intent issued by the Board of Investment on the 05 May 2006. Since then, negotiations are being carried out with the CEB on a Power Purchase Agreement. In parallel, a Project Implementation Agreement Committee comprising representatives of the State Law Office, Ministry of Finance and Economic Empowerment, Ministry of Local Government, my Ministry and CEB are negotiating the Project Implementation Agreement. A number of other agreements are also being negotiated between the promoter and other authorities.

As far as CT Power is concerned; in respect of the CT Power project, an agreement has been signed between the promoters and the CEB on the 23 December 2008, whereby CEB has agreed to purchase electricity at a price of Rs3.01 per kWh. This price is based on an exchange rate of Rs32.056 for

the US Dollar, 70 US Dollar per metric ton of coal and a plant load factor of 75%.

I also wish to inform the House that the agreement between CEB and CT Power is subject to the latter obtaining an EIA licence.

**Mr Guimbeau:** Mr Deputy Speaker, Sir, I thank the hon. Minister for giving me the figures for CT Power, but what about the price per Kwh for the Gamma Coventa?

**Dr. Kasenally:** For the Gamma Coventa, negotiations are not finished yet. We are going to come to a clear-cut figure, but it should be above Rs5.

**Mr Guimbeau:** I heard it is going to be Rs5.31. Is that right, Mr Deputy Speaker, Sir?

**Dr. Kasenally:** Mr Deputy Speaker, Sir, this is not final, that is why I didn't want to commit to a particular figure.

**Ms Deerpalsing:** May I ask the hon. Minister, in view of his answer he has given, whether he can give the comparative price for the other IPPs?

**Dr. Kasenally:** The other IPPs are slightly higher. I think one is about Rs4.57 and they have different components, but they are a bit higher. In fact, it is much higher than CT Power and certainly higher than what the CEB produces. It is much above Rs3.57.

**CEB - COMPAGNIE THERMIQUE DU SUD, CT SAV  
& CTBV – ELECTRICITY PURCHASE**

**(No. B/611) Mr E. Guimbeau (First Member for Curepipe & Midlands)** asked the Deputy Prime Minister, Minister of Renewable Energy and Public Utilities whether, in regard to the actual purchase of electricity by the Central Electricity Board from –

- (a) the *Compagnie Thermique du Sud*;
- (b) CT SAV;
- (c) CTBV and
- (d) Suzlon Energy, he will, for the benefit of the House, obtain from the Board, information as to the price per Kwh in each case.

**The Minister of Public Utilities (Dr. A. Kasenally):** Mr Deputy Speaker, Sir, with your permission, I shall reply to this question.

I am informed by the CEB that the actual purchase of electricity is as follows -

- (a) Compagnie Thermique du Sud – Rs4.94/kWh
- (b) CT SAV – Rs4.51/kWh

As regards to part (d) of the question, I am advised that the CEB has not signed any power purchase agreement with Suzlon Energy.

**Mr Guimbeau:** What about CTBV, Mr Deputy Speaker, Sir?

**Dr. Kasenally:** The price per Kwh for CTBV is Rs4.04 comprising of the following elements. The PPA is based on a single part tariff and a take or pay obligation of 325 gigawatt-hours (GWh).

**Mr Bérenger:** We have been talking about these but, earlier on, we were told that, as in the case of CT Power, an agreement has been signed for Rs3.01. I am sure that the agreement must provide for revisions in certain cases. Can a copy of that agreement which is subject to obtaining an EIA agreement between CEB and CT Power be placed in the Library?

**Dr. Kasenally:** Mr Deputy Speaker, Sir, I'll check with the CEB. If there is no legal impediment to that effect, we will certainly be open-minded and I'll see to the request of the hon. Leader of the Opposition.

**The Deputy Speaker:** Thank you, hon. Minister.

**Ms Deerpalsing:** Mr Deputy Speaker, Sir, following the answer of the hon. Minister, if that is the case, may I ask whether all of the PPAs can be tabled for the sake of transparency?

**Dr. Kasenally:** Again, Mr Deputy Speaker, Sir, we have also to consult our partners because there is a legally binding document. If there is no legal impediment, we shall certainly do so.

**The Deputy Speaker:** Thank you, hon. Minister. Next question, please!

## **JARDIN DE LA CONCORDE, PLAINE VERTE – SPORTS COMPLEX - CONSTRUCTION**

**(No. B/612) Mr S. Lauthan (Third Member for Port Louis Maritime & Port Louis East)** asked the Minister of Local Government, Rodrigues and Outer Islands whether, in

regard to the proposed construction of a sports complex on the premises of the Jardin de la Concorde in Plaine Verte, he will, for the benefit of the House, obtain from the Municipal Council of Port Louis, information as to where matters stand.

*(Withdrawn)*

### **LA GAULETTE PRIMARY SCHOOL – IT TEACHER**

**(No. B/613) Mr A. Ganoo (First Member for Savanne & Black River)** asked the Minister of Education, Culture and Human Resources whether, in regard to the La Gaulette Primary School, he will state the reason as to why a full time IT Teacher has not been posted thereat, indicating the remedial measures that will be taken.

**Dr. Bunwaree:** Mr Deputy Speaker, Sir, the policy of my Ministry is for an ICT Teacher to dispense ICT courses at a frequency of 3 periods per class per week.

I understand there has been some problems in the school because we have had, in fact, we are still having a lack of ICT Teachers.

I wish to apprise the House, however, that there is an ICT Teacher at La Gaulette Government School where there are only six classes, 1 class for each Standard. ICT courses are being offered to all six classes on a basis of per class per week, that is, 18 periods per week implying that, pupils at La Gaulette Government School are being exposed to the maximum number of ICT courses as required according to norms.

**Mr Ganoo:** Can the hon. Minister then confirm that, at some time, recently, there was no IT teacher, but the problem has been solved now?

**Dr. Bunwaree:** Yes, I would say that it is not only at La Gaulette that we have had some problems with the ICT teachers, because many of them have been employed on contract. In fact, they have left after the PRB recommendation because there are some changes which are going to take place. In fact, the requirement for ICT teachers is 253 and we have only 189 for the time being. So there is, of course, a sharing among schools. As I said, we are making sure that the maximum number of classes is being organised.

**Mrs Labelle:** Mr Deputy Speaker, Sir, the hon. Minister has just mentioned that many ICT teachers have left because they were on contract. May I ask the hon. Minister what measures are being taken so that we have full-fledged ICT teachers to avoid the situation where they are going to leave because they are on contract since four years, I think?

**Dr. Bunwaree:** We are in the process of recruiting. In fact, in the course of the coming weeks the number 253 will be acceded to.

## **MINISTERS OF FINANCE - OVERSEAS MISSIONS – SEPTEMBER 2000 TO JUNE 2009**

**(No. B/614) Mr P. Jhugroo (Third Member for Port Louis North and Montagne Longue)** asked the Vice-Prime Minister, Minister of Finance and Economic Empowerment whether, in regard to the overseas missions undertaken by the

respective Ministers of Finance, since September 2000 to date, he will give a list thereof, indicating in each case -

- (a) the countries visited and duration thereof;
- (b) the composition of the delegation, and
- (c) the amount of money spent in terms of air tickets, *per diem* and other allowances.

**The Vice-Prime Minister, Minister of Finance & Economic Empowerment (Dr. R. Sithanen):** Mr Deputy Speaker, Sir, the information sought in parts (a) and (b) is being compiled.

With respect to part (c) of the question, I wish to inform the House that all payments with respect to air tickets, *per diem* and other allowances have been made in accordance with the applicable approved mission rates in respect of the countries of destination.

**Mr Jhugroo:** Mr Deputy Speaker, Sir, I know why it is going to be compiled and tabled. How will the hon. Vice-Prime Minister explain when the sea was calm and the sky was blue, the former Minister of Finance, hon. Jugnauth, travelled only on two occasions? And today, when we have *une crise financière sans précédente*, the actual Minister of Finance has been travelling so many times and even last week he was abroad. I hope that this will be compiled and tabled as soon as possible.

**Dr. Sithanen:** Mr Deputy Speaker, Sir, it is very unfair to compare someone who has been Minister for four and a half years to someone who was Minister for two years. Second, there were many missions that were extremely important. There was no Minister of Foreign Affairs for quite a while and I lobbied for AGOA in the United States, Mr Deputy Speaker, Sir,

and I represented also the country for the WTO negotiations and for the WTO lobby. We have done very well in both cases, Mr Deputy Speaker, Sir. I also had to go to lobby to make sure that the OECD does not put Mauritius on the black list or on the grey list, Mr Speaker, Sir. Last but not least, we have brought massive foreign direct investment to this country compared to what it was before. I hope the hon. Member was just making a passing joke when he was telling this.

### **MUNICIPAL SOCIAL HALL, CLAIRFONDS – PETANQUE COURTS -LIGHTING FACILITIES**

**(No. B/615) Mr S. Soodhun (Fifth Member for La Caverne and Phoenix)** asked the Minister of Local Government, Rodrigues and Outer Islands whether he is aware that the lighting facilities at the petanque courts of the Municipal Social Hall, situated at Quirin Street at Clairfonds No. 1 Phoenix, are defective and, if so, will he, for the benefit of the House, obtain from the Municipal Council of Vacoas/Phoenix, information as to the remedial measures that will be taken.

**Dr. David:** Mr Deputy Speaker, Sir, I wish to inform the House that fog lights were previously fixed at the two petanque courts found on the premises of Edgar Quirin Municipal Social Hall and these had to be removed following complaints received from residents of the vicinity to the effect that same were causing inconvenience to them.

Subsequently, the Municipality of Vacoas/Phoenix replaced those fog lights by two lanterns on 22 May 2009. Following representations made by the users of the petanque courts to the



effect that lighting of the court was inadequate, two additional lanterns were installed on 05 June 2009.

**Mr Soodhun:** Mr Deputy Speaker, Sir, I visited the same social hall that we are speaking of. The fact that both petanque courts are situated within the premises of the social hall, the hon. Minister will agree with me that these social halls do not compose of any tennis courts or football pitches. I don't understand why, because of lack of space, they have put two. I make an appeal to the hon. Minister to see to it again if they can put it because it is the wish and the request made by the people who are using this petanque court.

**Dr. David:** Mr Deputy Speaker, Sir, as I said, this caused inconvenience to the residents. If there were no inconvenience, definitely this would have been replaced. But being given that the Municipality of Vacoas/Phoenix received complaints, this is why two lights were placed there near the petanque court and then at the request of the players themselves we added two more. But if this is not yet sufficient we will try to find out other solutions.

## **EMBASSIES/MAURITIUS MISSIONS – CLOSING DOWN**

**(No. B/616) Mr S. Soodhun (Fifth Member for La Caverne and Phoenix)** asked the Minister of Foreign Affairs, Regional Integration and International Trade whether, in regard to the Embassies/Mauritius Missions abroad, he will state if those which will be closed down, as announced in the last Budget speech, have been identified as at to date, and if so, indicate same.

**Dr. Boolell:** Mr Deputy Speaker, Sir, as announced in the Budget a special unit under the Prime Minister's Office will examine all cost cutting budgetary measures, including the rational necessity to close down Embassies. A decision will be taken thereafter.

**Mr Soodhun:** Mr Deputy Speaker, Sir, will the hon. Minister inform the House what are the Embassies that are in the pipeline?

**Dr. Boolell:** I have stated, Mr Deputy Speaker, Sir, that a decision will be taken thereafter.

**Mr Soodhun:** Mr Deputy Speaker, Sir, will the hon. Minister inform the House whether the Embassy of Kuala Lumpur is in the pipeline?

**Dr. Boolell:** No. Mr Deputy Speaker, Sir, I have stated very clearly that a committee is being set up under the Prime Minister's Office and we are supplying all the relevant information and then a decision will be taken in the light of the study being carried out.

**Mr Soodhun:** Mr Deputy Speaker, Sir, will the hon. Minister inform the House that he is aware that since July 2005 we don't have any Ambassador as such in Kuala Lumpur, Malaysia, till now?

**Dr. Boolell:** But the work is being done. We have to have a rationalised approach.

**Mr Bérenger:** Mr Deputy Speaker, Sir, I understand that the hon. Minister is saying that they are taking holistic approach and then they will decide which Embassies, which High Commissions, if any, will be closed down. Is it a fact that in the

case of a separate UNESCO representation in Paris a decision has already been taken?

**Dr. Boolell:** A decision will be taken in the light of all the relevant information which is going to be submitted to that committee, Mr Deputy Speaker, Sir.

### **MAURITIUS DIPLOMATIC MISSIONS – MEDICAL EXPENSES**

**(No. B/617) Mr S. Soodhun (Fifth Member for La Caverne and Phoenix)** asked the Minister of Foreign Affairs, Regional Integration and International Trade whether, in regard to the Mauritius Diplomatic Missions abroad, he will state the amount of money spent in terms of medical expenses, since 2007 to date, indicating the measures that have been taken to control such expenditure.

**Dr. Boolell:** Mr Deputy Speaker, Sir, in accordance with the terms and conditions of service and in line with recommendation contained in the PRB Report 2008, all home based staff serving in our diplomatic missions along with their spouse and dependent children aged up to 20 years are being refunded medical expenses at the rate of 90% provided same are supported by medical certificates, prescriptions and invoices. In case of hospitalisation for surgical intervention, the totality of medical expenses incurred is being refunded.

Prior to July 2008, the home based staff, their spouse and children aged up to 20 years were refunded medical expenses at the rate of 85%. The totality of medical expenses was being refunded in case of hospitalisation for surgical intervention.

I am informed that an amount of Rs10.8 m. has been spent since July 2007 to May 2009 on refund of medical expenses in respect of home based staff and their dependants of our 21 overseas missions.

Mr Speaker Sir, controlling illnesses of home based staff and their dependents as well as charges of medical practitioners abroad and costs of medicines are beyond our control. My Ministry consults the Ministry of Health and Quality of Life in case of claims of medical refund which raise any doubts.

The Ministry has fully explored the option of having recourse to the Medical Insurance Scheme for our diplomats abroad and their families as recommended by the Director of Audit. However, after consultation with MAB and SICOM, it has been found that the medical insurance would not be a viable alternative and would cost more than what is being actually refunded to home based staff.

**Mr Jhugroo:** M. le président, en voyant les chiffres de R 10.8 millions pour 21 ambassades, *nos ambassadeurs sont des gens malades parce que R 10.8 millions pour 21 ambassadeurs, c'est assez conséquent. Au moins R 500,000 par ambassadeur annuellement ; c'est assez conséquent.*

**Dr. Boolell:** Mr Deputy Speaker, Sir, there is no reason to pinpoint ambassadors. Of course, no one would wish to fall ill when one is overseas. Nevertheless, if a person falls ill, he needs to be properly attended to and by the best.

**PARASTATAL BODIES – PART TIME  
CHAIRPERSONS – CHAUFFEUR DRIVEN CARS &  
PETROL ALLOWANCES**

**(No. B/618) Mr S. Soodhun (Fifth Member for La Caverne and Phoenix)** asked the Vice-Prime Minister, Minister of Finance and Economic Empowerment whether, in regard to the part time Chairpersons of boards of parastatal bodies, he will state if they are entitled to chauffeur driven cars and petrol allowances and, if so, the number thereof who have been provided with such privileges, since July 2005 to date.

**The Minister of Civil Service and Administrative Reforms (Dr. B. Hookoom):** Mr Deputy Speaker, Sir, with your permission, I shall reply to this question.

I am informed that as regards part-time Chairpersons of Boards of Parastatal Bodies, there is no stated policy on their entitlement to chauffeur driven cars and petrol allowances.

As a matter of fact, the tenure of office of any chairperson is provided for in the relevant legislation governing that parastatal body. The terms and conditions of Board Members may be decided by the Board in consultation with the parent Ministry

### **PRIVATE TUITION – SURVEY**

**(No. B/619) Mr N. Bodha (First Member for Vacoas and Floreal)** asked the Minister of Education, Culture and Human Resources whether, in regard to private tuition, he will state if he will consider the advisability of carrying out a survey to assess the -

- (a) number of students who are involved and at what levels;
- (b) the financial implications thereof, and

(c) how to address the issue.

**Dr. Bunwaree:** Mr Deputy Speaker, Sir, private tuition is a phenomenon which is rampant internationally and also has far-reaching implications. At the local level too, there are strong indications that private tutoring is widespread at different levels.

I wish to point out that, in our educational establishments, tuition is allowed in Government primary and aided schools to pupils of Stds IV, V and VI and the schools keep records of teachers providing private tuition, of the children involved and of the classrooms where tutoring takes place.

However, it is a fact that tutoring is also provided to pupils of different classes outside the primary school premises. At the secondary level, however, tuition is given in private tuition centres or on private premises.

Some information already exists about the scope and financial spread of private tuition. It is estimated that about 75% of the Stds IV and VI of the student population resort to private tuition. As for the secondary sector, given that students take tuition in individual subjects, this percentage could be higher.

Private tuition is a real scourge in our educational system. It is hard to reconcile the fact that on the one hand, education is free and yet on the other, parents have to disburse considerable sums as private costs to education. This problem becomes more acute as private tuition places a huge onus on poor parents and raises the question of equity since most of them may not be able to afford it. Equally, private tuition also has a human dimension since long hours of tuition lead to stress and other health and psychological problems for pupils. This has been amply

researched by several scholars, with some of the studies specifically focusing on the Mauritian case.

Mr Speaker, Sir, relevant alternatives to private tuition have to be envisaged. In fact, we are already working on a number of measures that require some more in-depth discussions and consultations with all stakeholders.

We are planning to tackle this problem at its root and in a phased manner. In view of the fact that we shall be having three cycles of two years at the primary level as compared at two cycles of three years previously, my Ministry is proposing to address the issue by prohibiting private tuition at Std IV level in primary sector by January next year. Once this is done, we will ensure that remedial education will take place for the weak pupils while options will also be provided for the bright ones. Equally, we shall be giving greater emphasis on the co-end extra-curricular activities. The process has already been initiated.

**Mr Bodha:** Mr Deputy Speaker, Sir, I'll ask for some figures. May I ask the hon. Minister whether he is aware that for every Rs3 spent by Government - I think the Budget is about Rs6/Rs7 billion - parents are spending Re1 and that there is a matter of urgency? As he said himself it's a scourge and we can't continue with the system.

**Dr. Bunwaree:** Yes, we know what is the problem and I think everyone in the House is well aware. In fact, I didn't venture to give figures because it's very difficult for some students take tuitions to two or even three places. We know that it is a problem, we have to address it, but it's not very simple as you know and *je n'ai pas envie d'agacer les professeurs qui se donnent aux leçons privées*, but something has to be done. As I

said, we are trying to go by in a phase manner and, at least, for Standard IV, next year, we should be able to move it with the help of everyone in this House.

**Mr Dowarkasing:** Mr Deputy Speaker, Sir, may I ask the hon. Minister whether he has been apprised of the fact that private tuition is being held even in pre-primary institutions?

**Dr. Bunwaree:** This is not a fact, Mr Deputy Speaker, Sir. What happens is that after pre-primary school ends in the afternoon, some parents are not in a position to take the child and then the child goes in *crèche*, something like that. This has been interpreted - but I am going to watch in any case to see to it that this does not occur.

**Ms Deerpalsing:** Mr Deputy Speaker, Sir, we are talking about major amount of money that is not going into the coffers of the State through taxes and MRA action. Can I ask the hon. Minister whether, in the meantime that a solution is found, his Ministry will sensitise parents and the students to declare where they are taking tuitions so that then the teachers, who are giving tuitions on a commercialised basis, can be tracked by MRA? I am sure the hon. Minister of Finance will be more than happy to get more money in the coffers.

**Dr. Bunwaree:** This is one way of trying to put order in the system, but I must say for primary teachers there is no problem because, as I mentioned in my reply, we know these teachers, they are giving officially. I don't want to be unfair to them also *parce que pour eux c'est facile et à ce moment-là on saute sur eux* and those who are not very easy to catch then they run out of the system. In any case, we have discussed with



people at the MRA, the Minister of Finance is informed and we will try to see in what way we can make justice become more justice, if I may say so.

**Mr Cuttaree:** Mr Deputy Speaker, Sir, I want to come back to the question raised by hon. Dowarkasing. May I ask the hon. Minister to verify the information which has been given to him, namely, that there is no private tuitions being given in pre-primary? I know of cases where this is done and how much money is being paid by parents. I know of one case where it is Rs150 per month. I will give him the information. Can I ask the hon. Minister whether it is not advisable to have a circular from his Ministry sent to all these registered pre-primary schools informing them that if this practice is introduced or continues, licenses can be removed?

**Dr. Bunwaree:** This is going to be done. But, at the same time, I would like to have the names of these people who are trying to let the children have private tuitions. But, in most cases, it is a question of parents not in a position to take their children at certain point in time in the afternoon and then, what is being done to the children, this is what we are looking into. As I said just now, I am watching and, of course, we are going to take action, but we are doing the necessary so that all those who are involved in the business of pre-primary schooling are informed of the whole matter.

**Mrs Dookun-Luchoomun:** May I ask the hon. Minister whether he has envisaged putting a ceiling on the number of students per session at primary level and secondary level for private tuitions?

**Dr. Bunwaree:** In fact, we are considering seriously a few measures and I don't want to say everything here because we

have to discuss with stakeholders not to rouse other interest, but this is one thing we are looking into. We are also looking into prohibiting private tuitions in the early morning, for example. We looking into other aspects of private tuitions where supposedly the teacher should not get involved in giving private tuitions to the same students that he is teaching in the school.

**Mr Bodha:** Mr Deputy Speaker, Sir, may I ask the hon. Minister whether he can see also as regards to private premises because often the students being in the laboratories, studying science in the garage of the same teacher? Can we do something on that as well?

**Dr. Bunwaree:** In fact, this is what I said. The teachers are not supposed to give tuitions to the students he is himself coaching in the school and, of course, the problem of using garage as laboratories also are being looked into.

### **HOTEL RECONSTRUCTION SCHEME - BENEFICIARIES**

**(No. B/620) Mr M. Dowarkasing (Third Member for Curepipe & Midlands)** asked the Vice-Prime Minister, Minister of Finance & Economic Empowerment whether, in regard to the Hotel Reconstruction Scheme, as announced in the last Budget Speech, he will state if prior assessment of the potential beneficiaries thereof will be carried out before benefiting therefrom and, if so, give details thereof.

**The Vice-Prime Minister, Minister of Finance & Economic Empowerment (Dr. R. Sithanen):** Mr Speaker, Sir, with your permission, I will reply to PQ B/620 and B/638 at the same time as they both relate to the Hotel Reconstruction Scheme.

As stated in the 2008/2009 Budget, Government took the policy decision to align the new rental rates of industrial sites lease in the coastal strip and the city centre of Port Louis with that of *campement* site leases.

Consequently, under the new policy, existing lessees of industrial sites who, therefore, opt for a new lease will be required to pay market determined rental. The rental payable will be adjusted every three years by reference to the cumulative rate of inflation for the period based on the consumer price index. When the fiscal cadastre Land Administration, Valuation and Information Management System (LAVIMS) project is operational, the adjustment in rental will be based on the actual change in market value of the property.

Thus, while the new industrial site lease policy guarantees Government a fair market return from its prime land assets, it is also business friendly as it avoids the burden on the lessee of a sudden increase in rental, which would have been payable under the old lease agreements.

However, Mr Deputy Speaker, Sir, Government has been sensitive to the plight of hotel industry of this additional cost of policy change with respect to the applications of new rentals, especially at a time when the industry is hit by the global economic recession. This is more difficult particularly for those hotels that are being pulled down for reconstruction.

Without a temporary change in policy, the new rental would have applied to those hotels undergoing reconstruction that would not be deriving any income during the construction period, while on the other hand they would have to invest in the new building, pay the wage bill of the employees. There was a serious risk of laying off of employees

To ease the situation, and as announced in the 2009 Budget Speech, decision has, therefore, been taken, in line with the burden sharing approach to help sectors where jobs are at risk, to grant a facility to hotels whose rental have recently been increased or is being increased with the new industrial lease policy during the period of reconstruction.

In this respect, Government will contribute an amount equivalent to the lower of -

- (a) the difference between the new rental and the old rental in respect of the period the hotel is under reconstruction or up to the period ending 31 December 2010, whichever comes earlier, and
- (b) 50% of the wage bill of the hotel as at 01 January 2009 during the same period.

With respect to eligibility, it would be only the hotel whose building has been pulled down after January 2009 or will be pulled down and a new one constructed that would benefit from the incentive. This facility will also be conditional on the hotel safeguarding the employment, including the terms of service of all employees during the period of construction. So far, no application has been received under the scheme.

**Mr Dowarkasing:** Mr Deputy Speaker, Sir, of course, in view of Budget forecast and financial implications on the measure that he has taken, did his Ministry made an assessment of how many hotels would be undergoing reconstruction before putting that measure into that Budget?

**Dr. Sithanen:** Every time there is a Budget, people come with their shopping list. So, we had to make a decision. There

was the case where either they would have closed down or they would have delayed the construction or they would have laid off their workers temporarily. We think there could be a maximum of two; we don't know. We should also remember that, for the smaller hotels, we are asking them to pay the old rental in order to give them support; this is under one hectare, and those who have, I think, up to 50 rooms. So, for the corridor of 01 July 2009 to 31 December 2010, they would pay the old rental. It depends basically on which is the lower of the two. The lower of the two could be the 50% of the wage bill, and the lower of the two could be the difference between the old and the new rental. Let me also inform the House, Mr Deputy Speaker, Sir, there has been a problem with the new rental, and let us be very honest about it. There are three problems with it; first, it did not change for 20 years. Can you imagine inflation over 20 years and what is the new rate? Second, in the older system, you did not pay 100% of the rate. You start paying a small percentage and, then, after a number of years, you pay the full percentage. If we adjust these two, in some cases, the rental has increased by 5,000%. What that means in simple term is that the rental has increased by 50 times; not 50%. So, there was a problem, especially for those that are going to reconstruct and that will not generate any income during that period and will have to keep people on their payroll. It will depend on these two. We have done some calculation, and we think that, probably, for the case that most people have in mind, it is going to cost a maximum of Rs38 m. for a 18-month period. Against that, there's going to be construction; this will help the construction industry. We are going to generate VAT, they will keep the job of 350 people, and they are going to make investment.

**Mr Dowarkasing:** Mr Deputy Speaker, Sir, the hon.

Minister has mentioned that he thinks that there might be two cases. Can we know exactly what he meant by that?

**Dr. Sithanen:** I don't know! The hon. Member asked me a question, and I've just said two cases. There is one case on the east coast, and everybody knows that. The other cases will depend. The idea is basically what some countries are trying to do: to fast track and front-load some investment, so that there are activities for the construction sector. We have taken a series of measures to help the construction sector. We believe that if the investment takes place now as opposed to two years' time, there will be a benefit to the economy, and this is part of the Additional Stimulus Package.

**Mr Cuttaree:** Where a hotel has already taken the decision before the Budget to reconstruct - and he knows the case I am talking about - why give them these facilities? Because they have already decided that they are going to reconstruct, they are going to start pulling down, they are selling all their furniture and what not and, then, suddenly, the Budget comes, and they get Rs10 m.

**Dr. Sithanen:** Let me tell hon. Cuttaree that there has been no application yet, but there was the case that they were not going to do the investment now and there was also the case that they were going to suspend the employment of 350 people. Let me explain, Mr Deputy Speaker, Sir. In the case of a bigger hotel chain, it is easy pour *répartir* 300 employees on seven hotels. In this case, it is more difficult, because they have only three hotels that are working.

**Mr Ganoo:** Will this apply to a hotel which has taken the decision before this budgetary measure was announced, but also tends to reconstruct before 2010?

**Dr. Sithanen:** No. We have said that the pulling down must take place now, and the construction must take place during the corridor. The hotels that have started their construction before the announcement of the measure are not going to benefit from that. So, there are conditions attached to it.

**Mr Dowarkasing:** I just want to be clarified by the Vice-Prime Minister. Following what hon. Cuttaree has said, it seems that this measure has been tailor-made for certain hotels. Am I right or am I wrong? I just want the hon. Minister to clarify this.

**Dr. Sithanen:** Certainly not! Remember that, for all the small hotels, we have given them the benefit without any condition, because we want to support SMEs. They are going to pay the old rate, when it comes for renewal, during the period of the corridor. For the big hotels, because we want to encourage investment, it has been on the card for a long time. There is a question by hon. Jugnauth on IRS. So, we have to take certain measures to support the construction industry. The construction industry is one of the most important sector in our country, and it has ripple effect on the entire economy. There are many countries around the world, in their Stimulus Package, that are trying to front-load their investment, because they believe that this is the right time to invest as it will give some support to growth.

**Mr Jugnauth:** Can the hon. Minister say how he intends to differentiate between hotel reconstruction and renovation, whereby the hotel had to close down because there might be a complete renovation?

**Dr. Sithanen:** As we said, this does not apply for renovation; there is another scheme for renovation for SMEs. I have stated this very clearly in my reply, but it has to be pulled

down. So, it has to be new investment, new construction, and it has to take place during the corridor.

### **CHILDREN (DISABLED) – FINANCIAL SUPPORT**

**(No. B/621) Mr M. Dowarkasing (Third Member for Curepipe & Midlands)** asked the Minister of Social Security, National Solidarity and Senior Citizens Welfare & Reform Institutions whether, in regard to the disabled children aged between 0 and 15 years old, she will state the financial support extended thereto.

**Mrs Bappoo:** Mr Deputy Speaker, Sir, in accordance with Social Aid Regulations 1984, financial supports such as an *ex gratia* allowance is extended to children aged between 0–6 months and Carer's Allowances are provided to children aged between 6 months to 15 years, whose parents' total income does not exceed Rs150,000 or Rs250,000, as the case may be. That is an annual income.

There is also a range of other benefits, which are being provided to disabled children, among which the refund of bus fare to disabled children attending specialised schools and the Francois Sokhalingum Award, which is a Scholarship Scheme, in the form of a monthly stipend of Rs500.

Mr Deputy Speaker, Sir, with your permission, I am tabling a detailed list of all the different financial assistance and other benefits being provided to disabled children.

**Mr Dowarkasing:** Mr Deputy Speaker, Sir, from the reply I got from the hon. Minister, it seems that the disability factor has not been taken on board at all for children between six months to 15 years. They are getting carer's allowance because



the parent or somebody has to take care of them as they are disabled. How about their disability? Has that been considered at all?

**Mrs Bappoo:** The Social Aid Act is an Act which is here since years and through the Social Aid Act, disabilities for small children aged between 0 to 15 years, is means tested. That is why there is the annual income ceiling of Rs150,000 and Rs250,000 to disabilities which are of much more difficult cases, *des cas graves comme nous disons*. But, they are in the form of carer's allowance to the family to take care of the disability, whether the family needs to have medical support and medical visits etc. But after 15 years, they are diverted to a BIP, which is a request for Basic Invalidity Pension.

**Mr Dowarkasing:** Mr Deputy Speaker, Sir, my next question is about the income test. Will the hon. Minister consider revision of the ceiling of Rs150,000 per annum, because of the rise in the cost of living?

**Mrs Bappoo:** There has been a continuous revision of this annual income ceiling. It has been increased gradually and, recently, the last one has been the ceiling of Rs250,000 to those children who are in very difficult cases, for example, children with HIV Aids, with muscular dystrophy, the allowance has gone beyond the Rs150, 000. So, it goes on being reviewed.

**Mr Bodha:** The hon. Minister has just said that the Social Aid Act dates back since long. Does not she consider that legislation needs to be amended in view of the new exigencies of our social welfare system?

**Mrs Bappoo:** This is what I said last time in the spirit of having the general social protection review; these things will be taken also on board.

### **TUNA FISH EXPORT – EUROPEAN UNION/MAURITIUS**

**(No. B/622) Mr M. Dowarkasing (Third Member for Curepipe & Midlands)** asked the Minister of Agro Industry, Food Production and Security whether, in regard to the export of tuna fish, he will state if an agreement has been reached between the European Union and Mauritius.

**Mr Faugoo:** Mr Deputy Speaker, Sir, as the House is aware, the trading relationships between Mauritius and the EU were governed by non-reciprocal arrangements under the Lomé Conventions and the Cotonou Agreement. As these unilateral and non-reciprocal preferences under these agreements were not compatible with the provisions set out under Article XXIV of GATT, both the EU and the ACP countries, including Mauritius, undertook under Articles 36 and 37 of the Cotonou Agreement to conclude new WTO compatible trading arrangements by 31 December 2007.

The Cotonou Agreement was to be replaced by the Economic Partnership Agreement (EPA) between the ACP and the EU. However, given the fact that negotiations for the agreement could not be completed as scheduled in December

2007, Mauritius therefore initialed an Interim EPA, pending the completion of a full EPA.

Under the Interim EPA, Mauritius has been able to maintain preferential access in general, including for fish and fish products. Consequently, we continue to benefit from the duty free and quota free access on the EU market. In 2008, Mauritius exported 38,380 tonnes of tuna loins and 32,977 tonnes of canned tuna to the EU market worth some Rs8 billion.

Furthermore, under the Interim EPA, Mauritius has also been able to secure an increased quantity under the Automatic Derogation for preserved tuna (canned tuna and loins). It is to be noted that under the Cotonou Agreement an amount of 10,000 tonnes under the Automatic Derogation was meant for all ACP States compared to a similar amount of 10,000 tonnes under the Interim EPA for Mauritius, Seychelles and Madagascar only.

Pending the signature of the Interim EPA, tentatively scheduled for August 2009 in Mauritius, I am informed that the EU has, once more, acceded to the request of Mauritius for a normal derogation for 3,000 tonnes of canned tuna and 600 tonnes of loins on a retroactive basis for the year 2009. Mauritius did benefit from a similar derogation in 2008 and fully utilised the quota allocated.

Consequently, Mr Deputy Speaker, Sir, export of tuna fish on the EU market does not warrant any specific agreement between the European and Mauritius as the Interim EPA fully takes care of the export of fish and fish products to the EU.

**Mr Dowarkasing:** Mr Deputy Speaker, Sir, from the reply given by the hon. Minister, we can see that our request for 7000

tonnes of tuna fish to be exported to the EU has not been agreed to.

**Mr Faugoo:** I don't know what the hon. Member is talking about, Mr Deputy Speaker, Sir. We have a quota free and duty-free, there is no limit as far as it is originating tuna. We have automatic derogation for another 3,000 tonnes for tuna/canned tuna and 600 tonnes for loins. Now, we are exporting under the normal quota which has been given for last year and this year also. I don't know what the hon. Member is talking about; I am sure he is confused.

**Mr Cuttaree:** May I ask the hon. Minister whether the issue of the SPS (Sanitary and Phyto Sanitary) - maybe this is what my friend was driving at - have been sorted out now?

**Mr Faugoo:** I replied last time, Mr Deputy Speaker, Sir, that we have a full-fledge competent Authority now, which has approved by D. G. (Sanco) and we are expecting another visit in a couple of months just to give the final certification.

**Mr Dowarkasing:** May I know from the hon. Minister whether the EU has imposed an Action Plan on Mauritius with regard to the IUU?

**Mr Faugoo:** That is something different. As I said we don't need any bilateral agreement to export tuna as fish or any fish product from Mauritius to the EU; that is out of question. Mauritius had a fishing agreement with the EU which dates back to 1990 and which I think expired in December 2007. Now we are trying to negotiate another bilateral agreement between the EU, if the Member is referring to that. I must inform the House that we have not agreed exactly upon the IUU, because they were trying to impose upon Mauritius to sign an agreement with

the EU, to have an IUU plan of action for Mauritius which would have costed Rs41 m., and under that agreement they were trying to give us only some Rs20 m. This was one of the questions.

There was another issue on which we did not agree, that was on the reference tonnage. Under the previous agreement, we had a reference tonnage of 6500 tonnes of tuna which was fished in our water. Under the new agreement, instead of increasing that figure, they were trying to decide on 3000 tonnes, which was not agreeable to Mauritius. So, this is where we have not agreed and negotiation is still open.

*(Interruptions)*

**Mr Bérenger:** I am laughing, because the Minister gave the impression that with inflation worldwide that quota needs automatically to increase, which is not the case - but never mind. Can I ask the hon. Minister whether, apart from that dispute on the cost of this Action Plan against IUU fishing, was there not also another issue, that is, bringing Taiwan within the Indian Ocean Tuna Commission supposedly to better combat IUU fishing?

**Mr Faugoo:** I cannot confirm this, Mr Deputy Speaker, Sir, but, as far as I am aware, it is only those two contentions which led to a stop in the negotiations. As I said, we were trying not to increase but, at least, keep whatever the reference tonnage was under the previous agreement that we had.

**Mr Bérenger:** The Minister has confirmed that for the time being we are exporting duty-free, quota free to the European Union, but that export of tuna products will be governed by the interim and then full economic partnership agreement. Can I

know, over the years, what is going to happen? For how long we will benefit from quota free, duty-free entrance into the European Union, what will happen over two, five and ten years?

**Mr Faugoo:** It is difficult to say at this stage, Mr Deputy Speaker, Sir. But what I can say, what we have done under the EPA, it is WTO compatible. They want to open trade; only time can tell us how long we can extend on this issue.

### **SSR MEDICAL COLLEGE – STUDENTS - BDS EXAMS**

**(No. B/623) Mr M. Dowarkasing (Third Member for Curepipe & Midlands)** asked the Minister of Education, Culture and Human Resources whether, in regard to the students who have passed the BDS examinations from the Sir Seewoosagur Ramgoolam Medical College, he will state if he has taken cognizance of the problems that they are facing in relation to the recognition of the degree delivered to them and, if so, will he state the remedial measures that will be taken.

**Dr. Bunwaree:** Mr Deputy Speaker, Sir, I am informed by the Tertiary Education Commission that the 5-year BDS programme of the SSR Medical College comprises a final year of internship. A first batch of six students and a second batch of 15 students have already passed their BDS examination at the

SSR Medical College in December 2007 and June 2008 respectively.

In order to be awarded their degrees and apply for registration with the Dental Council of Mauritius, these students require completion of 1 year internship, which, has however not yet been accredited by TEC. The procedure for the setting up of Dental Colleges is that there is an International Monitoring Committee (IMC) set up by the regulatory body (TEC) to monitor the appropriateness of the management, staffing, infrastructure and equipment of the institution during the progress of the first cohort.

The IMC meets on a yearly basis. This International Monitoring Committee comprising representatives from my Ministry, the Ministry of Health and Quality of Life, Mauritius Institute of Health, Dental Council of Mauritius, the Tertiary Education Commission and two international experts has been convened on a yearly basis to follow up on the progress of the BDS programme during the five years.

TEC has not yet accredited the internship of the BDS programme due to the fact that during the IMC of March 2008, it was revealed that the SSR Medical College had not yet started the internship and the intern year started only on the advice of the IMC. Hence, internship for the first batch started in March 2008 and ended in March 2009 whereas the internship for the second batch will be completed in June 2009.

In line with the recommendations of the IMC of December 2008, the TEC has been monitoring the internship of the BDS at the SSR Medical College and a Quality Assurance Visit was conducted by TEC in February 2009. It was observed further to

this visit, that there was no adequate and appropriate supervision for internship in the following areas:

- Dept. of Oral Medicine, Diagnosis and Radiology
- Dept. of Conservative Dentistry and Endodontics
- Dept. of Oral Pathology/Dental Anatomy & Oral Histology

The TEC Board was apprised of the above, and a Sub-Committee was set up comprising representatives of my Ministry, the Ministry of Health and Quality of Life and the University of Mauritius to look into the matter. The Sub-Committee met on 18 May 2009, 21 May 2009 at the TEC and on 17 June 2009 at the SSR Medical College. I am informed that the subcommittee was of a view that appropriate and adequate supervision has already taken place and has therefore recommended to the TEC Board that the internship of the BDS Programme be accredited. The decision of the Sub Committee has yet to be ratified by the Board and I believed this is going to be done in the coming week.

**The Deputy Speaker:** The Table has been advised that Parliamentary Question Nos. B/624, B/625, B/626, B/633 and B/635 have been withdrawn.

### **HIGH LEVEL ATHLETE SCHEME – CRITERIA, CATEGORIES, ETC.**

**(No. B/624) Mr G. Lesjongard (Second Member for Port Louis North & Montagne Longue)** asked the Minister of Youth and Sports whether, in regard to the High Level Athlete Scheme, he will state the –

- (a) various categories concerned;



- (b) criteria laid down, and
- (c) duration of the assistance.

*(Withdrawn)*

### **HIGH LEVEL ATHLETE SCHEME - BENEFICIARIES**

**(No. B/625) Mr G. Lesjongard (Second Member for Port Louis North and Montagne Longue)** asked the Minister of Youth and Sports whether, in regard to the High Level Athlete Scheme, he will state the names of the beneficiaries thereof who participate at the world level, indicating in each case –

- (a) the quantum of the assistance, and
- (b) when was the assistance last reviewed.

*(Withdrawn)*

### **HIGH LEVEL ATHLETE SCHEME- A.C. – FINANCIAL ASSISTANCE**

**(No. B/626) Mr G. Lesjongard (Second Member for Port Louis North and Montagne Longue)** asked the Minister of Youth and Sports whether, in regard to the financial assistance given to A. C., under the High Level Athlete Scheme, he will state if it has recently been decreased and, if so, the reasons therefor?

*(Withdrawn)*

## **RIVALLAND ROAD, CRÈVE COEUR – REMEDIAL MEASURES**

**(No. B/627) Mr G. Lesjongard (Second Member for Port Louis North & Montagne Longue)** asked the Minister of Local Government, Rodrigues and Outer Islands whether he will, for the benefit of the House, obtain from the Pamplemousses/Rivière du Rempart District Council, information as to if the Council has received representations from the inhabitants of Crève Coeur in respect of the bad state of a portion of public road starting from the residence of one Mr G. to that of one Mr B. and if so, the remedial measures that will be taken.

**Dr. David:** Mr Deputy Speaker, Sir, I am informed by the Pamplemousses/Rivière du Rempart District Council that no representation has been received from inhabitants of Creve Coeur in respect of the bad state of the stretch of the public road off Rivalland road at Creve Coeur from the residence of Mr Govind to that of Mr Beekharry.

## **MEDICINES - RETAIL PRICE**

**(No. B/628) Mr S. Dayal (Second Member for Quartier Militaire & Moka)** asked the Minister for Consumer Protection and Citizens Charter whether he is aware of the sudden substantial increase in the retail price of medicines and, if so, will he state the reasons therefor and, if not, indicate if inquiries will be carried out thereinto.

**Mr Tang Wah Hing:** Mr Deputy Speaker, Sir, the prices of pharmaceutical products are controlled under the Consumer Protection (Consumer Goods) (Maximum Mark Up) Regulations 1998, whereby importers are allowed 2% special allowance on the CIF value of the goods and thereafter a Mark-Up of 35%.

Prices are calculated on a consignment basis. Consequently, there are changes in prices for each consignment, depending on the CIF value of the goods, and mainly on the rate of exchange.

With the depreciation of the rupee *vis-à-vis* foreign currencies, the price of pharmaceutical products calculated on a consignment basis has been increasing.

For comparison purposes, the Euro has appreciated by 5.36% in May 2009 as compared to January 2009. Similarly, the Pound Sterling, the US Dollar and the South African Rand have all appreciated by 7.36%, 5.54% and 17.71%, respectively during the same period.

I must, however, point out that an analysis carried out by my Ministry on the movement of prices does not indicate a substantial increase. There are some cases where there has been a decrease in the price of some commonly used drugs.

**Mr Dayal:** Mr Deputy Speaker, Sir, can I ask the hon. Minister in how many cases over the last six months, he has asked for importation documents for importers to be verified and see whether the prices at which the drugs are being sold are not excessive and are within norms set by the Ministry? And here, I have a case - which I am going to give to the hon. Minister - with two receipts for the same drug, namely No. 040508 – Rs375; No. 120609 – Rs440.

**Mr Tang Wah Hing:** I will take cognizance of the information given.

**Mr Dayal:** Mr Deputy Speaker, Sir, can I, again, ask the hon. Minister - he said that his Ministry has carried an enquiry, but I should like to know whether this has been done - what is the incidence of the appreciation of the dollars and other currencies and its incidence on the prices of medicines? If this has been done, can he lay a copy on the Table of the Assembly?

**Mr Tang Wah Hing:** I will do so.

**The Deputy Speaker:** Thank you, hon. Minister. Next question, please.

Hon. Mrs Martin, I chair proceedings.

**Mrs Martin:** I thought it was my question.

**The Deputy Speaker:** It is the next question! I have been told that PQ No. B/629 has been withdrawn.

### **SOOBARAMANEY AVENUE, RÉDUIT - DRAIN WORKS**

**(No. B/629) Mr S. Dayal (Second Member for Quartier Militaire and Moka)** asked the Minister of Environment and National Development Unit whether he will state where matters stand in regard to the drain works being carried out at the Soobramaney Avenue, Réduit, which are causing undue hardships to the inhabitants thereat because of the accumulation of muddy water

*(Withdrawn)*

### **DENGUE FEVER - MEASURES**

**(No.B/630) Mrs M. Martin (Second Member for Curepipe & Midlands)** asked the Minister of Health and Quality of Life whether, in regard to the Dengue Fever, he will state the evolution thereof, indicating the additional security and sanitary measures that have been or are being taken to prevent its spread.

**Dr. Jeetah:** Mr Deputy Speaker, Sir, a first suspected case of benign type of Dengue Fever was detected on Wednesday 03 June, 2009. Subsequently, other suspected cases were detected mainly from

the Port Louis region, with a few isolated cases in other regions of the island.

Since then, blood samples are being taken from persons presenting with symptoms suggestive of Dengue Fever and are being sent on a daily basis to the Central Health Laboratory at Victoria Hospital. Some of the initial samples were also sent to South Africa and Singapore for validation. Results received on Thursday 11 June 2009 are consistent with our laboratory findings, thus confirming the diagnosis of Dengue Fever. As at 19 June 2009, 208 cases have been found to be positive for Dengue Fever.

However, it has been noted that as from 19 June 2009, the number of suspected and confirmed cases of Dengue Fever has been decreased as follows -

Date	No. of samples examined	No. positive for Dengue Fever
19 June 2009	57	16
20 June 2009	38	4
21 June 2009	21	4
22 June 2009	13	3
23 June 2009	13	0

It is well known that the incidence of Dengue Fever fluctuated with temperature being higher when the temperature rises.

As regards security and sanitary measures, a first meeting was held on the same day, that is, on Wednesday 03 June 2009 with Officers of my Ministry to discuss prevention and control strategies. Fogging activities were started immediately in Port Louis.

A second meeting was held on Thursday 04 June, with different stakeholders, and the following measures were taken immediately –

- (i) fogging activities that were started on the previous day were continued and were pursued with the active collaboration of the Special Mobile Force during the week-end in the regions where cases were identified within a radius of 300 metres around the infected houses, as well as in all the educational and health institutions within these regions. As cases in Port Louis are scattered over the whole region, the fogging activities were scheduled to cover the whole of the capital. A repeat exercise is being undertaken after 7 days;
- (ii) the ongoing larviciding exercise throughout the country has been reinforced, and is continuing on a regular basis;
- (iii) entomological surveys which are routinely carried out by the Vector Biology and Control Division have been reinforced in the localities where cases have been detected;
- (iv) a National Cleaning Campaign has been launched under the aegis of the Ministry of Local Government, Rodrigues and Outer Islands in collaboration with the Ministry of Environment and National Development Unit, with particular focus in the Port Louis region;
- (v) action has been taken to include Dengue Fever in the list of Notifiable diseases under the Public Health Act; instructions have been given to all health personnel, including those in the private sector, to closely monitor the situation and report any suspected case with symptoms suggestive of the disease;
- (vi) A fever survey is being carried out on a daily basis in Port Louis and other localities where cases of Dengue Fever have been reported, and persons with fever are being requested to attend the nearest health service point for blood sampling to detect the presence of Dengue fever;

- (vii) the services of an Epidemiologist and Virologist have been retained by my Ministry to elaborate a Preparedness Plan to enable prompt and effective actions to be taken in such cases. In addition, he is following the epidemiological trend of the Dengue Fever in the country;
- (viii) a special programme, namely *'Allo Dokter'* is also being broadcast on MBC-TV on Sundays in which officers of my Ministry are providing information and advice on specific medical conditions including Dengue Fever;
- (ix) a sophisticated equipment namely Polymerase Chain Reaction (PCR) machine has been acquired to carry out early diagnosis and monitoring of, amongst others, various diseases of viral origin like Chikungunya, Dengue and Influenza A (H1N1). An expert in molecular biology has been recruited to assist and advise my Ministry in this field.

Furthermore a National Sensitization Campaign has been launched to educate the public on precautionary measures to prevent mosquito bites and proliferation. These measures include personal protection against mosquito bites and destruction of mosquito breeding and harbouring grounds in the immediate environment. The campaign is two-pronged. On one hand, officers of my Ministry are conducting house-to-house awareness campaign throughout the island, and on the other hand, several Ministries/Departments namely Ministry of Social Security, National Solidarity and Citizens Welfare and Reform Institutions, Ministry of Women's Rights, Child Development and Family Welfare and Ministry of Education, Culture and Human Resources and other stakeholders including the private sector are carrying out community awareness sessions with the active collaboration of my Ministry. In addition, media channels have been utilised to carry out health education programmes.

Mr Deputy Speaker, Sir, it is to be emphasised that for the success of this prevention and control programme, community participation remains a vital prerequisite.

**The Deputy Speaker:** Thank you! Hon. Ministers are reminded if their replies are going to be long, they should circulate them. The Minister has taken six minutes, that should be circulated only.

The Table has been advised that PQ No. B/600...

*(Interruptions)*

Please, if you will allow me! The Table has been advised that PQs Nos. B/600, B/643, B/644 and B/645 have been withdrawn. Unfortunately, time is over!

## **MOTION**

### **SUSPENSION OF SO 10(2)**

**The Vice-Prime Minister, Minister of Tourism, Leisure and External Communications (Mr X. L. Duval):** Mr Deputy Speaker, Sir, I beg to move that all the business on today's Order Paper be exempted from the provisions of paragraph 2 of Standing Order 10.

**The Vice-Prime Minister, Minister of Finance & Economic Empowerment (Dr. R. Sithanen)** rose and seconded.

*Question put and agreed to.*

*At 16.16 p.m. the sitting was suspended*

*On resuming at 4.47 p.m. with Mr Speaker in Chair*

## **PUBLIC BILLS**

### *First Reading*

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

- (a) The Mauritius Land Transport Authority Bill (No. XIV of 2009)
- (b) The Notaries (Amendment) Bill (No. XIII of 2009)

(4.47 p.m)

## **MOTION**



**CONSUMER PROTECTION (CONTROL OF PRICE OF  
TAXABLE AND NON-TAXABLE GOODS) (AMENDMENT  
NO. 4) REGULATIONS 2009 - DISALLOWANCE**

**The Leader of the Opposition (Mr P. Bérenger) :** Mr Speaker, Sir, I beg to move that the motion standing in my name be moved, reading thus -

*“This Assembly is of the opinion that the Consumer Protection (Control of Price of Taxable and Non-Taxable Goods) (Amendment No. 4) Regulations 2009, published under Government Notice No. 53 of 2009 and laid on the Table of the National Assembly on 16 June 2009 be disallowed”.*

Mr Speaker, Sir, I have moved that motion of disallowance because we are against this recent maximum increase of 7.5% in the price of diesel and *l'essence*. We are against this most recent maximum increase, but, in fact, we are against any increase until a full inquiry has been carried out on the State Trading Corporation and until *un véritable nettoyage* will have taken place at the head of the State Trading Corporation. Because, indeed, Mr Speaker, Sir, what has been taking place at the State Trading Corporation and through the State Trading Corporation in the country as a whole can only be described as a hold-up. Consumers and the travelling public *ont fait les frais de l'incompétence des scandales et des abus à la State Trading Corporation*. This is what has provoked this most recent increase in the price of diesel and *l'essence* - an accumulation of incompetence, *scandales et abus en tout genre*. I would not hesitate to say that indeed through this – what I call this hold-up - the consumer public and the travelling public *se sont fait détrousser au fil des années* and through this most recent increase. That is why, through my motion of disallowance, we wish to say that enough is enough; *trop c'est trop*, things have to change at the State Trading Corporation.

My first point, Mr Speaker, Sir, is that the consumers of the country and the travelling public have definitely not benefited from the

drastic fall from a \$147 per barrel to some \$30. And now, it has re-picked up to around \$70, that is, even now the price of petroleum products on the world market stands at less than half of what it was in July last when it was at its peak, \$147 per barrel. This drastic crash in the world prices of petroleum products has not been *répercuté* to the consumers and the travelling public. The consumers and the travelling public have not benefited from this drastic crash in world petroleum prices. This, to me, is totally unacceptable. When *le baril de pétrole* stood at \$147, *l'essence* here was sold – I give round figures – at Rs50. It went down to \$30, and now it stands at \$70 and, yet, *le prix de l'essence vient d'être fixé à R 42*. If that is not a hold-up, I don't know what is a hold-up, Mr Speaker, Sir. In fact, when we take the crash in freight prices also, *l'essence* should be selling at less than Rs25 at the present world prices and at the present freight rates, Mr Speaker, Sir. That is why I use a strong word: 'hold-up'. I can find no other word, Mr Speaker, Sir. So, we had the world prices crashing from \$147 to \$30 and, now, they are at \$70. We had an even more massive *dégringolade* of the freight rates. With the world economic crisis, freight rates crashed over the same period by more than 70%. Those two considerations, that is, the world prices of petroleum products and the crash in freight rates justified a massive decrease in the price of petroleum products, diesel/*essence* on the local market. I know the spokespersons on the other side are going to say: 'yes, but the rate of the dollar as per the rupee has increased'. It is true. But, in the balance, it is peanuts. Over roughly the same period of time, the dollar moved from 28 to 33. *Dans la balance*, Mr Speaker, Sir, on the one hand, we have the crash in world prices, more than 50%, we have the crash in freight rates, more that 70%, *et de l'autre côté de la balance*, there is an appreciation of the dollar as per the rupee of some 20%. That is why I believe truly that all this saga has been a veritable hold-up.

One of the end results is that, today, the Automatic Price Mechanism has absolutely no credibility left. You can ask anybody in Mauritius, and they will tell you that Government decides. And it is the truth! Government puts into the price structure, which is approved

automatically by the Automatic Price Mechanism; Government and the STC decide what to put in that. It was supposed to reflect the movement of prices, of freight rates, and of the dollar. The so-called Automatic Price Mechanism no longer does anything of the sort. Today, what decides the price of diesel/*essence* on the local market is all these different items - which I will move on to – of expenditure that are put in the price structure prepared by the STC and approved automatically by the Automatic Price Mechanism.

The fact that the price of diesel and *essence* has not gone down as it should is because other items of expenditure have been put by Government through STC to the so-called Automatic Price Mechanism. I believe this is a very dangerous situation. Already, it is dangerous. Now, if petroleum prices on the world market move upwards - I hope they don't – we are going to move into a danger zone, especially when the so-called Automatic Price Mechanism has no credibility at all left. That is my first point. I have moved this motion because it is unfair and unacceptable that consumers, the population in general and the travelling public have not benefited from this crash in world prices and in freight rates, because of other items of expenditure, to pay for the STC excesses *pour leur incompétence, leurs abus, mais aussi* to finance *transport gratuit* through RDA, to pay *subside* because they have been abolished in the Budget. This is unacceptable. This is my first point, Mr Speaker, Sir.

My second point is the fact also that there is an absolute lack of transparency at the STC and, therefore, the Automatic Price Mechanism automatically. There is absolutely no transparency. We have been trying for months and years to get a copy of that contract, for purchase of petroleum products overseas, signed by the STC with a foreign firm. We have never been able to obtain that. *C'est presque'incroyable*. We want to know what is in there, for how long, at what price, what freight rates, who decides, who discusses, who fixes. *Une absence totale de transparence*, especially as far as the freight rate is concerned. This is unacceptable. But then, one can hardly be surprised when one remembers that the same STC created a company, for still less

transparency, to deal in anything, putting in its statutes to deal in anything, including diamonds. This is this monster that the STC has become, Mr Speaker, Sir. My second point is that there is total and unacceptable absence of transparency. And who is paying for that again? They are the consumers, the population at large and the travelling public.

My third point is that the consumers, the population at large and the travelling public are paying for the huge mistakes made by the STC, *pour tous les scandales qui ont été étalés au grand jour, au fil des mois, des années que nous venons de connaître*. Hedging! Air Mauritius ran into trouble but, nevertheless, they have *des cadres d'un certain niveau*.

Imagine STC going into the hedging business! I see the hon. Minister of Finance smiling, laughing. It is so elementary! Would you have imagined what reasonable Government would have allowed the STC staff as it is, to go into the hedging business? *C'est d'une irresponsabilité incroyable!* But, the result has been nearly Rs4 billion of hedging losses at the STC, and I had to rub my eyes and read again. When the question was put to the Minister responsible for the State Trading Corporation, one newspaper asked him: "You find it acceptable that the public, the consumers, the travelling public are made to pay for such massive blunders, mistakes of the STC?" He says: "*C'est normal*". In what other country would you have heard that? What other country? We are tempted to laugh, but we are dealing into billions and all this is coming out of the pockets of the public in general, the consumers, the travelling public. The hedging mess at STC should never have happened. The STC is badly staffed, not at all equipped to go into the hedging business, and yet it did. Therefore, it lost nearly Rs4 billion. At least, at Air Mauritius, some pleaded guilty; one resigned. Not at the STC! *C'est normal*, business as usual! You lose nearly Rs4 billion and it is business as usual, *c'est normal que les consommateurs paient*. Sometimes, I wonder whether the Prime Minister and others, under the pressure of work, realise what the STC has been over the last four years, the mess it has made, the damage to the economy and to the consumers that it has been guilty of. It's incredible! We know there are messes all over the place. This morning we talked of the Bank of Mauritius. I have

just mentioned Air Mauritius and so on, but this is the biggest mess of all. What has been taking place at STC is the biggest mess of all over the last four years! And, honestly, sometimes I asked myself how can the Prime Minister, how can the Minister of Finance allow this kind of things<sup>10</sup> to go on for years and years. Sometimes, I don't believe my ears! Sometimes I have to rub my eyes and read again! But, again, who is paying? The consumers, the population at large, the travelling public! The hedging mess has been the biggest mess but, I am sure, other orators will mention *les autres scandales, tels que farine, riz 'ration'*. For the flour saga, how much money has been wasted? And, at long last, I am proud that, at least, we managed to prevent Government from killing *Le Moulin de la Concorde* which would never have seen the light of day if some courageous private sector people had not worked hand in hand with Sir Seewoosagur Ramgoolam in those days to get a guarantee over the long-term, then they invested in that. And, because of the STC - misled by the STC - *Le Moulin de la Concorde* was already dead. No room for it on the local market. But, it has cost money. A lot of money has been lost through the flour scandal, through the rice scandal. We are talking about billions; this morning we talked about Rs100,000, *mais la mentalité*, Mr Speaker, Sir, you think they are changing there. The hon. Prime Minister, I think – he has left but probably he was listening, I hope. This morning, we found out that two businessmen from India had to travel to the Seychelles. A few days ago, STC bought their plane tickets. They go together. If it was not free for all at the STC, you think people would behave like that, acting as a travel agent for foreign businessmen who are travelling to the Seychelles. And I look at the papers that have been laid and I see nowhere where these gentlemen reimbursed their plane tickets, nowhere on what has been submitted. Even, if it is Rs50,000, you don't behave like that. And even if it is Rs50,000 it is Rs 50,000 out of the pockets of consumers and the travelling public, Mr Speaker, Sir. I leave it to others to talk of the *scandale gros pois* also. The only success the STC meets with is taking money from the consumers' pockets, everything else the STC makes a mess of it, purchasing and distributing petroleum products, hedging, rice, flour, *gros pois*, everything that the STC does is a mess and they

lose money. The only thing they are good at is taking money out of the consumers' pockets. *Normal!* So, that is why we say enough is enough, *trop c'est trop*. *Au nom de l'île Maurice, le gouvernement doit se ressaisir*. Things can't go on and on like that at the STC. I still keep hope, but the mess is awful at the STC. My fourth point, I won't be very long but the points are huge. The mess is huge. We don't have to talk long because everybody knows what the mess is. The last point which I would like to make is on subsidies on rice and flour. There is a Government, there is the Opposition but I think I am right to expect a minimum. We all know the facts are there; the subsidies on rice and flour were in the past in the Budget. They have been removed from the Budget; there is no provision in Budget for subsidies on rice and flour. The subsidies that are being paid on rice and flour come out of consumers' pockets. In the price structure of STC there is provision.

*(Interruptions)*

In the price structure of petroleum products there is provision for subsidies on rice and flour. This is a fact. At least, let's say it. I have heard the hon. Prime Minister and I hope he does not believe in it. I have heard him and I know the hon. Minister of Finance knows that when he is saying that, *c'est une fausseté*. I have heard the two of them say, repeatedly, on television, and here in the last Budget, saying proudly that we have kept so many hundreds of millions of rupees of subsidies. The innuendo being the Government is providing that. Not true! In the price structure of petroleum products, provision is made to take the money out of the consumers' pockets to pay for subsidies on rice and flour. If they tell me they believe this should be done, alright, we are prepared to discuss, but don't come and tell me at Budget time that Government has kept subsidies on rice and flour. This is not *intellectuellement honnête*. It should be acknowledged that subsidies are being paid on rice and flour, but coming out through the STC out of consumers' pockets, Mr Speaker, Sir.

I was surprised, and I must say also disappointed, to learn that the main speaker on this motion will be the hon. Minister of Finance. I will be blunt. I didn't expect him to try *de défendre l'indéfendable*. I don't

know why I don't know what has taken place, but I am surprised and very disappointed to see the hon. Minister of Finance *envoyer pour défendre l'indéfendable*. This very morning, at least, in the case of the Bank of Mauritius, *il n'a pas pu défendre l'indéfendable. Il n'a pas été trop loin, mais* we all heard what we heard! But, Mr Speaker, Sir, the Bank of Mauritius, compared to the STC, *c'est le paradis*; compared to the STC, *mais se sont des enfants de cœur; des enfants de cœur jouant dans la boutique du coin!* So, I must say that I am very disappointed on this question of subsidies, but also on the question of transport *gratuit*. This also is in the price structure of petroleum products. Hundreds of millions of rupees going to the RDA; money, when it comes through the STC and petroleum products to the RDA; other monies coming in can be used to other purposes within the overall RDA budget. These are the main points for which I think enough is enough. *Trop c'est trop!* I believe Government should stop, and appoint a full-fledged inquiry on the State Trading Corporation. Either it is a Commission of Inquiry, chaired by a former Judge of the Supreme Court or a Select Committee, where Government would have the majority. It would be chaired by a Government Minister. But, for the sake of Mauritius, I think, on the occasion of this debate, we should say: enough is enough. A full inquiry must be carried out on the STC, mainly on the points which I have mentioned - but there are so many others - and there should be a complete change; a change in the Board of the STC, a change in the management of the STC. This motion of disallowance gives the House an occasion of expressing itself on that. My point is that *un véritable hold-up a eu lieu*; enough is enough. *Il est très tard, mais il n'est pas trop tard*. There should be a complete inquiry, and there should be a complete change at Board level and at the level of management.

Thank you, Mr Speaker, Sir.

(5.13 p.m)

**The Vice-Prime Minister, Minister of Finance & Economic Empowerment (Dr. R. Sithanen):** Mr Speaker, Sir, let me start by

reassuring the Leader of the Opposition *que je ne vais pas défendre l'indéfendable*. Let me also reassure the House that I will put the facts as I have studied them, and then I will try to answer to four of the five points that have been made by the Leader of the Opposition. One, with respect to prices that have fallen, freight rates have come down while, on the other hand the dollar has appreciated; second, that the price structure is not transparent, and Government uses it as a *fourre-tout* in order to subsidise other things; three, that consumers have to pay for the mistakes of the STC. In some cases, probably, they have, but I think I am going to concentrate on the specific of the motion which is in respect of the price of mogas and the price of diesel. Four, subsidy on rice and flour.

Let me start by making one statement, Mr Speaker, Sir. It is totally untrue to say that *le transport gratuit est financé à travers la STC*. This is plainly not correct, and I will explain later on. Maybe, some people believe that a small percentage in the price structure is taken to finance the RDA, and this goes to finance two items: one, the Bus Recovery Account, which was set up by the then Government, which I think was a good thing and I will come back to that, and second, a small amount for maintenance. There is no provision for subsidising free transport from the STC. I know, because we finance it from the Central Government; it is in the budget of the Ministry of Public Infrastructure, Land Transport & Shipping. So, it is totally wrong. I am sure the hon. Leader of the Opposition probably has made a slight confusion between the amount that is paid to the RDA, in order to subsidise the NTC, public bus companies and also individual bus companies. We all know the reason why this is done, Mr Speaker, Sir. They did it; we have done it; it is to prevent an increase in bus fares. This is the reason why it was introduced by the then Government, and this is the reason why we have sustained it. We pay for the increase in the price of fuel. We used to pay it only to NTC and to the other public bus companies, but this Government has decided to extend this facility to individual bus companies.

Mr Speaker, Sir, I tried to do my homework. I must say that I read articles also in the press, I listen to questions from my hon. friends on both sides, and I try to understand. In fact, yesterday, I was telling the



Prime Minister that I will try to answer three questions, namely what is the relationship between the FOB price of mogas and gasoil and the retail prices of these two products - I think this is the question to which everybody wants *des réponses*; second - which is embedded in the criticism made by the Leader of the Opposition - why is there not a one-to-one relationship between the FOB price of mogas and gasoil and the retail price. Hence, his word 'hold-up', '*détroussé*' and what not.

I think these are the two questions that need answers I've tried to understand, Mr Speaker, Sir, and I will offer my modest contribution. I think we need to understand what are the cost items that go into the determination of mogas and gasoil. I leave fuel oil on the side for the time being, because this is a separate issue, where it is just transferred to the manufacturing sector, and I will leave CEB because CEB has got nothing to do. In fact, CBE does not purchase from the STC; it used to do that a long time.

Mr Speaker, Sir, let me go down memory lane so that people understand the APM, what it was supposed to do, what changes have been brought and also what are the additional elements that we have brought in, and the reasons that underpin this inclusion. The APM was introduced in April 2004, and I think it was a good decision that you periodically reviewed it so that you did not have day-to-day changes in the prices of these commodities; those who go to the UK and to France see that every day, *les camions viennent de l'Ecosse* or other places and changes every day can create obviously chaos.

Initially it was on a quarterly basis and there were a floor and a ceiling. The floor, Mr Speaker, Sir, was 2.5. Below 2.5 there is no adjustment and the ceiling was 15%, we limit the increase to 15%. It was modified after a period of time; the 15% was raised to 20% because there was a massive loss at the STC. I am not going to do politics, in one period there was no application of the APM, because it was very close to the elections, so the accumulated deficit had to be funded and Government took the decision to increase it to 20%.

Everybody knows the mechanism and I asked for the composition; this is important, Mr Speaker, Sir. I am not here to defend the STC, I am here to share my research on this particular issue to try to explain to the House why there is a correlation, but it is not a perfect correlation and I will try to explain that. The committee that decides on this is chaired by the Director of CSO. He was appointed by the then Government in his institutional capacity and since he has the same institutional role, we have kept him as Chairperson of that certification committee.

Second, there is a gentleman who is the senior Manager of De Chazal Du Mée. He does not work for the Government, he does not work for the parastatal, he does not work for the STC. The third person is a Principal Assistant Secretary at the Ministry of Health. The fourth person is someone who is independent, he does not work in the private sector, he does not work in Government, he is an engineer and an accountant. So, these are the four persons; Mr Bundhoo, everybody knows him, there is this gentleman from the De Chazal Du Mée, the gentleman who is the Principal Assistant Secretary at the Ministry of Health and the fourth person is an engineer/accountant and he is a self-employed individual.

In the past, the Secretary General of *La chambre de commerce et de l'industrie* was in that Committee. The Coordinator of the ICP was there and there were the people from the private sector. I personally believe that the Leader of the Opposition has grossly exaggerated the nature of the problem.

Let me try to go through the figures, Mr Speaker, Sir, to explain this question. I have tried to sum it up; I will try to be as transparent as possible, because I asked for question also this morning and I got the answers - that is why I am speaking. Broadly speaking, there are eight components. In fact, there are about 14 or 15 - I am not going to go into the details - so that we understand. There are eight components in the cost structure of mogas and diesel. I will take a specific example of June in order to explain what has happened, Mr Speaker, Sir.

First, of course is the FOB price.

Second, it is insurance and freight and the margin of the supplier.

Third, it is taxes; there are taxes in all countries in the world. I will give you the example of what is the share of taxation in our petroleum product and what is the share of taxation in neighbouring countries and what it is in the UK which produces oil.

Fourth, what I call some social obligations which the hon. Leader of the Opposition mentioned. It includes Rodrigues. We need to protect our brothers and sisters in Rodrigues to pay the same price as in Mauritius. There is a small subsidy to make sure that we cover the additional freight cost between Mauritius and Rodrigues so that they don't pay a higher price. Fifth, there is the contribution to the RDA which many people confuse for free transport. It is not for free transport, it is to fund the bus recovery account and a small amount for maintenance. In fact, there is not even money poured in maintenance. We give all the money for the maintenance, because there is not enough money to pay the individual bus operators, NTC, UBS, Triolet Bus Service for the fuel increase that has arisen because prices have gone up. Sixth, it is hedging. I will come back to that. Seventh, various adjustments, very complicated, I have tried to understand.

There are four types of adjustments, Mr Speaker, Sir; gains and loss from previous month because of the difference from the CIF price of this month and the recalculated CIF price of the previous month. There is an adjustment for quantity, because if the quantity is different they have to make an adjustment. There is an adjustment for windfall gain or windfall loss at wholesale level and also at retail level. There is also a carry-over if the increase has been 10%, we can increase it at a maximum of 7.5%, we have 2.5% carry-over. On the other hand if it has increased by 2%, we cannot pass it on, we accumulate and carry it over. So this is what I would call various adjustments. Eight, you have the operating expenses of the companies' wholesale and retail, their marketing expenses, then you have the retail margin and the wholesale margin.

I have run a small model this morning while replying to the question on the Bank of Mauritius. What I see, Mr Speaker, Sir, I will share it in all transparency with everybody. The FOB cost which is Platts Singapore, we do not decide on this. The contract is written in such a way that when it is - I think it is called 'laden', an English word, Mr Speaker, Sir, if you understand what I mean - put on the ship, on that particular day, assuming it is 25 May, the price that we pay is not 25 May. The price that we pay is the average for the month of May. This is the first explanation that we get that the correlation is not perfect. If you are in the UK or in France, on 25 you buy, so on 25 you pay and you reflect it at the filling station. Here, when it is put on board of the ship - I think that they call it laden - we pay the average for the month. Obviously, my colleagues on the other side will understand that, if on that day it is 50, but with volatility in the market if the first day it was 100 and the last day it was 50, you can see that you don't pay 50 but you pay the average. The FOB cost - I will take the example of June 2009 - accounts for only 39% *du prix à la pompe*, it is very important to understand this, Mr Speaker, Sir. In the UK it is 25%. You have the price that the hon. Leader of the Opposition has mentioned, Rs42.30. I'll give you that example. *Dans le Rs42.30, le prix du produit qui est embarqué, constitue 38,8% du coût.* Anybody, Mr Speaker, Sir, would understand that if this is the case there cannot be a one-to-one relationship between the price on the international market and the price at the station for a simple reason that if it was 100% and if it comes back at 50%, I will give the example on both sides when it has increased and when it has decreased because, *le prix ne représente que 38,8% du prix.* Obviously, everybody will ask the question: where is the 61.2%? He explained, Mr Speaker, Sir - taxes. There are three taxes that are levied on petroleum products. There is an excise duty. The Excise Duty, Mr Speaker, Sir, used to be an ad valorem duty, a percentage of the price CIF. To alleviate the burden on consumers it has been made a specific tax, it is Rs9, I think, Mr Speaker, Sir,

*(Interruptions)*

Rs9.80 for mogas and, I think it is Rs3 for diesel. And then there is VAT and then we introduce a small MID levy. The tax, Mr Speaker, Sir, *si on prend l'exemple du prix de juin* represents 36% du prix. Let me reassure the House that in other countries, again, I stay with mogas, in France the tax represents 78% of the price of the product. In the UK 59%, in Germany 63%, in Italy 57%, in Madagascar 38% and in South Africa 21%, Mr Speaker, Sir.

You can see that this is one of the products that is always highly taxed in many countries in the world, just like cars, alcohol, cigarettes, Mr Speaker, Sir. Second element is the tax. Then, Mr Speaker, Sir, I will answer this question that hon. Bérenger mentioned. We used to provide for subsidy on rice and flour from the Budget; it was transparent, Mr Speaker, Sir. We decided that we will maintain the subsidy, but we will finance directly. I have never been able to understand the problems of the Opposition on this. In fact, Mr Speaker, Sir, there was nothing that prevented us from raising the excise duty from Rs9 to Rs11. It was nothing. It would still be within the margin of reasonableness in terms of the share of taxation to the product, it was nothing. We could have increase the specific tax of Rs9 to Rs 11 and of Rs3 to Rs4, this will have come in the Consolidated Fund and we would use this money to do it. We could do this way or you can do this way, Mr Speaker, Sir. You will reach the same result, Mr Speaker, Sir.

Second, if we would have left it as is, the STC would have had to declare dividend to Government, they used to declare a lot of dividend to Government Mr Speaker, Sir. They are not declaring dividends. In lieu of declaring dividends, we have told them we will use this money to subsidise a product that they, themselves, import. They are importing it. We have made a policy choice. The impact on the consumer, the prices of flour has come down, the price of rice has come down, the price of gas has also come down. The other expense that the hon. Leader of Opposition mentioned on subsidy. I have no problem explaining this, Mr Speaker, Sir. The STC makes money on jet fuel; I think it is called jet A1. They also made money on supplying the ships. We have agreed, Mr Speaker, Sir, in Government that they will not remit this money to

Government, they will use it to cross-subsidise the gas, to keep the price of gas. We could have asked them: “you give us the dividend and then we pay it”. So, I have considerable difficulty to explain what is the difference Mr Speaker, Sir:  $2 + 2 = 4$ ,  $3 + 1 = 4$ . We are achieving the results; this Government is committed to this objective on flour, rice and also on cooking gas, Mr Speaker, Sir.

Let me continue and we know how much this represents, Mr Speaker, Sir. If you add this two, it is about 6%. I said it in all transparency. 6% *la contribution* to RDA and the contribution that we are seeking from the STC for this subsidy, Mr Speaker, Sir.

Then there is provision for hedging which is 7%, and again let me be very candid to this House, Mr Speaker, Sir. I am not defending anything, what I am just saying is that it is unfortunate what has happened in terms of hedging both at Air Mauritius and at the STC. However, I am sure that the hon. Leader of Opposition knows very well – British Airways, Cathay Pacific - I come from the airline industry, Cathay Pacific was *un très bon exemple de gestion* - Singapore Airlines, Lufthansa, Emirates, many of them have made this mistakes believing that the price was going to go up and then obviously they were caught when the prices came down, Mr Speaker, Sir. We are not happy that it has happened, but it has happened. If the prices had gone up to 200 everybody would have congratulated Air Mauritius, everybody would have congratulated the STC. Mr Speaker, Sir, it is sad event that has taken place, but this is life and let me tell the hon. Leader of Opposition also that the principle and practice of hedging started well before this Government came back to power, Mr Speaker, Sir. It started in 2004 and my research shows that in the initial stages of hedging, STC lost money, but they did not lose so much money- fair enough!

*(Interruptions)*

No, because the prices were not going up a lot! Come on, hon. Member!

The margins, everybody knows that, Mr Speaker, Sir! So, the principles was embedded, the practice was down except there was no

huge volatility in the market. When there is no huge volatility in the market, the deviation from the mean is not very high. In this case the deviation has been higher than the mean, so you have a problem, Mr Speaker, Sir. Now, let me try to explain the implication of this price structure on what hon. Bérenger has criticised. I have the figures, Mr Speaker, Sir. Now, it is very clear, if the price of the product itself accounts for 38.8, let say 40%, and if there is a drop of 60% in the price of the product, *le prix à la pompe* cannot go down by 60%, it will go down only by 24%. This is exactly what has happened, Mr Speaker, Sir, and let me give the example which hon. Bérenger himself gave. When the price on the world market *était à 145 dollars comme lui-même a mentionné*, 1 litre of mogas was Rs50, Mr Speaker, Sir.

*On prend 150 pour arrondir, après c'est descendu jusqu'à 60 – this is a 60% decrease – 60% de réduction sur 150 ça vous fait 90 (150 – 90 = 60). A 60% decrease, because it accounts for only 40% which will result in a 24% decrease sur le prix et le prix a baissé de 30%, parce que le prix était à Rs50 et le prix est tombé à Rs35 (50 – 35 = 15), 15 sur 50 = 30%. Ce n'est pas juste de dire qu'il y a une corrélation parfaite one to one entre le prix FOB, du Platts Singapourien et le prix qu'on achète à la pompe. Ça n'a jamais été le cas à Maurice, ce n'est pas le cas en Grande Bretagne, ce n'est pas le cas à la Réunion, ce n'est pas le cas nulle part dans le monde. Et plus on réduit l'intervalle, on change le prix, mieux est la corrélation.*

Et d'ailleurs, on le voit à partir de janvier, à partir de novembre; la corrélation est parfaite, parce que c'est uniquement sur un mois. Et là, j'ai les prix, M. le président. Je vous donne un exemple. En novembre, le prix a baissé de 32% sur le marché international, et le prix à la pompe a baissé de 15%. Vous voyez la corrélation. Si vous prenez 33 x 40, vous avez à peu près 14% à 15%. En décembre, le prix a baissé de 20% sur le marché international et le prix à la pompe a baissé de 7,5%. Encore une fois, c'est le même phénomène. Le même phénomène s'applique dans le sens inverse, M. le président. J'ai vérifié les chiffres lorsque le prix augmentait. Il y a des situations où le prix sur le marché international augmente de 25% à 30%. A Maurice, le prix n'a pas

augmenté, ou bien le prix a augmenté légèrement, parce que cette équation dont je vous ai parlée, opère dans les deux sens. Lorsque le prix augmente de 50%, si la part que représente ce prix dans le prix *retail* est de 60%, cela va augmenter par bien moins.

So, we have examples. I will give these examples, Mr Speaker, Sir, for the House, and this is basically what has happened. The point made by the hon. Leader of the Opposition on freight is well taken. But, I have looked at the figures, Mr Speaker, Sir, *la part du fret dans les coûts totaux est 1,3%. Encore une fois*, this is what economists call the importance of being unimportant, because the share is very low. Even if there is a drastic decrease in it, *la repercussion ne sera pas très élevée*. In fact, he is right. It does come down. But we are talking of a decrease of 70%, Mr Speaker, Sir, on a cost item that accounts for 1.3% of the total cost in it. I am talking per litre, because we have to reduce it on a per litre basis, Mr Speaker, Sir.

The hon. Leader of the Opposition mentioned that the dollar has moved in the opposite direction. It was Rs28.00; it went up to Rs34.00 at one time, Mr Speaker, Sir. That's a 25% increase. The drawback with the dollar is that it affects a higher percentage in the supply change than the cost of the product itself. The insurance is in dollar, the freight is in dollar, the margin is in dollar in some cases. So, there is a balancing act. On the one hand, freight is coming down, but freight represents 1.3% of the total cost. The cost of the product is coming down, but it represents 38,8% and, on the other hand, the dollar has gone up.

Mr Speaker, Sir, all of us in this House would like to protect consumers for a simple reason: we are consumers also. There are debates in the Council of Ministers. Is this the price? We ask questions, because we have to go to our constituency also and explain this. So, it is not as if *on veut éplucher* or 'hold-up'. We are not in that business, Mr Speaker, Sir. We have been elected to protect the population. We will do our best, and this is the reason why we changed from three months to one month. Again, I don't want to go into mathematical model. I did the mathematical model on my computer this morning. We have to take



the first month, *et le prix a baissé subitement*. Let me give you one example, Mr Speaker, Sir, and you will be surprised. Over a three-month period, *pour un mois c'était 900, un mois c'était 1,057, un mois c'était 1,132*. During that period, if we had used one month, *le prix aurait grimpé*. So, when prices are going up, a three-month moving average protects consumers, because you still have the two months when it was lower. But when it is falling, Mr Speaker, Sir, it is the opposite. When it started to fall, this is where we had this problem. There was 'Editorial' *pour demander pourquoi cela ne baisse pas. J'ai téléphoné et expliqué que c'est parce qu'on utilise une moyenne pondérée, et c'est sur trois mois. Si c'était 90 dollars le premier mois, 80 dollars le second mois, et 60 dollars le troisième mois, we would have liked to give it on 60, mais la moyenne pondérée, c'est 90, 80 et 60, M. le président*. And when we do this average, we have this problem. This is the reason why there was pressure on us to change. But I did mention – I was telling that to the Prime Minister and my friends - *que c'est bon d'avoir un ajustement mensuel lorsque le prix baisse. Mais lorsque le prix augmente, cela va être différent; c'est le retour de la balance, Mr Speaker, Sir*. And when we did that, there was a loss. The first time that we introduced it on a monthly basis, we took only the last month, but there were two previous months where it was higher; there was a loss in the system.

So, I have built the correlation for mogas, Mr Speaker, Sir. I have done the same exercise for gas oil. It is clear that there is a relationship between the flat price that we pay and *le prix à la pompe*, but it is not a one-to-one relationship for the reason that I have spelt out, namely that it accounts for only 38%. The relationship is disturbed also by the fact that we use an average for 30 days, and if it was three months, we had an inverse correlation. There were cases, Mr Speaker, Sir, that I could not explain myself, where prices were going up there and were going down here. Yes, it happened, because of these three months. And, mathematically, it could happen and, in practice also, it has happened. Mr Speaker, Sir, I have all the graphs here, and I have also told you what is the price of these products in these countries.

Mr Speaker, Sir, let me give you *le prix d'un litre d'essence dans les pays de la région*. A Maurice, c'est à R 42.30; à La Réunion : R 55.24; aux Seychelles : R 42.08; en Australie : R 31.24; en Afrique du Sud : Rs30.00; à Singapour : R 40.00; à Madagascar : R 41.56; au pays de sa Majesté : R 63.84, et en France : R 53.86. I am just giving you...

(Interruptions)

En France, ce n'est pas 'Labour'. Mr Speaker, Sir, this is the point that I have tried to make. With regard to the first point made by the hon. Leader of the Opposition *sur les prix qui ont dégringolé, j'ai expliqué la corrélation et j'ai expliqué pourquoi ce n'est pas une corrélation parfaite*. I have also responded on freight, on US dollar. Consumers, in this particular case, are not paying more than they should pay, except for the Rs3.00 for payment of the massive hedging loss that has taken place.

Concerning the subsidies, I have explained, Mr Speaker, Sir, very clearly, and I have also said very emphatically *que la STC ne finance pas le transport gratuit*, and we have absolutely no problem in saying that we are cross-subsidising flour, rice and gas, not only from this, but also from the profits that are generated by the STC on sale of petroleum products to airlines and also to shipping companies.

Mr Speaker, Sir, let me conclude by saying that - again, I see this very often in the paper - there is no APM on sale of fuel to the CEB. The CEB purchases its own fuel oil. The CEB is not paying for any hedging cost. In fact, the CEB is riding on the back of a contract where the volume is high and they are getting a lower cost on that. There is only a cost transfer from the STC to the CEB, Mr Speaker, Sir. There is also no cross-subsidy from this item where we sell to the manufacturing sector and there is no hedging on this, Mr Speaker, Sir.

I hope I have replied to some of the questions and I hope the hon. Leader of the Opposition would agree with me *que je n'ai pas défendu l'indéfendable*.

Thank you, Mr Speaker, Sir.

(5.50 p.m.)

**Mr P. Jugnauth (First Member for Quartier Militaire and Moka):** M. le président, si on est arrivé à cette motion d'annulation que le chef de l'opposition a présenté aujourd'hui c'est la résultante d'une culture d'opacité qui s'est installée à la State Trading Corporation.

Le ministère du commerce, rebaptisé aujourd'hui ministère du *business*, qui est donc responsable de la STC, a une grande part de responsabilité pour qu'il y ait cette perception non seulement du public mais d'un certain nombre de parlementaires de cette assemblée nationale. Car beaucoup de choses ont été faites par manque de transparence et par manque d'explications en ce qui concerne la fixation des prix des produits pétroliers. Je dirais, au contraire, qu'il y a des attitudes et des décisions qui tendent à faire conclure qu'il y a eu complicité pour cacher des vérités à la population. Je le dis en toute honnêteté parce que plusieurs questions ont été posées au ministre mais, malheureusement - je ne pourrai pas donner les raisons - les réponses fournies à la Chambre - et pour que le public, bien sûr, prenne connaissance - non seulement n'expliquent pas, mais, dans certains cas, cela démontre qu'on ne veut pas donner des informations. On veut garder certaines informations et quelle est la conclusion logique ? On se demande pourquoi ? Est-ce qu'à ce moment là on est en train de se douter de certaines choses ? Et c'est tout à fait normal que non seulement la population mais les membres de l'assemblée nationale aussi concluent donc qu'on est en train de faire des choses qui ne sont pas correctes et qui sont au détriment du pays et de la population. Et moi, je suis certain que, non seulement de ce côté de la Chambre mais, au niveau du gouvernement aussi, je suis convaincu qu'il a des membres qui se posent des questions et qui n'arrivent pas à comprendre comment fonctionne en réalité l'*Automatic Pricing Mechanism* et comment les décisions sont prises en ce qu'il s'agit des prix de carburants. Et si nous, nous mêmes, ne comprenons pas comment voulez vous, M. le président, que le public, ceux qui sont encore moins informés généralement comprennent ? Et pour mieux comprendre ce que pensent réellement les consommateurs sur l'exercice de l'APM, je reprendrai les propos

simplistes d'un de mes mandants. Et la personne à qui je fais référence m'a posé la question suivante. Je sais que l'honorable ministre des finances a essayé d'expliquer la situation. La question est comment le prix du baril du pétrole qui avait atteint les 140 dollars et le prix de l'essence fixé à l'île Maurice était de R49.50 le litre et, aujourd'hui, lorsque le prix du baril est à 65 dollars, on nous fait payer R42.30 le litre d'essence ? La logique de ce consommateur est très simple.

Pour suivre bien l'argument de l'honorable ministre des finances, je ne dis pas qu'il doit y avoir une relation directe, c'est-à-dire, si le prix baisse soit à moitié ou par un pourcentage, il faut que cela baisse exactement du même pourcentage aux stations d'essence. Non! Mais, définitivement, quand on regarde les différents composants qui ont baissé, y compris donc le prix sur le marché mondial, on est légitimement en droit de se dire que cela ne reflète pas la situation qui prévaut au niveau du prix qu'on achète le carburant. Et ce n'est pas seulement pour l'essence. Même si on prend en compte l'appréciation du dollar vis-à-vis de la roupie, c'est la même chose pour le diesel. Donc, je peux comprendre en général l'amertume des consommateurs car les prix, comme je dis, pratiqués à la pompe sont difficilement réconciliables avec la tendance sur le marché mondial. Et l'amertume de la population en général est d'autant plus justifié, M. le président, quand on sait qu'au moment de la signature du contrat de trois ans avec la *Mangalore Refinery and Petrochemicals Limited* en juillet 2007, le ministre du commerce d'alors avait indiqué que le pays économiserait un milliard pour la période 2007, c'est-à-dire, de juillet 2007 à juin 2010. Donc, on se demande où sont passées les quelque R 700 millions d'économie à ce jour. Comment les consommateurs ont bénéficié de ce contrat avantageux pour le pays et donc pour les consommateurs ? Nous aimerions bien avoir des éclaircissements et c'est ça le grand problème, M. le président.

L'opacité de la STC est liée à un secret bien gardé. Des années durant les membres de l'opposition ont demandé des détails concernant les différentes conditions de ce contrat mais, jusqu'à ce jour, on n'a pas eu un minimum de détails pour nous expliquer comment on est en train

de faire des économies. Et pourtant le précédent ministre du commerce ainsi que l'actuel ministre du *Business* avaient pris des engagements fermes dans cette Chambre pour rendre public les modalités de cet accord en déposant – ils avaient promis de déposer - une copie sur la table de l'assemblée nationale et, à ce jour, toujours rien.

M. le président, si on est en train de dire à la population: 'voilà on a traité avec une compagnie étrangère sans passer par un *tender exercise*.' Et cela on n'a pas fait sur un *tender basis*. Je ne suis pas en train de dire qu'il ne fallait pas, ce que je suis en train de dire c'est que quand vous dites à la population que vous avez négocié et que c'est très avantageux pour le pays, vous devez nous donner quelques détails pour montrer la différence. Voilà ce que nous obtenons aujourd'hui, voilà ce que nous aurions dû payer si on allait sur *tender* ou si on allait acheter ailleurs et voilà comment on est en train d'économiser. Peut être que le peuple aurait compris, aurait accepté, aurait dit que c'est une bonne chose, aurait approuvé et aurait soutenu le ministre concerné et le gouvernement. Vous, autant que nous, M. le président, ne savez rien sur les modalités et les conditions attachées à ce contrat. A quel prix payons-nous nos produits pétroliers à cette raffinerie? Comment est réglée la facture d'importation? Est-ce sur une base mensuelle, trimestrielle ou au moment de l'embarquement de la cargaison? Et peu importe le scénario, quel est le coût Platts qui est pris en considération? Et plus simplement, à quand remonte l'achat et les règlements de la facture des produits pétroliers qui sont disponibles sur le marché local actuellement? Quels sont les coûts réels associés aux marges du fournisseur, du fret, de l'assurance? Et moi aussi j'ai été étonné de constater que le fret a diminué par 70% de \$50 à \$15. J'étais en train d'écouter avec attention l'explication de l'honorable ministre des finances concernant le pourcentage de la baisse du fret, la répercussion dans les prix, je dois dire je suis étonné que ce soit si peu. Je crois qu'il a mentionné 1.3% par litre. Je ne doute pas du *computer* de l'honorable ministre des finances, mais il va falloir regarder ce calcul, l'étudier pour voir quelle est la répercussion exacte au niveau – je sais que l'honorable ministre a l'habitude d'utiliser différentes calculatrices, mais ...

(Interruptions)

Je le dis comme une blague, mais seulement il faut voir et j'arrive difficilement à être convaincu que ce soit 1.3%.

M. le président, concernant l'assurance, il y a autant de questions qui sont restées sans réponse en dépit de nos requêtes répétées pour que la *STC* joue la carte de la transparence. Ce que l'honorable ministre des finances vient de dire, pourquoi ne l'avoir pas dit auparavant. Je vois que la *STC* a rendu public un communiqué à plusieurs reprises. On aurait pu nous donner ces explications pour que nous aurions pu faire notre *homework*, pour aller vérifier, pour voir si c'est correct. Si c'est correct, on ne serait pas là aujourd'hui à débattre une motion.

(Interruptions)

Peut être, on aurait avancé d'autres raisons pour débattre la motion, mais on aurait pu quand même vérifier toutes ces données.

Donc, je voudrais refaire le point, M. le président. Je ne voudrais pas que ce soit mal interprété ou mal compris. Nous ne sommes pas contre le fait que *Mangalore Refinery* ait décroché ce contrat. Ce que nous déplorons, c'est ce manque de transparence dans le processus d'allocation de ce contrat et l'opacité autour de ces modalités.

M. le président, il y a eu toute cette opacité autour de l'opération du *hedging* - que je qualifierais d'irresponsable - réalisée par la *STC* qui aurait, apparemment, occasionnée des pertes de R 3 milliards ou peut-être même plus. Donc, les consommateurs maintenant sont en train de payer pour cette opération. En passant, j'ai entendu l'honorable ministre des finances dire, qu'en 2004, il y avait le *hedging*. Je demanderai au ministre de *Business Enterprise and Cooperatives* de vérifier. Autant que je me souvienne, en 2004, il n'y avait pas de *Hedging Committee* à la *STC*. Peut-être qu'il va nous éclairer tout à l'heure en nous disant quelle était la composition de ce comité. A ma connaissance, je ne suis pas au courant.

(Interruptions)

On verra! Peut-être en nous donnant plus de détails ! Mais ce que je déplore, M. le président, c'est que certains se sont permis de jouer au poker avec l'argent du public et maintenant ces pertes sont en train d'être payées par les consommateurs. J'ai posé la question dans le passé et je la repose encore aujourd'hui parce que le ministre des finances vient de nous donner certains détails. Est-ce que le ministère des finances a un représentant sur le conseil d'administration de la *STC*? Est-ce qu'il était au courant de cette opération de *hedging* ? Le conseil d'administration avait-il donné son aval à cette opération? Les ministres du commerce et des finances étaient-ils au courant et ont-ils donné leur bénédiction à cette opération? Ce sont autant de questions qui sont restées sans réponse et je les repose aujourd'hui. Peut-être tout à l'heure on aura une réponse.

M. le président, comment peut-on accepter le fait que la structure des prix des carburants sous l'*Automatic Price Mechanism* soit modifiée en catimini ? Encore une fois, je l'ai dit, voilà le comportement qui nous amène à avoir des perceptions qu'il n'y ait pas de transparence parce que cela était modifiée en catimini, en janvier 2008, pour faire une provision pour le *hedging cost*. Cette provision s'élevait, au départ, à R 1.50 le litre ; elle est passée maintenant à R 3 le litre en novembre 2008 et on ne sait pas quel est le montant exact aujourd'hui.

(*Interruptions*)

Et encore une fois, pour masquer la vérité sur le prix fixé par l'*APM*, comme j'ai dit, le communiqué officiel que publie la *STC* dans les journaux et sur son *web site*, ne mentionne nullement cette provision dans la structure des prix de l'essence aussi bien que pour le diesel. Alors pourquoi ne pas le faire? Pourquoi ne pas le dire ? Comme je viens d'entendre le ministre, qui a humblement accepté qu'il y a eu des pertes, et que comme l'honorable ministre Gowressoo avait réagit, je crois que c'était spontané lorsqu'il avait dit que s'il y a eu des pertes, il faut que le peuple paie. Je crois que c'était spontané ; mais à la réflexion peut-être qu'il fallait essayer d'expliquer. Mais pourquoi ne pas expliquer maintenant? Pourquoi ne pas expliquer sur le *web site* et dans les communiqués qu'auparavant on payait R 1.50, et maintenant on

paie R 3. Il faut le dire à la population. Mais lorsqu'on cache certaines vérités, malheureusement comme je l'ai dit, la conclusion logique c'est qu'on est en train de faire certaines choses derrière le dos du peuple.

La STC a retiré R 700 millions de la poche des consommateurs sur cet item pour la période de janvier à novembre 2008 et j'étais étonné d'entendre le ministre du *Business* lorsque le problème du *hedging* a été mis au grand public – je l'ai écouté à la radio - est venu dire qu'on va *dismantle* l'APM et puis le même jour - le matin il avait dit on allait *dismantle* l'APM – dans l'après-midi il est venu dire : non, on ne va pas *dismantle* l'APM. Comment voulez-vous que le public réagisse à de tels propos? Si le matin on vient dire qu'on va *dismantle* ça veut dire les gens ont peut-être conclu qu'il y a quelque chose de louche. L'APM n'est pas en train de fonctionner comme il faut et, associer le *hedging loss* à l'APM, je trouve quand même assez grotesque. Mais quand même l'après-midi on vient dire que non ce n'est pas l'APM, qu'on va revoir, c'est le *hedging committee*. Et là je suis entièrement d'accord avec le *Leader* de l'opposition. Quand même on a vu à Air Mauritius qu'il y a certaines personnes qui ont pris la responsabilité, ils ont accepté leur tort, ils sont partis. Peut-être qu'il a eu des sanctions qui ont été prises contre d'autres, mais la STC c'est incroyable ! Comment peut-on continuer comme-ci nous avons un *losing team* et nous avons le Manager qui continue avec ce même team. Ça va être la catastrophe, M. le président ! Cc n'est pas possible! Je suis en train de regarder – heureusement j'ai pu avoir une copie de tous ceux qui font partie de ce *price structure*, c'est incroyable ! Comme l'honorable ministre des finances l'a mentionné, je crois, six ou cinq, mais vous allez voir, il y a beaucoup de choses. Mais là, je vois qu'il y a un *net interest paid*. Alors le *net interest paid* commence en 2006 et, bien sûr, pour chaque année vous avez quand même un montant important. *This relates to what interest paid. We don't know. Interest paid on what? C'est ça le problème. Interest must be paid on a loan. If there is a loan why not tell the public that we have had to borrow so much and this is what we are paying as interests and this is included in the price of petrol? On ne sait pas ! Et ce qui est aussi caché dans la structure des prix, c'est Rs1.30*



récupérés, donc, sur chaque litre d'essence et de diesel et qui sont versés sur le compte connu comme la *Bus Recovery Account*. Cet item est masqué au sein de la contribution to the Road Development Authority dont le montant prélevé a augmenté pour passer de 35 sous le litre en décembre 2005 à R 1.05 en janvier 2006 et le dernier chiffre que j'ai en octobre 2008 c'est R 1.85. Donc, ce qui représente sur une année un montant total de R 600 millions destinées aux compagnies d'autobus. Je suis entièrement d'accord avec l'honorable ministre des finances. Ce n'est pas destiné pour le *free transport* mais il y a aussi R100 millions pour la RDA qui n'est pas négligeable. Je comprends que le ministre doit donner plus d'argent pour le Road Development Authority. Mais toujours est-il que R100 millions sont prélevées pour la RDA. Alors, d'après mes informations, M. le président, les membres du certification committee de l'APM ne sont même pas mis au courant du montant des pertes sur le *hedging*, encore moins de la logique qui détermine le montant perçu pour cet item dans la structure des prix. Et, c'est incroyable, M. le président, que la State Trading Corporation – je reviens toujours *to the communiqué that has been issued to the public - dit basic value. What does basic value include?* D'après mes informations, c'est *not only cost of petroleum, but STC handling fee, what is this STC handling fee? There must be*, je suis d'accord! Mais *it amounts to how much? Tell us on this basic value it includes also this handling fee!* Et puis il y a les *expenses incurred by STC*. Donc, au lieu de nous dire toute la vérité, on nous donne un communiqué, on est en train de masquer certains chiffres, on ne nous donne pas des explications sur d'autres, mais que voulez-vous M. le président? Quel genre de conclusion qu'on doit tirer? Il y a certaines choses qui ne tournent pas rond et c'est cette manière de faire de la STC, cette culture d'opacité que j'ai toujours dénoncée dans le passé et que je dénonce aujourd'hui dans cette Chambre. Pour moi, je considère qu'il n'y a rien de plus provoquant pour la population quand elle n'arrive pas à comprendre que la STC utilise des astuces peu honorable pour lui soutiré de l'argent afin d'éponger dans certains cas des pertes dont elle est la seule responsable et pour financer, donc, les opérations en catimini. Je ne comprends pas aussi la logique de cacher certaine vérité. Je suis sur le fond d'accord

avec l'honorable ministre des finances. On est en train, pour le subside sur le riz, la farine, et le gaz ménager, de prendre de l'argent aux consommateurs. Si cela aurait été fait dans le budget, on aurait pris de l'argent dans le fonds public pour financer et pour donner des subsides. Mais, il faut le dire, la STC, pas le ministre, mais la STC doit nous dire combien d'argent on est en train de prélever pour *cross-subsidising* le riz, la farine et le gaz. M. le président, en tout cas, certainement on soutient cette motion au nom de la population parce que comme un parti d'opposition nous avons un devoir envers le peuple pour défendre ses intérêts surtout, comme vous savez, nous sommes une opposition loyale envers notre peuple, donc, quand l'intérêt de la population est menacée, quand il y a quelque chose qui n'est pas clair, on est du côté de la population. Clairement l'opacité dans laquelle opère la STC nuit définitivement aux intérêts des consommateurs. Je l'ai dit, le prix des combustibles sur le marché mondial ne reflète aucunement le prix qui est pratiqué à la pompe localement. La population ne peut pas payer pour l'opacité, pour les responsabilités et, d'une certaine manière, pour l'incompétence de certains à la STC. Et là, la récente augmentation des prix des combustibles est, donc, difficilement comprise par le peuple.

M. le président, laissez-moi terminer par dire que je suis d'accord que l'APM est aujourd'hui entaché, les gens n'ont pas confiance par ce qui s'est passé. Donc, il nous faut peut-être une institution, il nous faut quelque chose qui est plus indépendante et qui démontre une certaine intégrité. C'est pourquoi, peut-être pour rétablir la confiance de la population, je suggère que l'APM soit remplacé par un Independent Price Regulator parce que la STC importe les combustibles.

La STC fixe aussi le prix, donc j'estime qu'il sera dans l'intérêt de la population et des consommateurs que la STC qui a le monopole de l'importation des produits pétroliers n'assume pas en même temps le rôle de régulateur des prix. Une telle approche serait un signal fort en faveur de la bonne gouvernance et mettrait certainement fin à l'opacité qui gangrène le système actuel. Donc, pour conclure, M. le président, je demanderai au gouvernement de ne pas sous-estimer la frustration des consommateurs en ce qui concerne ces produits pétroliers, l'absence de

réaction en forme de manifestation de rue ne veut pas dire que la population accepte tout les frasques et les inepties de la STC. Tirer trop sur l'élastique sociale comporte des risques énormes et cette élastique, je dirais au gouvernement, peut se briser à tout moment et nous pouvons facilement imaginer les conséquences. Donc, je terminerai sur cette mise en garde au nom de la population.

Merci, M. le président.

**(6.20 p.m.)**

**Mr S. Mohamed (Third Member for Rivière des Anguilles & Souillac) :** Mr Speaker, Sir, we have heard throughout this debate a lot of words spoken by both sides of the House and I must say that this debate is of outmost interest and is very interesting. The most important issue that has arisen each and every time from both sides of the House has been: what is the final effect that this has on the consumer? Hon. Pravind Jugnauth is totally right in telling us that consumers have to be taken into account, their plight have to be taken into account. The hon. Vice-Prime Minister has, in my humble opinion, clarified matters and made things much clearer, as has been admitted by hon. Pravind Jugnauth himself. There are certain issues and certain questions which were in the mind of the people and the representatives of the people, true it is, but through the words and enlightening words of the Vice-Prime Minister I, myself, have understood the issues and yes, the clarity that he has instilled in this whole debate must be commended. True it is that the State Trading Corporation, as has been recommended by hon. Jugnauth, should play this game of transparency, they should communicate more and give detailed information more, not only in the interest of the consumer, but for their own sake. That is what they should do, that is what I believe they are there to do, but neither from the speech of hon. Jugnauth nor from that of the hon. Vice-Prime Minister did I detect in any way that there was some malice somewhere in the members of the STC. No! Mistake was a word that was used, but in those two speeches at no time did I detect that there was some dark plan that was being

prepared by the members of the APM or that there were members of the hedging committee that were preparing some plot - *comploter ensemble* - for some dark reason. No! But there were some elements in there that talk about sometimes a mistake, but it was only from the speech of the hon. Leader of the Opposition that I understood that there was a dark conspiracy somewhere, but I must say that I, Mr Speaker, Sir, was waiting from the very word, the first word that he spoke, to support this motion of his. I waited for something, somewhere, some place that he would come up with to tell us: “there, is the evidence of this conspiracy”. But I did not hear anything else actually, he never came up with any evidence, he never came up with anything, but he came up with a lot of accusations. This motion stands in the name of the hon. Leader of the Opposition and he, himself, has started out this debate by making very serious allegations in such as hold-up, *détrousser*, but then again, as has been so clearly explained by the hon. Vice-Prime Minister, at the end of the day, if Government is subsidising, it comes out from the pocket of the consumer. Now either it comes from the right pocket or the left pocket or the front pocket or the inside pocket it is still a pocket, he clearly explained that. But I do not believe, Mr Speaker, Sir, that it was fair for the hon. Leader of the Opposition to come and use such words as hold-up. Enough is enough, he said, things have to change at the STC, and that is where a lot of question marks, the bells of question marks started ringing in my mind. He said that the Automatic Price Mechanism has no credibility, there has been a total absence of transparency and consumers are paying for a huge mistake of the STC whilst, at the same time, trying to give us the impression that there is a conspiracy. The truth finally came out from the very mouth of the hon. Leader of the Opposition where he said it was a mistake or be it huge. Now either it is a mistake or that be it a huge one or it was a conspiracy and behind such a word as conspiracy it means where people got together to agree.....

**Mr Bérenger:** At no point did I use the term conspiracy.

**Mr Mohamed:** I did not say the hon. Leader of the Opposition used the word conspiracy either I said it is the impression I got.

*(Interruptions)*

Fair enough! I will withdraw the word conspiracy since now I understand that the Leader of the Opposition never meant conspiracy.

*(Interruptions)*

A hold-up Mr Speaker, Sir is where people get together to organise a hold-up that they agree to commit an unlawful act, that would be a hold-up, but if that is the case, it cannot be a mistake, either it is A or B, it cannot be A and B. Which is which? But what I am trying to state here is why - I was even more surprised because my research I found out that on 13 November 2002 Government at that time gave its approval to the State Trading Corporation to hedge; in 2002 the Government of the day gave their approval to the State Trading Corporation to hedge and, at the same time, not only was this approval given, but a whole list of counter parties was prepared and how, therefore, Mr Speaker, Sir, do we reconcile the fact that in 2002 this Government of the day gave permission to the STC to hedge but, at the same time, we have a statement in the debate today from the hon. Leader of the Opposition where he says that the mess at the State Trading Corporation should not have happened, he also says that the STC is badly stocked and not at all equipped to go into the hedging business. I cannot reconcile the two facts; on the one hand, permission and approval is given by the Government, if I am not mistaken, it was him, the Minister of Finance who he gave approval in 2002 and he said the same STC is not stocked and is badly equipped. This is what was the be all and end all of his speech. The STC is badly equipped and what is also shocking, Mr Speaker, Sir - and the reason why I am talking about this issue here is because the consumer is totally entitled for the matters to be clarified. The consumer is totally allowed to have answers to the questions put, but those questions must be brought to this august Assembly and supported in using arguments and putting all the truth on the Table.

I totally agree that the game of transparency must prevail, but I also would like to put it forward that even the hon. Leader of the Opposition should not go and leave it silent and go mute when it comes to the fact that this very Government in 2002 gave approval to the STC and in 2004, the first exercise of hedging took place when he was the

Prime Minister. At the beginning of 2005, the second exercise of hedging once again took place. That is why, Mr Speaker, Sir, I do not understand what has motivated, in the light of the silence of the Leader of the Opposition with regard to the fact that he is trying to give the impression that this hedging business, the first time that it was done, was under this Government. He gave the impression that it was under this Government that it was done the first time because he refused and failed to make mention of the very important fact that it was done when he was himself the leader of the previous Government. If that is the case, what has motivated the hon. Leader of the Opposition to come up with this motion? In my humble opinion, it was not something for which he honestly really wanted to give answers to the consumer, but he did it for other reasons altogether.

**Mr Bérenger:** Mr Speaker, Sir, on a point of order, this is imputing improper motives.

**Mr Speaker:** Yes, the hon. Member is telling that he has brought this motion for some other reasons. Tell me the reason!

*(Interruptions)*

**Mr Mohamed:** For political reasons, that's all. In other words, for his own reason! I do not know why is it that when we say something they always think of the negative? I have got nothing to hide and I am not like that. This is why I am saying it. It is a simple thing. He brought it here for his own personal reasons, political reasons.

What we seem to forget is that in this country of ours, when you have other airlines, as has been mentioned by the Vice-Prime Minister, that have gone through hedging, have lost a lot of money through that exercise at the same period. We do not have it in other countries where you have *une chasse aux sorcières*! We don't have it in other countries where people are saying: "Well, there is something wrong here." No, we don't have it. But only in this Republic of Mauritius, because we have to have something to say, we just say that and we use it for political reasons! We shoot around. Thank God, at least, we have had this motion, be it for wrong reasons but, at least, we have had a speech from

the hon. Vice-Prime Minister where he has clarified matters. We forget that the committee that looked into the matter of hedging most probably had to take into account the geopolitical situation of the day. They also had to take into account several issues to explain why there should have been long-term hedging. Weather conditions, hurricanes forecast, geopolitical factors, problems in Iraq, the situation in Iran, disruption of supplies in Brazil at that time, ethnic problems in Nigeria at the time, all those factors have a direct correlation with any forecast that any expert is going to make with regard to the future price of oil. Those are factors on which they based themselves and all those other countries and international airlines based themselves to hedge. Hedging is not a procedure by which one carries it out in order to make money, Mr Speaker, Sir. It is one that is carried out to ensure security and reliability, stability is the end result.

In my humble opinion, I would like to thank the hon. Vice-Prime Minister and Minister of Finance for having at least clarified that, I have said that for the third time now. In the light of all those clarifications and an invitation, if I remember correctly, sometimes at the beginning of the year when the hon. Minister Gowressoo asked all Members of this House including the Members of the Opposition, to meet him in his office on the issue of Mangalore, because it is quite normal, Mr Speaker, Sir, if you have an agreement with a private company and that other party does not wish that it is made public, that is why he was good enough and extremely fair to ask the Members of the Opposition and the Members of Government who had any questions about Mangalore to meet him in his office and to get the information. He would share that information, he said that in this House. But the Members of the Opposition did not go and see him. They still can go. In the light of the move of hon. Minister Gowressoo and the speech and the clarification made by the hon. Vice-Prime Minister and Minister of Finance, the decent and fair thing, and in the name of the consumers of this country, would be for the hon. Leader of the Opposition to withdraw his motion.

Thank you.

(6.36 p.)

**Mr M. Dulloo (First Member of Grand' Baie and Poudre D'or):** Mr Speaker, Sir, this motion was laid on the Table of the Assembly, it has appeared on today's Order Paper and it has been moved by the Leader of the Opposition on behalf of the nation, the Mauritian public, especially on behalf of Mauritian consumers of petroleum products, be it individual citizens, companies or even airlines or vessels that are purchasing the products supplied to Mauritius by the State Trading Corporation. If we have been led to table this motion it is because the public wants an explanation, the public cannot go on suffering any more from the various price increases in this country. It was not I, it was the Prime Minister himself who said at one moment that increase in price of petroleum products would affect our economic growth and even our social peace. Our economic growth has already been affected as we have seen through the debates on the budget and also the public now who have got to pay for the increase in price as a result of the coming into effect of this regulation, are protesting and they want explanations and we have to give them. True it is in the course of this debate and thanks to this motion, the hon. Minister of Finance has tried to play as a fire extinguisher to come now and allay the misgivings and the fears of each and everyone to give some explanations. There have been certain figures which have been given to us, some of them very technical of course and even then we, as Members of Parliament, on this side of the House, are not satisfied with the explanations and figures that he has given. Least of all, how would the public outside be able to consume this exercise that he has put before us and there is still a lot of unanswered questions in what he has given to us. What is interesting, Mr Speaker, Sir, is that this motion of disallowance concerns a Regulation that was made by the Minister on 3 June 2009 under the legislation of the Consumer Protection Price and Supplies Control Act. So, the regulation - we have a copy of it - made by the Minister but which Minister was that? It should have been the Minister for Consumer Protection because we do not have the document by whom it was signed. So, I hope it was not signed, it was not made by the Minister of Business



or by former Minister Jeetah, who was Minister of Commerce in those days. It should have been made and therefore signed by the Minister of Consumer Protection. I understand the President of the Republic appointed recently, in July 2005, I believe, hon. Sylvio Hock Sheen Tang Wah Hing as Minister of Consumer Protection and Citizens Charter. So, he is the Minister for consumer protection, and we expect him to come and defend the regulations that he has signed in order to fix the price of petroleum products under the Act. But, no! I have seen the list of orators, and I do not see the Minister for Consumer Protection on the list in order to come and defend. This is why I have said that the Minister of Finance has come, as the fireman, as the fire extinguisher, in order to try to enlighten, through this House here, the public that has got to pay the price that has been fixed on 03 June 2009. The Act is clear and says which Minister is in charge of this; it is his responsibility under this Act. There is a lot of requirements for price fixing.

But now, Government has chosen, as far as petroleum products are concerned, to negotiate with an enterprise in India, namely Mangalore Refinery. We have been informed in what circumstances – very good! First, we were all informed. Even when I was in Government, Ministers in Government were informed, briefed that this would, in the first place, make a saving of Rs350 m. and, as hon. Jugnauth just pointed out, for the period concerned, Rs1 billion would be saved. We were all impressed, and immediately questions were asked about the contract, about the details. Systematically - this is where Government started going wrong - Government refused to give the details to the public - there is already an aura of suspicion – and to give the breakdown. And even when the question was asked whether this contract would be laid on the Table of the Assembly, one Minister said it is on the website - I think it was hon. Jeetah, the then Minister responsible for State Trading Corporation. We went on the website, and there was nothing on that.

Minister Gowressoo right now is commenting on what I am saying. Question was put to him as to whether he would consider reviewing, revisiting the contract, and he said yes they are going to revisit this contract. It is there in the PQs put by Members on this side

of the House. I have just listened to hon. Mohamed, who is not present right now in the House, and he has tried to twist and distort what the hon. Leader of Opposition has just said. He has been laying a lot of store on what the Minister of Finance has just said and also on the question of hedging. But, we are not in 2005/2006. In March 2009, a question was asked by hon. Guinness about the question of hedging, and this is where we learned - and I think this was quoted by hon. Jugnauth – that provision made for the payment of the hedging was Rs3 per litre. The hon. Minister Finance says it is still at Rs3, but it could have increased; we do not know. But, then, what follows in regard to the question of the contract? It would not be ethical to reveal the details of an agreement reached between two State owned enterprises! Never heard about this! This has been taken up again by hon. Mohamed, as if we are going to offend India; Mother India would be offended if we are going to give the details. No! India would be too happy that the details are given, because this would make it transparent and would not cause embarrassment to India, with so many PQs in our Parliament here.

This is the attitude adopted by Government. There is nothing unethical to give this, and we owe this to the public; those who have to pay the price increase as from 03 June, under this regulation, have to get the details. And, still, when we are speaking right now, Mr Speaker, Sir, notwithstanding the tremendous effort made by the hon. Minister of Finance, there is a lot of *zones d'ombre*, there is a lot of opacity. I think the hon. Leader of Opposition and hon. Jugnauth have spelt out many of those areas clearly. With regard to the impact of the hedging, a question was asked to the present hon. Minister in charge of the State Trading Corporation, and this is what hon. Minister Gowressoo had to say: impact of the hedging would be known by June 2009. What is that impact? We do not know the full impact as yet. What is the deficit of the STC? Figures have been mentioned here - about four, five billions – about what is the deficit and what share of this deficit has been attributed to the transactions in petroleum products. There are various other scandals, Mr Speaker, Sir, that have been referred to State Trading Corporation. Is the public consuming petroleum products paying for all

those various areas where there have been deficit, losses and scandals of the State Trading Corporation? What share would be attributed, therefore, to transactions in petroleum products? How much of this deficit or losses is now being passed on, *répercuté* to the Mauritian consumers, that is, the general public, the industrial or even huge purchasers like aircrafts, ship vessels, and all that?

We do not know! And the public should know! Starting from the daily users of our roadways, vehicles, buses - public transport - and even the small fisherman that is dragging his boat at night or in the morning to go and fish, with the amount that he has got to pay for diesel, for petroleum products in order to risk his life at sea and provide us with very important protein. Mr Speaker, Sir, there is still a lot of opacity. This is why I ask myself the question concerning Members on the other side of the House, that is, on Government side, that I have known so well, we campaigned together: where are all those pundits or oracles of democratisation of the economy, transparency, accountability and all that? When we started off, Mr Speaker, Sir, right from the beginning of this whole saga concerning the petroleum products, the then hon. Minister started to mask certain figures regarding the petroleum products. There were PQs that were asked on details concerning importation and sale of petroleum products. After stating that the STC is the trading arm of Government and deals with various products of prime necessity and of strategic importance, he just stated the accumulated loss, refusing to give any details whatsoever, though the Opposition was insisting on the breakdown and so on, in the interest of the general public. Even in those days, people on the Government side did not have all those details, all those breakdowns. One of the reasons why this motion of disallowance has come today is because Government was not informing the public of the transactions of the STC. The former Minister in charge of STC, hon. Minister Jeetah, said this: 'In this Government, we are very serious in our business'. A Minister of Business has been appointed. Now the public is asking itself the question in the light of the various scandals on the various business transactions of the STC, the price of various commodities of strategic

importance - to quote the then hon. Minister himself - like the petroleum products, of whom the STC has become the business trading arm? The hon. Leader of the Opposition referred to the company that was set up; questions were asked about the various delegations that went for the negotiation. The travelling public wants to know about each component of the price.

To come to the hedging question, hon. Mohamed tried to come and defend the Government on the question of hedging. Hedging is a normal practice, we all know this. It has stood there for a long time, so long as you have people with good knowledge of risk management, dealing with in Forex and all that, so long as you have people of ability. But what has happened at Air Mauritius? Who took the decision? What has happened here in State Trading Corporation? Who took the decision? To questions asked in this House, we were informed that the decision was taken very quickly, on the spot. Which expert advised and was consultant? After the hedging, contract was signed; then the Board of the STC was informed. I understand that the Minister of Finance was a bit embarrassed and he tried to give us a lot of economic and fiscal theories and a lot of explanations. Even the Ministry of Finance was not informed, was not aware of such a huge figure and this is why the public is asking. Fair enough, we have dealt with a very friendly country, Mother India! But, should not have we gone by the Procurement Act - because it is a direct procurement. The State Trading Corporation is found on the Public Procurement Act, as the listed public bodies that can deal only in a certain amount/ceiling, otherwise beyond that amount we cannot go by direct procurement. This has been done by direct procurement. The public outside is suggesting to us, some of our colleagues of the Bar have asked me the question and I cannot fully answer whether this is not contrary to the Public Procurement Act, the way that it was done, because they have got to pay it. The consumers, therefore...

**Mr Speaker:** Sorry! Can I inform the hon. Member that I have been informed this morning that there is a court case pending? And the issue in the court case is precisely what the hon. Member is talking

about. I would ask him to refrain, because it is *sub judice* right now. The case is going to be taken in November.

**Mr Dulloo:** Thank you very much, Mr Speaker, Sir! I was not aware of this information. So, I stop there on the question of procurement.

But I will come back to the question of hedging. It was the Minister in charge of State Trading Corporation, who, on 21 March 2009, answered the question on hedging. That is why, Mr Speaker, Sir, hon. Minister Gowressoo answered: "I have reviewed this system and I have dismantled the Hedging Committee." Hon. Jugnauth is saying that he has dismantled the APM altogether, but maybe there was a slip of the tongue on the part of the Minister. It was the Hedging Committee that he had dismantled: "I have reviewed the system and I have dismantled the Hedging Committee. Now we have set up an inquiry regarding the hedging transactions. Let me inform the House that we have asked advice from Mr Dobson, a Hedging Consultant. He is making recommendations and we will have the report in two weeks." Two weeks after 31 March, I don't know whether he has got the report. He has not reported to this House as yet about what Mr Dobson has done so far. He has given us the figures, the losses involved, he mentioned Rs700 m. losses through this hedging – it was in March then - for one year. And in 2008 he said: "Sir, I don't have the figures, but it is a normal practice." So, he was asked about the figures, but he did not have the figures. He said: "We have lost a big amount." What is the amount? The public does not know. And till 02 June, we were not aware when this regulation was laid on the Table of the National Assembly. This is why the Hedging Committee has been dismantled. Later, when the price will increase, they will come with a new system to set up this Hedging Committee. The price has been increased, I think, in April and May. Now we are in June; so far we don't have a new system about this Hedging Committee. It goes on; it makes beautiful reading, all those PQs and answers that were given.

Regarding the contract, for mogas it has already been paid and for gas oil we have up to June 2009 to pay. Mr Speaker, Sir, he cannot say

the exact amount of losses that we can make. There was no clear indication whatsoever or details regarding the price component under the contract, under the hedging, under Forex. The Minister of Finance has tried to explain a little bit about this, but concerning the debt payment, he said absolutely nothing. This is why, Mr Speaker, Sir, we stand by this motion. This is why it is very important that this motion should be put before this House and each and every Member of this House should assume his responsibility. Those PQs made very interesting reading. One moment we were discussing about the transportation/supply, the cost of freight, because this has been canvassed by previous orators. When the cost of freight was falling drastically, the Minister of Finance told us the very insignificant amount that this represents in the cost that the public would be paying, etc. But the question was asked then, because there were doubts as to what sort of vessel Mangalore Refinery would be putting, whether single hull or double hull and the answer was given: "Well that's not the problem, they have signed the contract, it is their responsibility to try to get the appropriate vessel and we are going to watch very closely to ensure that it is all safe, that there is no mixing between this type of oil and that type of oil." And they have said that there would be hull on the two sides of the vessel. This is what hon. Minister Jeetah informed this House and then, subsequently, when hon. Minister Gowressoo came, he said: "We have been able to negotiate a very profitable term for the transportation of the petroleum products." So, which is which? And then, when this issue was being debated, on this side of the House, we asked ourselves the question as to whether the Mauritian consumers would not be subsidising, not only the STC and the petroleum contract that the STC has entered into, but also the bunkering trade, including those that are in the contract, in the business of double hull and what not.

Hon. Lesjongard put a supplementary question: whether international bunkering trade is not being or will be subsidized by Mauritian consumers, that is, the public in general and also the local distributors. So, these were very pertinent questions that the public would have to ask before they pay. Therefore, when it is obscure, when

we cannot, as Members of Parliament, give an answer, an explanation, because we don't have it - even people on the Government side don't have it - have to come with this motion to the House.

What is even more interesting, Mr Speaker, Sir, when the hon. Minister would talk about market intelligence. In a PQ dated 23 May 2006, he would say: "Market intelligence reveals that there are numerous risks associated with this element of premium." They were discussing about premium. He was informing the House that he has got such intelligence, referring to MARPOL Convention about the problem of single hull and double hull. Hon. Minister Jeetah had such market intelligence about double hull vessels to be able to protect the public that in the price component the public would not suffer. We have asked questions about the various price components, not only the question of freight, but the various other components, the breakdown. The Minister has tried to give us the various components, he has referred to 8, but here we have 9. Over the two or three years, those various components have been increasing, contribution to RDA, from 0.5%, I think, it came to almost 5%, expenses of the STC increased by 10 times in one year. I talked about the provision for hedging. The wholesale margin has been increased and we don't have explanation as to that. And now, the travelling public, the consuming public, consumers of petroleum products have got to subsidise the transportation by double hull. Now, we are informed that Government is entering a contract for 15 years with one particular company that has got all the market intelligence about transportation. Are we now going to make the public going on paying, subsidising whatever company that will be joining in this trade? So, this is why, Mr Speaker, Sir...

**Mr Speaker:** The hon. Member will have to come to the motion. It is a specific motion to disallow the regulation which was made in June. The hon. Member has to come to that.

**Mr Dulloo:** This is why, Mr Speaker, Sir, we will not go by what has been suggested by a backbencher of Government. We would insist that this motion be put to the test before this House here and let the public know. Some details that we have obtained today, we will pass

them on, but all of the opacity and lack of transparency is such that we will have to support this motion.

Thank you.

(7.01 p.m.)

**The Minister of Health and Quality of Life (Dr. R. Jeetah):** Mr Speaker, Sir, listening to the previous speaker, I wonder who was the Minister of Foreign Affairs when this country entered an agreement with MRPL in 2005. Was it not my good friend, hon. Dulloo? And today listening to him, having knowledge of everything that happened in the past three years, he still have, I wouldn't say the guts, *mais presque l'arrogance*, to question what was done. When I look at various items, price structure, nothing has changed since he was Cabinet Minister. The team has not changed and, in fact, the same team prevailed in the previous government. It is the same STC. The method of computation has not changed, and today we have a former Cabinet Minister questioning decisions of which he was part of.

I would like to respond to the question of double hull, Mr Speaker, Sir. I did not decide on what type of vessels that go round the world when I was Minister of Trade and Industry. Can I just read an answer which I gave to hon. Bhagwan when he asked a question with regard to this issue and I quote:

*'In August 2003 the then Government decided to ban single hull vessels for shipment of fuel oil into Mauritius. Nevertheless and after August 2003, the then Government did allow for derogation for shipment of fuel oil by single hull vessels into Mauritius'.*

And that is them, Mr Speaker, Sir! Just to make matters clear, I need to mention this again. It is MARPOL, an international Convention, that decides on the type of vessels that go around the world. It's a kind of a fitness that we give to our vehicles in Mauritius - for cars and other vehicles - and it is the same type of fitness certificate that one has to get to be able to deliver these products.



Let me come back to the main item of today, that is, this motion of disallowance proposed by the Leader of the Opposition. I listened to him carefully and he has got an art, isn't it, to repeat himself. He used the words 'STC is a mess' many times. Allow me, Mr Speaker, Sir, to remind the hon. Leader of the Opposition that in 2005 – and I remember this, I was a new Minister of Trade and Industry - I had been in charge of a huge corporation and I had this unpleasant task of tackling a deficit of 1.1 billion rupees...

*(Interruptions)*

**Mr Speaker:** I am sorry, we are dealing with a specific motion and, according to our Standing Orders, the debate should be on the motion.

**Dr. Jeetah:** I don't know whether I would be able to answer the Leader of the Opposition, but he used the words 'a mess', 'hold-up', and I counted, Mr Speaker, Sir, in his usual dramatic manner, five times he mentioned 'hold-up'.

*(Interruptions)*

He mentioned '*scandale*' I think three or four times. I have to tell him that because, for some dark reasons, maybe it is not that dark, he decided to postpone the APM. And do you know what it resulted for the STC? Rs638 m. over and above Rs 1.1 billion!

*(Interruptions)*

I am trying to respond Mr Speaker, Sir...

**Mr Speaker:** I do understand the position of the hon. Minister. He had been Minister of Trade and he was in charge of the STC. The STC has been accused of being in a mess. I think he will be right in defending the STC during that period, namely that the STC was not in a mess. But otherwise we will never finish. The rules are very strict while debating a disallowance motion.

**Dr. Jeetah:** I abide to your ruling, Mr Speaker, Sir, but I have to respond to what the hon. Member has just said. He mentioned, as I said, 'hold-up' five times and 'scandal as usual' etc. But does the hon. Leader

of the Opposition know that, for the last 25 years, we have been using oil, petroleum products that have been purchased by the STC, independent of Government? It has been doing so. Even in these periods of crisis, there has not been any difficulty in the supply. I think that this is a frivolous comment. I think that STC has done a good job. Of course, there are challenges, there can always be improvement.

**Mr Speaker:** Exactly. That is the way of proceeding with this debate.

**Dr. Jeetah:** But the work is on. The next point that the hon. Member made is that he wanted to have a look at the contract, but never went to see it. Hon. Mohamed did explain that the Minister has said that if somebody wishes to have a look at the contract, please come in and they can have a look. This is an agreement between a large company MRPL, which is a subsidiary of the ONGC, which is a State-owned company. They had a special relationship with India.

Let me remind the House, Mr Speaker, Sir - to respond to hon. Pravind Jugnauth - that I counted that we have had 18 questions and all these documents I got from the Library. I don't know if his colleagues have been briefing him on issues relating to STC. He mentioned a number of times that there is a *culture of opacité*.....

(Interruptions)

I listened to hon. Jugnauth quietly, Sir. Please allow me to explain! I have got a question from hon. Guinness which I answered. I've got a number of pages with all the price structure, *mais le problème*, M. le président, is that very often our good friends from that side prepare their questions. They don't listen to answers and they just keep on reading whatever they have prepared. That is a problem that happens very often.

**Mr Speaker:** No, the hon. Member cannot talk like this of a colleague of this House.

**Dr. Jeetah:** All this information is here. I didn't get it from STC. I just took a copy. In fact, it has been a while that I have not been going through this and all this is here. It all explained the CIF value, the excise

duty, adjustment, windfall loss or these figures that the hon. Vice-Prime Minister went through. He made a very good tutorial exercise actually and I think that refreshes my memory. Now I'm getting back into the business of counting all these billions, basic value, total cost, transfer of price and all this is here. *Où est le problème d'opacité? Je ne comprends pas.* It has been mentioned a number of times. With regard to not giving information, *je pense que cela ne tient pas la route parce que* I don't know if I should be tabling this here, but it is all available in the Library of Parliament.

There was another point made with regard to 1.3% contribution of freight. The hon. Vice-Prime Minister did take time to go and make the calculation. I think it is clear anybody could do these calculations. One can see that it is a small element of the whole price structure. It does not have a significant impact on the price. The Leader of the Opposition had been saying it so many times to frighten people - 70%. He has got this way of saying it to capture attention and so on. But the fact is that it only represents 1.3%. I can't do the same as he does, but I am trying. That point has been made.

I think hon. Jugnauth also requested to know about the Platts' rate. But Platts' rate is not fixed by STC. This is something public, Mr Speaker, Sir. One just has to go on internet and if one were to look over a period of time, it's all available. I don't know if I should be coming to that maybe that would be outside the scope, but I could if the hon. Leader of the Opposition wishes me to talk about that. There was one point that was raised by hon. Jugnauth again which is similar to the confusion that the hon. Leader of the Opposition had with regard to this point of \$147 a barrel and so on. But it was mentioned again that the contribution of the product is only 39%, and if one is to make any calculation through all these figures, one could see exactly what it is all about. So, it is not proportional. If the price goes up, there are other elements of taxation which this Government has not invented. In fact, that is the way it has been. I have taken care as the hon. Vice-Prime Minister has done to show that this huge increase of price does not necessarily, when it comes down, reflects what he was suggesting.

There was an issue raised by hon. Jugnauth as to the savings made when this arrangement was struck with the Government of India. But, Mr Speaker, Sir, assuming that we don't want to look into the figures - as hon. Dulloo is a bit alert into figures - but let's imagine for an instance, if one Government was to buy from another Government without any intermediary, what could be the result? We had a saving in the premium because we had taken off the intermediaries. *Il n'y avait pas de courtiers*. I hope it is not an unparliamentary word. There was not any middleman. When Government decided to buy through Governments, that is ONGC that owns MRPL, I remember those days when I had laid on the Table of the Assembly a chart which showed the savings that we made. In fact, it was Rs350 m. saving a year and for a period of four years, it was a saving of Rs1.4 billion. I must say to hon. Jugnauth that I did lay this document on the Table of the Assembly! I don't know if he has been briefed properly or not.

*(Interruptions)*

I don't know what the hon. Member is saying, but all the information has been provided. If one is not happy, being a Member of Parliament, I am sure he can write to the MRPL. There is no secrecy here.

There was another issue of the flour saga. Since he has asked I have to return him back *l'ascenseur*.

*(Interruptions)*

**Mr Speaker:** Will the hon. Minister please address the Chair!

**Dr. Jeetah:** The hon. Member made reference of the flour saga. Prices went up by 75% and STC was crumpling to get another supplier which they got. What did he say? *Cochon dans la farine!* I still remember that.

*(Interruptions)*

**Mr Speaker:** Order!

**Dr. Jeetah:** *Cochon dans la farine* was a comment made by the hon. Member ...

**Mr Speaker:** Can the hon. Minister explain to me what it has to do with the motion?

**Dr. Jeetah:** I am trying to reply to the hon. Leader of the Opposition. He raised the issue of flour. I did not. I am not going to say: *lanate dans du sucre*, but only *cochon dans la farine* again. That's the behaviour that we had when we had a problem.

**Mr Speaker:** No, the hon. Member raised the issue of flour and he said that the decision would be to close the *Moulins de la Concorde* or whatever it was. Did the hon. Minister replied to him on that?

**Dr. Jeetah:** Mr Speaker, Sir, I do understand and we were still discussing with *Moulins de la Concorde*, but the fact was that there was an increase of 75% in the price of flour. So, what would STC have done?

*(Interruptions)*

**Mr Speaker:** Order! Hon. Bhagwan, order!

**Dr. Jeetah:** Mr Speaker, Sir, I think the four points raised by the hon. Leader of the Opposition clearly show that – I am not going to impute motives - of course, there is some politics to be gained here. It is an issue that they like doing. But I would like to just remind him of what Mr Kader Bhayat has to say when he presented the Bill for the creation of the STC with your permission, Mr Speaker, Sir.

*(Interruptions)*

**Mr Speaker:** No. It is too far.

**Dr. Jeetah:** He just wished that we had an institution that would be able to compete with monopolistic trade. Now the question that we have to ask is: why is the Opposition trying to disrupt or damage or make STC disappear? That is the question that we have to ask. *A qui profitera le crime?* Foreign institutions that are owned by each and every Mauritian here in this House. It is not owned by the Minister or by the previous Minister or by this Government. This STC is a Mauritian property, *pour le bien commun de tous les Mauriciens*, not just for a group of people. I think that would be interesting for people to

ask the question. What's this business? Why did we have 18 questions and numerous PNQs on this institution that is giving subsidies to the tune of Rs1.2 billion in 2006, Rs1.3 billion in 2007, Rs1.3 billion in 2008 and Rs1.4 billion this year on flour, cooking gas and rice? We are paying a bottle of cooking gas at Rs300 as opposed to Rs500. I suppose *le peuple admirable* ...

**Mr Speaker:** Hon. Bhagwan, please! The hon. Minister would reply to you otherwise.

**Dr. Jeetah:** Mr Speaker, Sir, we came with a packet of *gros pois* in Parliament and we brought down the price from Rs38.00 to Rs12.00. This happened overnight, hon. Bhagwan, whether you like it or not!

**Mr Speaker:** I have asked the hon. Minister to address the Chair, please!

**Dr. Jeetah:** Mr Speaker, Sir, I wish to make a last point. 'Hold-up', '*scandale*', don't they have any lawyers on that side of the House? What action have they taken? *C'est trop facile de venir ici* under the Parliamentary immunity, keep on saying stuff that has no value outside. They can go and do something concrete! I can see some lawyers here. Hon. Dulloo is a lawyer, what has he done? He has mentioned *scandale* and hold-up here so many times ...

*(Interruptions)*

**Mr Speaker:** Can I ask the hon. Minister that he has to realise that a Member of this House has the right to make his point provided he makes it within the framework of the Standing Orders and of the rules of this House. As a Minister, he has to refute within the Standing Orders. He cannot ask the hon. Member to go and see it outside. He has got the immunity; as to his speech, he assumes his responsibility.

**Dr. Jeetah:** The point I am trying to make, Mr Speaker, Sir, is that *c'est trop facile*. People just cry *scandale*, hold-up and he keeps on saying that. He keeps on saying *détroussé* ...

**Mr Speaker:** The hon. Minister has the absolute right to reply to this with arguments.

**Dr. Jeetah:** Mr Speaker, Sir, if one has some valid arguments, if there is a *scandale*, if there is a hold-up - I think that was defined by my good friend - they can do something about it. Either there is evidence or there isn't. Which is which! That's the point I was trying to make. *Comme j'ai dit, c'est trop facile*. It goes on like this on and on.

*(Interruptions)*

**Mr Speaker:** Order! Can hon. Ms. Deerpalsing keep quiet!

**Dr. Jeetah:** Mr Speaker, Sir, all the points raised by the Leader of Opposition and hon. Jugnauth have been refuted to show that the price structure does explain what is happening in terms of taxation.

Final point, Mr Speaker, Sir - I must raise this point – is on the business of hedging, and you have to bear with me. Dobson is a company that was used by the former Government to assist in hedging, and these are not people close to the Labour Party or anything. I just would like to read this before I take my seat. This is what Dobson had to say with regard to hedging. They were asked to have a look at whether it was done properly and so on, and I quote –

"My conclusion is that, given the situation at the time both in the world and in Mauritius, the decision to hedge was probably inevitable, but for too long a period. It was executed correctly and at the market prices available at the time".

Therefore, Mr Speaker, Sir, I hope the hon. Leader of Opposition will examine his position, and I think he does not have any point to make this afternoon.

Thank you.

(7.21 p.m)

**Mr G. Guinness (Third Member for Montagne Blanche & GRSE):** Mr Speaker, Sir, I listened to the Minister of Health and he was referring to repetitions. I can also tell him how many times he repeated the word '*alors*' - one dozen times. But, we are not here for that purpose. We are here for a serious debate on the motion of disallowance which has been brought forward in this House by the Leader of the

Opposition. Let me state a few factual things, because - just to put it in perspective - the Minister himself stated that the previous Government left the STC with billions of deficit.

**Mr Speaker:** I stopped the hon. Jeetah on that. There is no need for the hon. Member to refer to that.

**Mr Gunness:** No, but to set the records...

**Mr Speaker:** I will have to apply the same rule.

**Mr Gunness:** Alright, Mr Speaker. He mentioned billions. Mr Speaker, Sir, we have to see the situation how it is. In July 2005, the price of mogas, *l'essence*, was Rs25.25 and, today, when we see the price, it is Rs42.30. This is a fact. The price of diesel was Rs17.25 and, today, it is Rs35.65; more than 100% increase in the price of diesel. It is also a fact that concerning the Automatic Price Mechanism, the maximum increase which was allowed was 15%, and we still remember when this Government, in October 2005, raised that rate from 15% to 20% under the pretext - I say well under the pretext - that, in July 2005, under the previous Government, the Automatic Price Mechanism did not sit to revise the price of the petroleum products. Under that pretext, they raised the rate to 20%. I ask myself if they were honest in their purpose. After two or three increases of 20%, the rate ought to have been brought back to 15%, which means from October 2005 up to November last - it is now on a monthly basis, 7.5 % - that is for three years - every year, we have four quarters - a maximum of 20% has been used for adjusting the price for petroleum products. This is the truth, and we must say it to the population: that they raised it from 15% to 20%. Even, on a monthly basis now - when we see for example, what has happened recently - for three consequent months, it is 7.5%. If you count well, the maximum increase is even more than 20%.

Mr Speaker, Sir, I am going to take a few items in the price structure, and we are going to see how the consumers have been fleeced. Then, I am going to come with provision for hedging losses. At the end, probably, we are paying for the mismanagement of the STC in some cases. Because of losses made elsewhere, because of mismanagement



elsewhere, consumers of petroleum products, travellers, users have to pay more for their petroleum products.

Let's take the first item, Mr Speaker, Sir, in the price structure: expenses incurred by the Corporation in connection with the importation of petroleum products. This item was initially 0.1589 per litre. I have taken the figures from the STC website, that is, for mogas, we have 123 million litres and gasoil 425 million litres. For mogas, there are three increases. The first increase was in January 2007 under the item 'expenses incurred by Corporation in connection with importation of petroleum products'. It is increased by Rs1, from 0.15 cents to Rs1.1589 cents. It is increased again immediately in the next APM, in April 2007, by 46 cents. It is increased again in October 2007 by 25 cents. One would say that probably expenses incurred by the Corporation have to rise. But how do they explain that, in July 2008, it is brought down by 46 cents? The trick is that these 46 cents are shifted on the RDA, which I am going to show later on; this amount is shifted on the contribution to RDA.

*La même chose* for gasoil, Mr Speaker, Sir, on the same item 'expenses incurred by Corporation in connection with importation of petroleum products'. First increase was in January 2007: Rs1 increase. Second increase was in April 2007: 52cents. Third increase was in October 2007: 25cents. In July 2008, this item decreases by 46 cents. When you go in the structure, this amount is shifted on the RDA, which I am going to take later on.

Mr Speaker, Sir, let's see now how much this increase brought to the STC and the State. I worked out, I made a calculation. I took the figure of 123 million litres for mogas and 425 million litres for gasoil. The increase of Rs1, 46 cents, 52 cents brought to the STC Rs432 m. for mogas and Rs1.5 billion for gasoil. When you add the VAT, it comes to Rs2 billion additional for this item 'expenses incurred by STC in connection with importation of petroleum products'. This slight increase of 52cents, 46 cents brought to the STC Rs2 billion. What has been done with these Rs2 billion? The expenses have increased so much in connection with importation of petroleum product. The public had the

right to ask the question: what has been done with this money? Mr Speaker, Sir, it is here that we say this money has been used to cross-subsidise rice, flour, gas and this is where we don't agree. We have inflated the price of petroleum products by increasing these items which have brought to the State Rs2 billion without taking into account the effect elsewhere, that is, when the price of petroleum products is rising, the electricity price will go up, the free zone will have to buy their electricity at a higher price and this has a direct effect on their cost of production, and we know what is happening at the end of the day. Therefore, this first item only 'expenses incurred by STC in connection with importation of petroleum products', this slight increase here and there brought Rs2 billion to the STC.

The second item is contribution to RDA. Here, we will see that they say they do not finance the free transport under this item. Mr Speaker, Sir, for mogas in January 2006, they increased it by 70 cents, that is, from 35 cents to Rs1.05; April 2006, another increase of 50 cents; July 2008, another increase of 30 cents for contribution to RDA, taking it from 35 cents to Rs1.85. gas oil, *c'est la même chose*. In January 2006, it is increased by 70 cents; April 2006: 50 cents; July 2008: 30 cents. That is, from 25 cents to Rs1.75 and this brings under mogas - if you work out the figure - an additional sum of Rs538 m. Gasoil: Rs1.8 billion, that is, a total of Rs2.4 billion. Hon. Jugnauth said that under the BCRA (Bus Company Recovery Account) in the figures, it is only Rs1.30. Today, this has reached Rs1.85 per litre. Concerning the figures, when you go in detail, it is Rs1.30 for BCRA. The remainder is obviously for financing the free transport for students and old aged. Now, if you say that it comes from this or that pocket, that is not the question. We have to be transparent, we have to say to the population that they are paying for financing free transport or for what purpose they are taking this money under this item of contribution to RDA. From these two items, Mr Speaker, Sir, you can see that Rs4.4 billion come from the pockets of the consumers of petroleum products.

Now there is a small item, operating and marketing expenses. Probably, you will not even care because it increases so slightly, but

when you work out the figures, you will see that the first increase in March 2006 was of 0.0487 cents in the case of gasoil; for July: 20 cents; for January 2008: 10 cents; for November 2008: 0.037 cents. *La même chose* for mogas: 0.0487 cents, *10 sous*, *20 sous* and 0.091 cents. But when you work out the figure, Mr Speaker, Sir, for mogas it brings Rs88.4 m. and for gasoil Rs311 m., that is, Rs400 m. in total under only this item operating and marketing expenses. This slight increase brings Rs400 m. So, what is being done with this money? The public has the right to know what is being done with these Rs400 m. What is the marketing, what are the operating expenses that Rs400 m. are needed?

Mr Speaker, Sir, when you go to the hedging loss, when you go to the hedging saga - I will quote what the General Manager of the STC said in an interview in *L'Hebdo*. I quote –

« (...) *Au moment où nous avons pris la décision de faire du hedging, soit le 22 juillet 2008, nous ne pouvions pas appeler un Board meeting, mais le 23 juillet, soit le lendemain, la STC a eu la couverture et le feu vert du Board.* »

Do you think this is proper management, that is, decisions are already taken to go on a hedging, and then, the next day, the Board is called to give a covering approval? In the same interview, he added –

‘ (...) *Le ministre Rajesh Jeetah a un représentant sur le conseil d'administration de la STC. Il y a aussi un représentant du ministère des finances.* »

Il a aussi précisé que, lors d'une rencontre avec le *Board* après le *hedging*, les membres ont relu les *Minutes of Proceedings* de la précédente réunion avant de donner le *vetting* final, et de souligner que, « maintenant si les représentants du ministère de l'industrie et du commerce et ceux du ministère des finances n'ont pas *briefed* leur ministre respectif, ça c'est leur problème ».

Mr Speaker, Sir, had you been Minister, would you have accepted such a situation, where the hedging is done and on the next day the Board approved it and the Minister of Finance is not even aware of such a situation? And it is said here that if the officers have not briefed the

Minister, so what can he do? Now let see what the provision is. Rs1.50 per litre from January 2008 to October 2008; from November 2008 to June 2009: Rs3 per litre. And if we make the calculation on the same figure that I used, that is, the figure of 123 million litres of mogas and 425 million litres of gasoil, only on hedging, consumers will have to pay Rs2.04 billion only from January to June 2009. Therefore, today, it is nearly Rs7.5 billion which the petroleum consumers have been fleeced by this Government with the way of doing things, with the way of twisting with items in the price structure, with the hedging losses. Today, Rs7.5 billion have been taken from the pockets of consumers, Mr Speaker, Sir. That is why I asked why the STC has to do all these twisted things? Probably, it is because we lost money on the Amul milk transaction. In fact, we lost millions of rupees on that particular transaction. We put questions in this House to this effect and we know how the milk had to be given to prisoners, to the Agricultural Marketing Board, to workers working in hospitals.

Millions of rupees were lost in that transaction, that is why probably this sort of, if I can say, “trick” is being used to charge everything and say that the price of petroleum product rises, there is a volatility and therefore try to put all these losses on the petroleum customers. *La même chose* in the case of cement. Who is not aware of the demurrage fee when the ship came with the cement, the loss of millions of rupees of demurrage fees which the STC had to pay and it had to be borne somewhere and that somewhere is the petroleum product.

**Mr Speaker:** No, I think the hon. Member cannot now go on extrapolating by saying this. He himself is not sure. The hon. Member can come with specific questions in the House and ask how much money the STC has lost on the specific issue that he is raising, but he cannot extrapolate.

**Mr Gunness:** Mr Speaker, Sir, I will go by your ruling, obviously. Therefore again we see the agreement between the Mangalore Refinery Petroleum Product and the STC. We have several questions. We have put questions after questions, but even up to now, the general public who

is paying and nobody knows the content of the agreement. We have the right to know what is the content of the agreement, what is the price that we are paying, whether the tanker, the transportation is included, all this is not clear to the public.

**Mr Speaker:** If the hon. Member would allow me, I think the point was made on this side of the House that any hon. Member who wants to have a look at that agreement, he can go and see the Minister and the Minister will do the necessary.

**Mr Guinness:** Mr Speaker, Sir, the point can have been made, but we do not agree with it because we asked for the agreement to be tabled. Instead of that the Minister says that we take an appointment according to his time schedule – I have gone through that answer - we go there, we just only have a look and then we go.

**The Speaker:** Let him make the point now! I understand the point of the Opposition.

**Mr Guinness:** Therefore our point is that this agreement must be made public. It must be tabled because it is the public money, it is the public which is paying for that petroleum product. We do not know if we had gone for international tender, what would have been the price, but today we have an agreement, so let us see what is the price, how much is the freight and all the details of the agreement. As Parliamentarians, we have the right to know, as elected MPs we have the right to know in all transparency. Therefore, Mr Speaker, Sir, I think that I have made my point that the STC through the different items in the price structure up to now, that is from 2006 up to this date, has got nearly Rs7.5 billion from the different small increases and tricks used in the price structure that the consumers have had to pay from their pockets - Rs7.5 billion. That is why we say that the last rise in the price of petroleum product is totally unjustified and the people outside have the right not to understand why STC has to increase the price of petroleum product when elsewhere - and the Minister of Finance gave the prices in UK; when that suits him, he gives as a percentage of GDP. But in this case also he could have given the price of petroleum product as a

percentage of GDP of UK, the percentage of the GDP of South Africa. We also could have done that.

Mr Speaker, Sir, I think that we have come in this House because the population wanted us to come say that we do not agree with the last rise in the price of petroleum product.

Thank you.

(7.45 p.m)

**The Minister of Business, Enterprise and Cooperatives (Mr M. Gowressoo):** *M. le président, je suis écœuré par cette motion de disallowance sur l'APM par le Leader de l'opposition d'autant plus que c'est lui, l'honorable Bérenger, qui en est le père. M. le président, yet this motion gives me an opportunity to explain to the population the mechanisms used for the determination of the prices of mogas, essence, gas oil, diesel and fuel oil under the Automatic Pricing Mechanism which was, in fact, introduced in the Budget Speech of 2002-2003 by the Leader of the Opposition himself who was then the Deputy Prime Minister and Minister of Finance.*

Mr Speaker, Sir, the first point raised by the hon. Leader of the Opposition was that in the last APM we have increased the price on both products that is, mogas and gas oil at a maximum but, in fact, for mogas it was 7.5% and for gas oil it was 2.74%. He also raised the point that consumers have not benefited when the price was decreasing. The retail price of mogas has decreased in three occasions from October 2008 to January 2009 and has remained stable in February, March, April and May 2009. The retail price of gas oil has decreased in five occasions from October 2008 to March 2009. The STC transfer price of fuel oil has decreased in four occasions from October 2008 to February 2009.

Regarding the freight, Mr Speaker, Sir, I answered a PQ, that is, the freight for the petroleum product is 21USD per metric tonne which the hon. Vice-Prime Minister rightly said that it represents about 1.3% of the total cost of the product. I listened well to the hon. Pravind Jugnauth when he said that concerning the hedging transactions, he knows nothing. But, let me tell him that John Dobson report has not blamed the

STC management - interest charged as per regulation, the interest on credit bank overdraft, all information was provided to members of the APM committee including the hedging transaction, information of basic value published as per regulation. In the hedging committee we have the General Manager, the Risk and Project Manager, the Financial Manager, the Commercial Manager and an Accountant.

Mr Speaker, Sir, I will raise some points raised by the hon. Dulloo. He has said everything, but nothing; I think *la roue fine derailé* because he does not know who is in charge of the STC today. He is saying that hon. Sylvio Tang is the Minister in charge but, Mr Speaker, Sir, he was Minister in this Government and he is not aware. Regarding the point raised by hon. Guinness, the fuel oil for the CEB is not under the APM, so there is no effect to CEB tariff.

Mr Deputy Speaker, Sir, regarding gasoil, the total annual import is 350,000 tons and, for inland, 210,000 tons of 260 million litres and not 4,000 million litres; 140,000 is for bunkering.

Mr Deputy Speaker, Sir, at paragraph 79 of the 2002/2003 Budget Speech, the then Minister of Finance stated, and I quote –

“The financial situation of the STC continues to be a major cause of concern. Its accumulated loss on petroleum products currently stand at about Rs1 billion. Government will take over the loan repayment liabilities of the STC to enable it to...”

**Mr Speaker:** Sorry, that has nothing to do with the motion. Otherwise, we will never finish.

**Mr Gowressoo:** There is a link between...

**Mr Speaker:** We are talking about a specific motion where the regulations have been put and, according to Erskine May - I will now have to quote – the hon. Minister has to speak strictly on the motion. We cannot go back to so many years.

**Mr Gowressoo:** So, the introduction of the APM, Mr Speaker, Sir, was in April 2004. Almost all the items in the price structure of petroleum products have been introduced by the previous Government.

I repeat, Mr Speaker, Sir, that almost all the items of the price structure of petroleum products have been introduced by the previous Government. I am tabling copy of the price structure of mogas, gasoil and fuel oil, Mr Speaker, Sir. May I remind the hon. Leader of the Opposition that he stated, in his Budget speech 2002/2003, and I quote –

“As part of the excise taxation reform, duty on petroleum products will be levied at a specific rate instead of *ad valorem* basis. The new rate of duty will be Rs9.80 per litre for Mogas (*Essence*), Rs3.00 per litre for Gas Oil (Diesel), and Rs2.00 for Fuel Oil.”

Mr Speaker, Sir, this is the legacy of the previous Government, without mentioning the introduction of VAT in the APM by the former Prime Minister, now the Leader of the Opposition. Mr Speaker, Sir, prior to the introduction of APM, VAT was introduced to 12% in July 2001, soon after the previous Government came to office. To add insult to injury, Mr Speaker, Sir, the VAT was again increased only one year after, from 12% to 15% in July 2002, representing an increase of 50% as compared to 2001. The Leader of the Opposition is not ....

*(Interruptions)*

**Mr Gowressoo:** The Leader of the Opposition is not the right person to talk about consumer protection, as APM was introduced by him, including most of its elements...

**Mr Speaker:** No, I am sorry. We are discussing about the existence of the APM. Everybody agrees that the APM is a good thing, even from both sides of the House. The discussion is about the structure of the prices. The hon. Minister is saying that the structure was introduced by the previous Government. Build on that and go on!

**Mr Gowressoo:** Mr Speaker, Sir, the Government cannot be accused of lack of transparency, including the APM exercise. This Government has never had recourse to any doubtful means to hide facts to the public. From October 2005 onwards, each APM exercise has been carried out in the most transparent way, with all documents being made available to members of the APM committee. After each APM exercise, a press conference is held to explain the rationale of the decision reached



by the APM committee. This is also followed by a detailed press communiqué in two newspapers, Mr Speaker, Sir. Unlike the previous Government, we have never postponed any APM exercise, although we are experiencing difficult economic conditions. The hon. Leader of the Opposition, who was then Prime Minister, postponed the July 2005 APM exercise to earn political mileage in the then upcoming general elections. This postponement, Mr Speaker, Sir, in July 2005, led to an accumulated loss of ...

*(Interruptions)*

**Mr Speaker:** Order! Order please! Let us finish! Order, on both sides of the House!

**Mr Gowressoo:** Mr Speaker, Sir, the postponement of July 2005 APM exercise led to an accumulated loss of Rs638 m. as legacy to this Government. My colleague, the Vice-Prime Minister and Minister of Finance, always mentions skeletons in the cupboard. This is indeed one of the skeletons...

*(Interruptions)*

**Mr Speaker:** I have stopped the hon. Minister of Health. I have stopped hon. Guinness. I do not know why the Minister is coming back to that. Didn't the hon. Minister listen to the rulings that I gave? If the Minister is saying that this has been included in the price structure, that is a different matter.

**Mr Gowressoo:** Mr Speaker, Sir, we talked about the agreement with MRPL. The other side of the House has pointed out the supposed opacity, as hon. Jugnauth has said, of the MRPL deal. This deal, Mr Speaker, Sir, was an outcome of a Government to Government negotiation. The deal has led to an overall economy of Rs350 m. annually. As has been rightly said by hon. Jeetah, for four years, it came to Rs1.4 billion. I am tabling a chart to illustrate the gain. This economy arises by comparing the premium receivable from MRPL with those of other traders. A comparison was also made between MRPL code and those of other refineries based in India and Middle East, Mr Speaker, Sir. Why Mother India, Mr Speaker, Sir? Why MRPL? There

are various reasons for sourcing from MRPL. First, distance; it takes only seven days for that consignment to reach Port Louis from Mangalore, compared to 12 or 14 days from the Arab Gulf, Mr Speaker, Sir. Second, security of supply; since 2006, we have had a regular and secure supply. Third, quality of product; when sourcing directly from a refinery, there is no transshipment involved, and there is elimination of risk of contamination. Four, dedicated vessels for white oil; dedicated vessels for conveyance of white oil avoids contamination, and loading and unloading vessels in ports can be better planned.

Mr Speaker, Sir, may I remind the hon. Leader of the Opposition that, in my reply to PQ B/29 of 31 March 2009, I invited Members from the House to take cognizance of the content of the contract between STC and MRPL at the seat of the Corporation upon mutual arrangement as to date and time. However, no Member from the other side of House has shown any interest on this issue almost three months since I launched this invitation. Mr Speaker, Sir, *lorsqu'on les invite à prendre connaissance des documents, ils ne viennent pas*. Mr Speaker, Sir...

*(Interruptions)*

**Mr Speaker:** Order! Hon. Dowarkasing, order!

**Mr Gowressoo:** Because it is a commercial contract - as I have explained in the PQ - we cannot make it public. I repeat, if any Member wants to take cognizance of the contract, he can come to the STC.

Mr Speaker, Sir, I now come to the hedging transaction. I will support my argument with a Parliamentary Question put by hon. Dulloo, who was then in the Opposition.

*(Interruptions)*

Mr Speaker, Sir, it is PQ No. B/798 of October 2004. He put this question to the then Minister of Commerce & Co-operatives, hon. Koonjoo.

*(Interruptions)*

**Mr Speaker:** Order, please!

**Mr Gowressoo:** Hon. Dulloo asked the Minister of Commerce & Co-operatives whether, in regard to the retail price of mogas (motor gasoline) and Gas oil (diesel), he will state (a) the current price structure, indicating the various increases for each component from September 2000 to date; (b) the total of (i) excise duty, and (ii) of VAT for each of the years (...)"

**Mr Bérenger:** Mr Speaker, I want your ruling, now we are going before the last election.

*(Interruptions)*

**Mr Speaker:** I am sorry! I think when hon. Jugnauth spoke on the motion he said that he was not aware of any hedging. Now the Minister is trying to establish that hedging existed before. I will ask the hon. Minister to be very brief and not to read the whole question, but to read about the hedging.

**Mr Gowressoo:** Yes, Mr Speaker, Sir. Hon. Dulloo, at that time, put a supplementary question to hon. Koonjoo, the Minister of Commerce & Co-operatives, and he asked -

“At least, we could get information on the amount of excise duty and VAT paid, because then I would ask the hon. Minister whether, in order to avoid such a (...)"

*(Interruptions)*

Wait!

**Mr Speaker:** Order!

*(Interruptions)*

Hon. Ms Deerpalsing, could you please keep quiet? Let me listen to what the Minister is saying.

**Mr Gowressoo:** I quote –

“(...) huge increase on the consumers, consideration should not have been given to reducing the excise duty or VAT or removing VAT on this essential commodity.”

The then Minister of Cooperatives replied, I quote –

“Sir, at the level of Government, we are doing our best, but, as you know, the situation is very difficult and the price of Mogas, diesel is going up. Since last year, the STC has been working on a programme called ‘Hedging’, which is (...)”

*(Interruptions)*

**Mr Speaker:** There is nothing to be excited about. Yes, carry on!

**Mr Gowressoo:** Let me read it again, I quote –

“Since last year, the STC has been working on a programme called ‘Hedging’, which is very complicated, delicate, and also very risky. We have appointed one firm to advise the STC since September 2003.”

**Mr Speaker:** The hon. Minister has made his point.

**Mr Gowressoo:** I continue –

“As I said, it is quite delicate, very risky, but I want to assure the House that, at the level of STC and Government, we are doing our level best (...)”

Mr Speaker, Sir, the decision for the STC to hedge its petroleum products price dates back to November 2002, when the present Leader of the Opposition was Deputy Prime Minister and Minister of Finance. The decision was taken in view of the volatility and uncertainty in the oil market, which could cause heavy losses for the STC when buying prices exceed the selling prices of the petroleum products sold on the local market. As at June 2001, the accumulated losses of the Corporation on the petroleum account were nearly Rs2 billion. It was decided in October 2002 that the hedging exercise which would be done through a Risk Management Programme, was to be inbuilt in the price structure of petroleum products. It was also decided that the cost of hedging would not be passed on to consumers, but would be accommodated in the transfer price of STC. Just to enable hedging transaction to be done in April 2004, a provision for hedging was included in the APM

regulations in the disguised item “transfer price to the STC”. I am laying on the Table of the Assembly copy of the given price structure.

Mr Speaker, Sir, hedging is not a creation of this Government. The first hedging transaction was done by STC on 29 October 2004, with Standard Bank when there was no crisis, the price of the barrel was USD 47 and was not skyrocketing. The sea was calm and the sky was blue.

*(Interruptions)*

The first hedging exercise resulted in a loss of USD 186,000, Mr Speaker, Sir.

Coming to the last hedging exercise, Mr Speaker, Sir, in July 2008, the STC took a position for Premium Unleaded covering a period of August to December 2008 and for Gas oil, the period hedged was from August 2008 to June 2009. The hedging exercise was done at a time when all market indicators and experts pointed that the price of the barrel will even reach USD 200 by end of 2008. I am tabling copy of a BBC News document to that effect.

*(Interruptions)*

Mr Speaker, Sir, afterwards, when Mr Dobson was appointed to review the hedging transactions done by the STC, he pointed out in his report that what the STC did, was, in fact, what a lot of other people did, and in all cases was driven by, I quote, “a measure of panic”.

Mr Speaker Sir, STC’s decision to continue with the hedging policy was motivated by a number of reasons: weakening of USD, hurricane forecast, winter weather condition, geopolitical factors.

Now we come to the appointment of a consultant. Mr Speaker, Sir, as a responsible Government, we have not been the least indifferent to the losses suffered from the last hedging exercise.

In February 2009, we took the decision to appoint an experienced and renowned Consultant, John Dobson, to review the hedging transactions by the STC. The decision was taken to ensure that there

was no malpractice in the transactions done and also to propose a way forward.

I wish to point out that Mr John Dobson had, in the past, carried out assignments for the STC in 1986/87 and in 2005. He is, therefore, not unknown to the Leader of the Opposition and to the previous Government.

In April 2009, the consultant submitted its report, and stated, I quote –

“As prices rose, consumers across the world were worried but believed that prices were too high to look in by hedging. (...) until prices reached heights that were very painful, and many consumers decided to buy to protect themselves against prices of USD 200/BBL and above that was being freely talked about by everybody. This gave its final impetus to the market and drove it to its peak.”

The report also pointed out that this was traditionally known as “disaster hedging” and was a perfectly valid strategy. The country was indeed protected from USD 200/BBL plus prices that were being talked about, though as it turned out, unnecessarily.

Mr Dobson has made valid recommendations in his report, which this Government is contemplating to implement. To those who dare to speak of opacity and lack of transparency, here, Mr Speaker, Sir, is the report for all Members of the House.

Allow me, Mr Speaker, Sir, to dwell on one of the main components of the price structure of mogas and gas oil and let us all listen to what hon. Jayen Cuttaree stated on this issue in 1997 when he was then the Minister of Industry & Commerce and was taking part in a motion of disallowance tabled by the then hon. Kishore Deerpalsing. I quote:

*“To simplify, the price, in fact, deals with the daily world price what is normally the Platt’s Publication Price which is an FOB price....”*

**Mr Speaker:** There is no need for the Minister to go so far down memory lane to explain all this.

**Mr Gowressoo:** Mr Speaker, Sir, I come to the June 2009 APM Exercise. Mr Speaker, Sir, I shall give a detailed explanation of the computation of the prices of mogas and gas oil effective as from 03 June 2009.

Mr Speaker, Sir, in April 2009, the price of Brent varied between Platt's price of USD 46.44 per barrel, and Platt's price of USD 52.48 per barrel, that is, a monthly average of Platt's price of USD 50.33 per barrel. In May 2009, the Brent has fluctuated from USD 51.97 to USD 64.91 per barrel, that is, a monthly average of Platt's price of USD 57.48 per barrel, resulting in an increase of 14.21%, compared to April 2009.

For Mogas, in April 2009, the CIF price of Mogas varied between Platt's price of USD 454.75 and USD 519.25 per metric ton or a monthly average of Platt's price of USD 487.69 per metric ton. In May 2009, price of Mogas varied between USD 510.50 and USD 639.75 per metric ton, or a monthly average of USD 583.26 per metric ton, representing an increase of 19.60% compared to April 2009.

The weighted average CIF per litre of mogas for April 2009 was USD 0.4170 per litre and for May 2009 it was USD 0.4930, that is, an increase of 18.23% as compared to April 2009.

Mr Speaker, Sir, CIF means Platts + Premium and Premium means Refinery Margin + Insurance + Freight. As I said, Mr Speaker, Sir, the freight for the white oil is US\$ 21 per metric ton. The calculation for gas oil is also the same, Mr Speaker, Sir.

For levy on fuel oil, Mr Speaker, Sir, we all know how essential fuel oil is to the industrial sector. Since the 01 July 2002, a levy of Rs2.00 per litre has been imposed on fuel oil. This levy impacted on the overall cost to the industrial sector. This Government, as soon as it came to power, decided to give a breathing space to industries, and removed the levy of Rs2.00 as from August 2005. This shows the determination of this Government for boosting the effectiveness and efficiency of the industrial sector.

Mr Speaker, Sir, as regards the amendment of APM regulations, prior to November 2008, the APM Certification Committee was meeting on a quarterly basis, for fixing the prices of mogas, gas oil and fuel oil. At October 31, 2008, there was a backlog of losses to the tune of Rs773 m. As there has been a gradual decrease in the prices of petroleum products on the world market since August 2008, this Government took the bold decision of amending the APM Regulations, thereby causing the benefits of the decrease to be passed on to consumers as from 01 November 2008. Thus, the APM exercise was carried out on a monthly basis instead of quarterly. The effect of such a decision was an immediate decrease of 20% in the price of gas oil, and 15% decrease of prices of mogas and fuel oil respectively. The maximum allowable increase/decrease was brought to 7.5% effective as from December 2008. Provision has been made in the price structure to recoup the accumulated losses of Rs773 m. of gas oil and fuel oil over a period of 8 months. These measures give clear-cut evidence of the Government's motto of "Putting Consumers First".

Mr Speaker, Sir, since the introduction of the APM in April 2004, the Certification Committee also comprised of a representative of the Institute of Consumer Protection. He continued to be a member of the Committee up to March 2009, when he chose to resign.

Mr Speaker, Sir, I will stress upon the performance of the STC. Mr Speaker, Sir, when this Government took over in July 2005, the STC had a backlog of accumulated losses to the tune of around Rs1.1 billion. Due to the effect of postponement of APM in July 2005, this loss was increased to around Rs2 billion in December 2005. Thanks to the bold measures taken by this Government, this huge deficit has been completely cleared off in December 2007 and STC is now profitable. Mr Speaker, Sir, figures speak for themselves and show the capacity of this Government to turn the tide.

As regards the Certification Committee, Mr Speaker, Sir, the June APM 2009 exercise, like any other exercise, has been done in the most transparent way. A Certification Committee comprising of persons



independent from STC verifies and certifies the computations of the prices submitted by the STC before same is made public.

The following persons have served as members of the Certification Committee since April 2004 are Mr Harish Bundhoo who is the actual Chairman; Mr Mahmood Cheeroo, Mr Mosadeq Sahebodin, Mr Dorsamy Ramasawmy, Mr T Servansing, Mr V Tuhobul, Mr Taukoordass, Mr Chan Chong, Mr Utchanah and Mr Khoodaruth. They are persons beyond reproach to whom I would wish to give thanks as well as support. Disallowing an APM exercise would tantamount to saying that these people have been acting in bad faith, and I leave Members on the other side of the House to their conscience, Mr Speaker, Sir.

As regards the comparison of prices with neighbouring islands, Mr Speaker, Sir, today the price of m gas in Reunion island is Rs55.36...

**Mr Speaker:** This has been said.

**Mr Gowressoo:** I shall be very brief.

**Mr Speaker:** The hon. Vice-Prime Minister & Minister of Finance said it. There is no need to repeat it.

**Mr Gowressoo:** To conclude, Mr Speaker, Sir, we are used to the gimmicks of the Leader of the Opposition. He adapts his language to suit circumstances. We are used to the gimmicks of the hon. Leader of the Opposition. He adapts his language to suit circumstances. He holds one argument when he is in Government and the contrary when he is in the Opposition. He blows hot and cold, depending on where he stands.

We, in this Government, stand steadfast to our principles and hold one language. The General Manager of the STC is the same General Manager who has been in office since 01 June 2004. Members of the Certification Committee have been in office since 2004, with the same Chairman, that is, the Director of Statistics. The items of the price structure have not been tampered with, and the mechanism has been left intact.

Mr Speaker Sir, the various measures taken by this Government have, but strengthened the APM in the most transparent manner. There

has been no postponement, and none of the existing items has been tampered with. In a period of world economic crisis, we have stood firm to our principles and beliefs, in the spirit of protecting consumers. Despite all unfair criticisms, the STC has not deviated from its objective. Be it with petroleum products or other commodities, the population has always been served in the most effective manner.

It is a pity to find that those who claim to be leaders do not pay respect to institutions that they have themselves created. Let us put a full stop to hollow speeches and demagogies. It is time for leaders to realise that we are living in an uncertain world, where discipline, dedication and attitude, seriousness and hard working would be the motto of the future generation.

With these words Mr Speaker Sir, I move that the motion of the Leader of the Opposition be set aside.

**Mr Speaker:** Is there any need for the summing-up?

**Mr Bérenger:** Yes, I am summing up. I won't be that long.

(8.22 p.m.)

**Mr Bérenger:** Mr Speaker, Sir, I wish, first of all, to thank those on the side of the Opposition who have spoken on my motion, on the motion of disallowance that is before the House.

Amongst those who spoke on the other side, only what the hon. Minister of Finance said deserves attention. I heard him say, right at the beginning of his speech: "I am not here to defend the State Trading Corporation", and he added: "*Je ne veux pas défendre l'indéfendable*". But, in fact, this is what he did, although, on certain issues – and I will come to that – he chose not to say anything. *Qui ne dit mot consent!* On several points which I raised, he chose to remain completely quiet. But, in general, *il a essayé de défendre l'indéfendable, contrairement à ce qui s'était passé plus tôt à la Chambre au moment de la Private Notice Question.*

My first point remains totally valid, that is, that the *dégringolade des prix* on the international markets was not *répercuté* as it should have been on the local market. Of course, no one on the Opposition side claimed - as he pretended to understand - that there should have been a 1:1 correlation. No one said that. But when prices on the world market have fallen from \$147 a barrel to \$30 and then going back these days to around \$70, it is clear that *définitivement* the crash in the world prices of petroleum products has not been *répercuté* as it should have been here on the local market. Everybody knows that, except those who do not want to know.

I am surprised that the hon. Minister of Finance tried to make us take it seriously when he claimed that freight rates make up for 1.3% of the total cost. It cannot be. I am surprised. It's so easy, you go on the internet - we all go on internet - it's not difficult to have a rough idea of the percentage of the final price and freight rate, but it is not and cannot be 1.3%. Absolutely no way! This is, indeed, voodoo statistics, if voodoo statistics exist.

My first point, I believe, remains totally valid. *La dégringolade des prix sur le marché international n'a pas été répercutée comme cette dégringolade aurait dû l'être sur le marché local.* It certainly has not been rebutted with arguments that freight makes up for 1.3% of total cost. This is *tout simplement pas crédible*. Not at all!

My second point, *absence de transparence*, also remains valid. Everybody on the side of the Opposition said that. This is where *le silence du ministre des finances parle plus que les longues litanies que nous venons d'entendre*. The hon. Minister of Finance did not say a word on why the copy of that agreement between the State Trading Corporation and that foreign firm could not be placed in the Library. He did not say a word on that.

Now, let's be serious. We just listened to the hon. Minister of Business, Enterprise and Cooperatives. He wants us to take him seriously. We are no *bye looké!* We must go to the Ministry and have a quick look, and then, you must not look too long! This is childish! We

don't pretend - and he should not pretend - to be expert in everything. I do not pretend to be an expert in international petroleum purchases, on freight rates, and on a lot of technicalities. We have experts like Professor Swaley Kasenally, amongst others. It is not too late. What has been mentioned is childish. Mr Speaker, Sir, if we can go supposedly and examine the document, what difference does it make to place a copy in the Library, to provide us with a copy, if there is nothing to hide? What has been proposed is childish. It is not too late. *Nous avons droit à toute la transparence nécessaire.* The hon. Minister can lay a copy in the Library if there is nothing to hide. But, until that is done, my second point that there has been no transparency holds good. I want experts to advise me. When I have a legal problem, I don't pretend to be a lawyer, I go to experts and I get legal advice. On such a technical issue, we cannot be asked to come and be peeping Toms, 'bye looké' as we say. The hon. Minister can give us a copy, we will have experts to look at it, and then we will say "yes" there is transparency. If there is nothing to hide, the hon. Minister can lay a copy of that agreement in the Library.

My third point has provoked again, what I would call, a childish, but also very short sighted reaction from the hon. Minister of Business, Enterprises and Cooperatives. Of course, we are proud that we introduced hedging. Real hedging and good hedging that makes STC make profits! I listened to the hon. Minister for Business, Enterprises and Cooperatives. In fact, he proved us right. He quoted the then Minister Koonjoo. I listened to him. What did he say? If I had that passage, I would read it. What did he say? He said that, before going for hedging, in any way – this is very risky – the then Government, the then Minister Koonjoo went for the best consultants available. This is what the hon. Minister himself quoted. In his *naïveté*, he was not even aware that he was proving us right. This is what we did. We went for the best consultants. We informed everybody that this was risky, and that is why we were going for the best consultants, and then we went for hedging and made a profit on it. What has happened in 2008?

*(Interruptions)*

It hurts! What happened in 2008? The exact opposite! And, again, *dans sa naïveté*, this is what the Minister of Business did. *Dans sa naïveté*, he told us - just as he told us that the then Minister Koonjoo said it is risky and that we must go for the best consultants; and we went for the best consultants before doing the hedging exercise - from his mouth that, in 2008, the hedging was done without expert advice, and, then, afterwards, *quand ine casse la gueule...*

(Interruptions)

Yes, afterwards! Afterwards, he went to this expert...

(Interruptions)

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

**Mr Bérenger:** And then after the crash, after the mess, we went for ‘Hodgepodge’ - I cannot remember the name of the expert - *après la mort la tisane*, we call that here, Mr Speaker, Sir. This is the truth, and this is why I listened with both ears to what the hon. Minister of Finance would say, as to whether he would, at least, give us the total figure of those hedging losses at the STC. *Silence de mort!* The figure must be available. I said, according to my information, nearly Rs4 billion have been lost and recuperated from consumers’ pockets. I expected him to tell me whether I am right, or if I am wrong, to give the figure. *Encore une fois, qui ne dit mot consent.* Not one word! I listened carefully to him. Not one word! Maybe, he is used to that. Maybe, he was being candid and thought he would sum up. But, today, it is not his summing-up time; it’s mine. So, the result is that, after all this debate, the House does not know and the country does not know, whether it is four, five, six *milliards de roupies* that have been lost. And, as I said, that kind of silence talks better than long speeches, Mr Speaker, Sir. I also listened carefully on how he would react to all the other messes, on *gros pois, ciment, le riz, la farine*. Name it!

**Mr Speaker:** No, no....

**Mr Bérenger:** Again, I said that all this goes into the price structure of...

**Mr Speaker:** No. The Leader of the Opposition cannot...

**Mr Bérenger:** What do you mean by 'no'?

**Mr Speaker:** I stop hon. Guinness. Whatever losses have been incurred elsewhere, information has to be asked, and we have to know whether it has been put in the price structure. We are just assuming. I cannot allow this.

**Mr Bérenger:** It is in the administrative cost of the State Trading Corporation! This is why we say that there is no transparency. And, again, if I was wrong, what would have prevented the hon. Minister of Finance from saying: you are wrong, this is elsewhere. He didn't say a word and, as I said earlier, *qui ne dit mot consent*, Mr Speaker, Sir. So, I am satisfied that all those different points, the points which I have made in my opening speech, stand perfectly valid. *Le crash des prix sur le marché mondial n'a pas été répercuté sur le marché local. Il n'y a pas de transparence, le hedging a été mal fait.*

The last point is about subsidies. Again, the silence of the Minister of Finance *est éloquent*. What was his argument? He says that before, we were giving subsidies through the Budget, but now they have told STC, no dividends, and to use the profits which they make on Airplane jet petroleum products and in the harbour to cross-subsidise. Implying what? That the profit that STC makes in the harbour and at the airport is sufficient to cross-subsidise on rice, flour, cooking gas? Or is it only part of the subsidies, and the rest - if I am right, and he seems to say yes - comes out of consumers' pockets?

*(Interruptions)*

Alright! If we go like that, of course!

My point is that before, we had subsidies in the Budget. The way the hon. Minister spoke gave the impression that profits made by the STC in the harbour and the airport has replaced that. I am entitled to ask! Give us figures! Give us the figures for the subsidies on rice, flour, cooking gas, what part of that sum is taken from the consumers' pockets and what part is made up of dividends, which should have been high. I

see that he is still not used to the fact that he is not summing up today. He had his opportunity then.

*(Interruptions)*

Will the Minister give way? Whenever there is a Bill and it is summing-up time, and I stand up and ask him to give way, will he give way? He will never give way! No! He has had his opportunity; he spoke and he kept silent on certain issues, and I am entitled to point out that he kept silent on vital issues.

Mr Speaker, Sir, I am satisfied that, on the four main points which I raised, and on other points which Members of the Opposition added, my motion stands validated. But, it is clear, from the attitude on the other side that it is going to be business as usual. There will be no independent inquiry; there will be no changes at the level of management or of the Board. Unfortunately, it is clear that it is going to be business as usual. *L'électorat jugera en temps et lieu.*

Thank you, Mr Speaker, Sir.

*On question put, the motion was defeated.*

## **PUBLIC BILL**

**The Prime Minister:** Mr Speaker, Sir, the Opposition has asked for more time. So, I don't propose to move for the second reading of the DNA Identification (No. XII of 2009) Bill today.

## **ADJOURNMENT**

**The Prime Minister:** Sir, I beg to move that this Assembly do now adjourn to Tuesday 30 June 2009, at 11.30 a.m.

**Dr. Sithanen rose and seconded.**

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

*At 08.38 p.m, the Assembly was, on its rising, adjourned to Tuesday 30 June 2009, at 11.30 a.m.*

## **WRITTEN ANSWERS TO QUESTIONS**

### **KINDERGARTENS - BABIES/CHILDREN – DEATH**

**(No. B/590) Mrs F. Jeewa-Daureeawoo (Third Member for Stanley and Rose Hill)** asked the Prime Minister, Minister of Defence and Home Affairs whether, in regard to babies/children who have lost their lives in kindergartens, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to the number of reported cases thereof, since July 2005 to date, indicating in each case, if an inquiry has been carried out thereinto and the outcome thereof.

**Reply:** I am informed by the Commissioner of Police that since July 2005 to date, three cases where babies/children have lost their lives in kindergartens have been reported to the Police, out of which -

- i.one is pending advice from the Director of Public Prosecutions;
- ii.one has been filed, and
- iii.one is pending enquiry.

With regard to the above cases, I am also informed by the Ministry of Women's Rights, Child Development and Family Welfare that site visits were effected by the officers of the Child Development Unit to take cognizance of the circumstances which led to the death of the children, and parents and relatives of the deceased children were provided with psychological counseling. Furthermore in June 2009, a meeting was held with the managers of all Child Day Care Centres to



discuss the safety and security measures to be taken thereat to prevent such tragic occurrences.

I am further informed that as a preventive measure, officers of the Ministry of Women's Rights, Child Development and Family Welfare regularly carry out visits to ensure that the Day Care Centres are in compliance with all standards as set out in the Regulations 2000 of the Child Protection Act; refresher courses are also conducted on Early Childhood Care and Development so as to upgrade the competencies of the employees as well as the Centre managers.

### **RODRIGUES – Mr R. G. - DISAPPEARANCE AT SEA – POSTMORTEM**

**(No. B/591) Mr J. C. Barbier (Third Member for GRNW)** asked the

Prime Minister, Minister of Defence and Home Affairs whether, in regard to the death of one R. G., who disappeared at sea in Rodrigues, he will, for the benefit of the House, obtain from the Commissioner of Police, information as if an inquiry has been carried thereinto, indicating the outcome thereof, following the postmortem examinations of the dead body.

**Reply:** I am informed by the Commissioner of Police that an inquiry has indeed been carried in this case. In fact, the report of the disappearance of Mr R.G was made at Rivière Coco Police Station on 10<sup>th</sup> June 2009 at 14 25 hours. On the same day, as from 15 00 hours, searches were started by Regular Police, National Coast Guard and CID Personnel but Mr R. G. was not found.

On 11 June 2009 as from 05 30 hours, further searches were carried out by the NCG, CID, Regular Police and personnel of Fisheries Department. Coastal patrol was maintained by Police and aerial support was received from Dornier Aircraft. At about 12 00 hours on the same day, the boat was found drifted at Ile Michel with no occupant on board.

The search operation resumed the next day by the NCG, SMF, CID and Regular Police as well as other volunteers, but to no avail. On 13 June 2009 at about 16 30 hours the body of late R. G. was found by members of the NCG and the Fisheries Department, floating in a state of decomposition at Petite Butte. The body was removed and conveyed to Queen Elizabeth hospital mortuary by the Police.

On 14 June 2009 at 15 40 hours, a post mortem was carried out by Dr Gungadin, Principal Police Medical Officer, but the cause of death was “*undetermined*” due to the advanced state of decomposition of the body.

Exhibits composed of three samples of blood have been forwarded to the Forensic Science Laboratory for analysis and the report is being awaited. I am further informed that investigation into the matter is still proceeding.

## **POLICE SERGEANTS - EXAMINATIONS EXERCISE**

**(No. B/592) Mr A. Ganoo (First Member for Savanne and Black River)** asked the Prime Minister, Minister of Defence and Home Affairs whether, in regard to the recent examinations exercise in the Police Force in relation to the rank of Police Sergeants to be promoted to Police Inspectors, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to if the exercise is now completed, indicating when the results will be published.

**Reply:** I am informed by the Commissioner of Police that promotion in the Police Force falls under the purview of the Disciplined Forces Service Commission (DFSC) and is governed by Regulations 19

of the DFSC Regulations as well as Standing Order No. 16 (Promotion) of the Police Force.

The competitive examination for promotion from the rank of Police Sergeant to Inspector of Police was carried by the DFSC on 31 January 2009. 1017 candidates sat for the examination.

Based on the number of vacancies reported by the Commissioner of Police, the DFSC, on 12 May 2009, submitted to him a list of 123 Police Sergeants who have passed the examination. The names of these Sergeants have been published in the Routine Orders on 14 May 2009.

I am further informed by the Commissioner of Police that his office is currently conducting a necessary and required administrative exercise to verify whether any of these Sergeants are under interdiction or are subject of disciplinary proceedings for any serious offence or are on unauthorized absence, and thus that there is no serious adverse report on any of them.

### **FOREIGN NATIONALS – SERVICE TO MAURITIUS SCHEME - RESIDENTIAL PERMITS**

**(No. B/593) Mrs L. D. Dookun-Luchoomun (Third Member for La Caverne and Phoenix)** asked the Prime Minister, Minister of Defence and Home Affairs whether, in regard to the foreign nationals who have been given residential permits under the Service to the Mauritius Scheme, he will state the number thereof, since 2008 to date.

**Reply:** The Service to Mauritius Programme was implemented as from April 2009 to attract very bright young people, both citizens of Mauritius and non-citizens to serve in the public sector on contract for periods between one month to a maximum of three years.

Selected non-citizens coming to service the public sector under the Programme are exempted from work and residence permits. A Registration Certificate issued by the Board of Investment in accordance with the Non-Citizen's (Employment Restriction) Act and the Immigration Act is deemed to be the document allowing the non-citizen

### **ILLEGAL HORSE RACE BETTING – CASES - INQUIRIES**

**(No. B/594) Mr P. Jugnauth (First Member for Quartier Militaire and Moka)** asked the Prime Minister, Minister of Defence and Home Affairs whether, in regard to illegal horse race betting, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to the number of reported cases thereof, since July 2005 to date, indicating if inquiries have been carried out thereinto and the outcome thereof.

**Reply:** I am informed by the Commissioner of Police that since July 2005 up to 18 June 2009, seventy-three cases of "*Illegal Horse Race Betting*" have been established by the Police.

Out of the seventy three cases:

- thirty-four have been disposed of by the Court;
- in four cases, the Director of Public Prosecutions has advised no further action;
- twenty-nine cases are pending before the Court;
- one case is pending advice from the Director of Public Prosecutions; and
- five cases are pending enquiry.

### **LES SALINES - METHADONE DISTRIBUTION – SOCIAL TENSION**

**(No. B/595) Mr J. C. Barbier (Third Member for Grand River North West and Port Louis West)** asked the Prime Minister, Minister of Defence and Home Affairs whether he is aware of the social tension that exists at Les Salines due to the distribution of Methadone at the Bouloux Health Centre and, if so, will he, for the benefit of the House, obtain from the Commissioner of Police, information as to the measures that will be taken to address the issue.

**Reply:** I have received a copy of a petition dated 12 June 2009 from inhabitants of Les Salines, Cassis and Bain des Dames in which they have expressed concern about the situation prevailing in the vicinity of Dr Bouloux Area Health Centre where Methadone treatment is being dispensed.

I am informed by the Commissioner of Police that the distribution of Methadone at Dr Bouloux Area Health Centre is done daily between 0600 hours and 0900 hours. The following policing arrangements have been made:-

- (a) one Police Officer is detailed for duty daily at the Centre from Monday to Sunday for the maintenance of law and order;
- (b) the distribution exercise is covered by the personnel of the Bain des Dames Police Station which maintains mobile patrols composed of one Police Sergeant and two Police Constables;
- (c) frequent patrols are also carried out by the personnel of the Metropolitan (South) Division, the Divisional Support Unit and the ERS, and
- (d) ADSU personnel are maintaining mobile patrols in the vicinity to monitor the movements of suspected persons.

I have already impressed upon the Commissioner of Police of the need to tighten security at all places where methadone is being dispensed.

## DISABLED PERSONS - WHEELCHAIR - WAITING LIST

(No. B/631) Mrs M. Martin (Second Member for Curepipe & Midlands) asked the Minister of Social Security, National Solidarity and Senior Citizens Welfare & Reform Institutions whether, in regard to the physically handicapped persons registered at her Ministry, she will state the number thereof –

- (a) in the different categories, and
- (b) who necessitate a wheelchair, indicating those who -
  - (i) have obtained same, and
  - (ii) are on the waiting list.

**Reply:** Regarding the first part of the question, it is most unfortunate that the Ministry has never set up a dedicated database on disability. As such, I am not in a position to inform the House about the number and categories of physically disabled person.

However, in line with the National Plan of Action on Disability, launched in December 2007, my Ministry with the support of UNDP has since May 2009 embarked on the setting up of a database on Disability with the assistance of a foreign Consultant. The database will be ready shortly.

According to Basic Invalidity Pension and Basic Retirement Pension records available at the Ministry there are 45,815 persons who benefit from Basic Invalidity Pension, Basic Retirement Pension and Carer's Allowance and children suffering from a severe disability in receipt of a Carer's Allowance.

With regard to part (b), the number of persons necessitating a wheelchair cannot be ascertained as disabled persons requiring wheelchairs apply to the Ministry on the basis of a Medical Certificate whenever they need one.

I have to inform the House that every year my Ministry purchases around 1000 wheelchairs in two or three consignments which are issued to persons with disabilities.

The number of persons who have applied for wheelchair from January 2009 to date is 731, and 416 of them were issued wheelchairs on first come and first served basis. There is a waiting list of 315.

The waiting list is explained by the fact that the procedure for purchase of wheelchairs is a lengthy process which involves different steps in accordance with the Public Procurement Act.

The Ministry has already started procedures for the purchase of another 562 wheelchairs and the consignment will be received by the end of June 2009 and the list of 315 applications will be cleared.

I must also inform the House that my Ministry as from the next financial year will issue customised wheelchairs (compared to standard wheelchairs which have always been issued) as well as appropriate assistive devices (like walking frames and tripods) to disabled persons.

### **TALENTED SPORTS YOUNGSTERS – SUPPORT & TRAINING**

**(No. B/632) Mrs M. Martin (Second Member for Curepipe & Midlands)** asked the Minister of Youth & Sports whether, in regard to the talented sports youngsters, he will state if he will consider the creation of a specialised centre to assist them develop their skills and talents through an accompanying programme.

**Reply:** Section 4(2)(k) of the Sports Act provides that the responsibility for the promotion and development of a sports discipline rests with the respective Federation. Thus Sports Federations do provide technical support and appropriate training to young sportsmen to develop their skills and talents.

Moreover, my Ministry has since 2004 set up the Trust Fund for Excellence in Sports to cater for very talented youngsters through a programme of '*Sports Etudes*'. The Trust in close collaboration with the

respective Sports Federation also promotes the academic development of sportsmen and imparts training to them to allow them to excel in their respective discipline.

Besides my Ministry also operates several “*Ecoles des Sports*” in different sports disciplines throughout the country to detect and develop talents at their very young age.

The question of creating another centre therefore does not arise.

## **SANSKRIT LANGUAGE - TEACHING AND LEARNING**

**(No. B/633) Mr Y. Varma (First Member for Mahebourg & Plaine Magnien)** asked Minister of Education, Culture & Human Resources whether, in regard to the teaching and learning of the Sanskrit language, he will state the steps taken by Government to encourage same.

*(Withdrawn)*

## **PLAIN MAGNIEN ROUNDABOUT/SSR INTERNATIONAL AIRPORT – ROAD EMBELLISHMENT**

**(No. B/634) Mr Y. Varma (First Member for Mahebourg & Plaine Magnien)** asked the Minister of Environment & National Development Unit whether, in regard to the embellishment of the road running between the Plain Magnien roundabout and the Sir Seewoosagur Ramgoolam International Airport, he will state where matters stand.

*(Withdrawn)*

## **PLAINE MAGNIEN - AIRPORT CITY PROJECT**



**(No. B/635) Mr Y. Varma (First Member for Mahebourg & Plaine Magnien)** asked the Vice-Prime Minister, Minister of Finance & Economic Empowerment whether, in regard to the proposed Airport City Project in Plaine Magnien, he will, for the benefit of the House, obtain from the Board of Investment, information as to where matters stand.

*(Withdrawn)*

### **SWAMI VIVEKANANDA INTERNATIONAL CENTRE – STRATEGIC PARTNER**

**(No. B/636) Mr R. Bhagwan (First Member for Beau Bassin & Petite Rivière)** asked the Vice-Prime Minister, Minister of Finance & Economic Empowerment whether, in regard to the Swami Vivekananda International Centre, Les Pailles, he will –

- (a) state where matters stand concerning the expression of interest inviting for a strategic partner for the management thereof, and
- (b) for the benefit of the House, obtain from the Centre, information as to the yearly revenue obtained, since 2006 to date.

**Reply:** As the House is aware, in October 2006, the State Investment Corporation Ltd invited Expressions of Interest for Strategic Partnership for Domaine Les Pailles and management of the Swami Vivekananda International Conference Centre.

In respect of that exercise, out of the 8 proposals received only two were retained but discussions could only be pursued with one. However, as SIC and the promoter could not reach conclusion on the proposed

project mix and cost contribution, they mutually agreed not to proceed further with that proposal.

In view of the policy of Government for the SIC to move out from commercial activities, SIC launched a second Expression of Interest in May 2009.

I am informed that as at the closing date of 05 June 2009, 8 firms showed interest and have sent their proposals. The firms will be called to make a presentation of their proposals in more details and are expected to carry out a due diligence exercise by mid-July 2009. They will subsequently be called upon to submit a formal bid.

As the House is aware the Swami Vivekananda International Convention Centre was built in the context of the SIDS Conference. The project was financed under grant and loans from the Government of India as well as local loans. As such the project was not subject to a feasibility study as to its commercial viability. The cost of construction including cost incurred for SIDS meeting amounts to around Rs775 m. Obviously, the Conference Centre cannot generate sufficient revenue to cover its running cost and debt servicing. Government consequently has had to absorb all cost relating to the servicing of the Indian Line of credit and take over its debt by restructuring its equity and thus make it financially viable.

Insofar as part (b) of the question is concerned, the company has generated revenue in the amounts to Rs20 m., Rs24 m. and Rs22 m. respectively for the years starting 2005/06 to 30 June 08.

The company has however made cumulative losses amounting to Rs35 m. over the same period. This is a direct consequence of the financing cost of the centre.

## **INTEGRATED RESORT SCHEMES - PROJECTS**

**(No. B/637) Mr P. Jugnauth (First Member for Quartier Militaire & Moka)** asked the Vice-Prime Minister, Minister of Finance

& Economic Empowerment whether, in regard to the Integrated Resort Schemes projects, he will –

- (a) in each case, state the number thereof which have been
  - (i) completed and the number of villas sold as at to date,
  - (ii) frozen and since when, and
- (b) for the benefit of the House, obtain from the Board of Investment, information as to the new projects that have been approved.

**Reply:** I am informed by the Board of Investment that since the launch of the Integrated Resort Scheme a total of 20 projects have so far been approved.

One project, namely the Tamarina Golf Estate Ltd has been completed.

Four other projects are currently under implementation. They are namely Anahita Estates Ltd and Anahita IRS Forty Ltd, Les Villas de Bel Ombre Ltd, Belle Rivière Promotion Ltd and Albion Development Ltd (Club Med).

I am further informed that a total of 387 IRS residential units have been sold to date under the various projects, representing an investment of half a billion dollars.

With regards to part (a) (ii) of the question, no IRS project has been frozen. However, due to the global recession and the increasing difficulty which investors are facing to get access to financing, 11 IRS developers have delayed the implementation of their projects until 2010. The remaining four IRS projects are expected to be implemented after 2010.

As the House may be aware, the promoter of the Corniche Bay project, is under receivership. I am informed that the receiver manager has received at least four firm proposals from prospective investors for investment in the project. Based on the interests registered so far, it is expected that implementation of the project could start by the end of this year.

As regards part (b) of the question, 10 projects were approved by the Board of Investment in 2008 and for this year, to date four projects have been approved. The latest project was approved on 16 April 2009.

### **HOTEL RECONSTRUCTION SCHEME – CRITERIA**

**(No. B/638) Mr P. Jugnauth (First Member for Quartier Militaire & Moka)** asked the Vice-Prime Minister, Minister of Finance & Economic Empowerment whether, in regard to the Hotel Reconstruction Scheme, as announced in the last Budget Speech, he will state the –

- (a) specific criteria that have been laid down;
- (b) hotels that qualify therefor, and
- (c) number of applications received as at to date, indicating their respective dates.

*(Vide reply to PQ No. B/620)*

### **SECTION PITON II BRIDGE – REPAIRS**

**(No. B/639) Mr P. Jugnauth (First Member for Quartier Militaire & Moka)** asked the Minister of Public Infrastructure, Land Transport & Shipping whether he is aware that the bridge at Section Piton II, also known as Piton Margerette, near Vuillemin, is in an impracticable state and if so, will he state if consideration will be given for its repairs.

**Reply:** I am informed by the Moka/Flacq District Council that the bridge an old one made up of stone, overflows during heavy rainfall.

I am informed that necessary repairs to the bridge including the handrails will be undertaken by the Council in financial year 2010.

### **CEB – DOMESTIC CUSTOMERS – ELECTRICITY SUPPLY- DISCONNECTION**

**(No. B/640) Mrs A. Navarre-Marie (First Member for GRNW & Port Louis West)** asked the Deputy Prime Minister, Minister of Renewable Energy & Public Utilities whether, in regard to the domestic customers of the Central Electricity Board, he will, for the benefit of the House, obtain from the Board, information as to the number thereof who have had their electricity supply disconnected, since January 2006 to March 2009, giving a breakdown thereof district-wise.

*(Withdrawn)*

### **CERVICAL CANCER – VACCINATION PROGRAMME**

**(No. B/641) Mrs L.D. Dookun-Luchoomun (Third Member for La Caverne & Phoenix)** asked the Minister of Health & Quality of Life whether he will state if Government proposes to set up a vaccination programme against cervical cancer for young girls.

**Reply:** I wish to refer the hon. Member to the reply I gave to PQ No. B/377 at our sitting on Tuesday 28 April 2009 wherein mention was made that my Ministry is currently examining the technical and financial implications of introducing the vaccine against Human Papilloma Virus.

### **FOREIGN INVESTORS, PROFESSIONALS & SELF-EMPLOYED – OCCUPATION PERMIT**

**(No. B/642) Mr A. Ganoo (First Member for Savanne & Black River)** asked the Vice-Prime Minister, Minister of Finance & Economic Empowerment whether, in regard to foreign investors, retired non-citizens, self employed non-citizens and foreign professionals who have applied for an occupation permit, since 2007 to date, he will, for the benefit of the House, obtain from the Board of Investment, information as to the number of applications received and approved in each category.

**Reply:** I am informed by the Board of Investment that, since 01 January 2007 to date -

- 869 applications were from foreign investors of which 868 were approved;
- 137 applications were from self-employed non-citizens, and they were all approved;
- 3,150 applications were from foreign professionals of which 3,145 were approved, and
- Insofar as applications for resident permit are concerned, 374 applications were received from retired non-citizens of which 373 were approved.

The House will thus note that in all seven applications were rejected and I am advised that these were in respect of applicants who were on the immigration stop list.

As the House is aware, an occupation permit is delivered to a foreign investor whose company generates an annual turnover exceeding Rs3 m.

Insofar as a foreign professional is concerned, his basic salary should exceed Rs30,000 per month, whereas for a self-employed non-citizen his annual income should exceed Rs600,000.

Insofar as a retired non-citizen is concerned, he is instead delivered a residence permit on the condition that he transfers a minimum of USD40,000 annually, or its equivalent in convertible currency in a local bank account.

Applications for such permits are channeled through the Board of Investment to the Passport and Immigration Office where approval is given.

**EDUCATIONAL TOURS – STUDENTS – FREE TRANSPORT**

**(No. B/643) Mrs A. Navarre-Marie (First Member for GRNW & Port Louis West)** asked the Minister of Education, Culture & Human Resources whether, in regard to the students, he will state if he will consider the advisability of allowing them to travel freely on presentation of a special letter issued by the management of the institution when proceeding on educational tours approved by their respective institution.

*(Withdrawn)*

### **EDUCATIONAL INSTITUTIONS – CELLULAR PHONES - BAN**

**(No. B/644) Mrs A. Navarre-Marie (First Member for GRNW and Port Louis West)** asked the Minister of Education, Culture and Human Resources whether he will state if he will consider the advisability of imposing a ban on the use of cellular phones by the students during school hours while being in the precincts of their respective educational institution.

*(Withdrawn)*

### **MEDICAL NEGLIGENCE - INQUIRIES**

**(No. B/645) Mrs A. Navarre-Marie (First Member for Grand River North West and Port Louis West)** asked the Minister of Health and Quality of Life whether, in regard to medical negligence, he will state the number of reported cases thereof, since January 2006 to date, indicating if inquiries have been carried out thereinto and the number of cases where negligence has been established.

*(Withdrawn)*

**BELL VILLAGE SSS & SNIT CENTRE – BUS TOP**

**(No.B/646) Mr S. Lauthan (Third Member for Port Louis Maritime and Port Louis East)** asked the Minister of Public Infrastructure, Land Transport and Shipping whether he is aware that most buses plying on their way towards the motorway do not stop at the lay-by near the Bell Village State Secondary School and the SNIT Centre and, if so, state if consideration will be given for the putting up of a bus stop thereat.

**Reply:** I am informed by the National Transport Authority that both Bell Village SSS and Shah Noorani Institute of Technology (SNIT) are situated close to each other along Old Moka Road at Bell Village.

A lay-by measuring 40m x 3m has been created near the State Secondary School to accommodate only dedicated school buses in the morning and the afternoon. Stage carriage buses plying on their way towards the motorway are not authorized to stop at the lay-by as it is not a bus stopping place.

From a traffic management and road safety point of view, this lay-by should not be used as a bus stop for regular buses, as this would lead to school buses being forced to park at alternative spaces on the road itself. This would result in the Old Moka Road being obstructed, thus leading to traffic jams. On the other hand, students would have to walk on the road to their buses which might lead to accidents. These problems should be avoided at all cost.



As there is already a bus stop in a lay-by and shelter in the direction of the motorway, at a distance of 300m from the Bell Village State Secondary School, the need to create a bus stopping place does not arise for the time being.

### **SIR SEEWOSAGUR RAMGOOLAM STREET, PORT LOUIS – STREET LANTERNS**

**(No. B/647 Mr S. Lauthan (Third Member for Port Louis Maritime and Port Louis East)** asked the Minister of Local Government, Rodrigues & Outer Islands whether, in regard to the proposed installation of 24 additional street lanterns along the Sir Seewoosagur Ramgoolam Street, Port Louis, he will, for the benefit of the House, obtain from the Municipal Council of Port Louis, information as to where matters stand, indicating when the project is expected to be completed.

**Reply:** I wish to refer the hon. Member to the reply I made on 31 March 2009 to Parliamentary Question A/1 on this issue.

I am informed by the Municipal Council of Port Louis that the 24 additional street lanterns along Sir Seewoosagur Ramgolam Street, Port Louis will be installed during the financial year ending 31 December 2009.

