



SEVENTH NATIONAL ASSEMBLY

PARLIAMENTARY

DEBATES

(HANSARD)

(UNREVISED)

FIRST SESSION

TUESDAY 29 JUNE 2021

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Hon. Pravind Kumar Jugnauth	Prime Minister, Minister of Defence, Home Affairs and External Communications, Minister for Rodrigues, Outer Islands and Territorial Integrity
Hon. Louis Steven Obeegadoo	Deputy Prime Minister, Minister of Housing and Land Use Planning, Minister of Tourism
Hon. Mrs Leela Devi Dookun-Luchoomun, GCSK	Vice-Prime Minister, Minister of Education, Tertiary Education, Science and Technology
Dr. the Hon. Mohammad Anwar Husnoo	Vice-Prime Minister, Minister of Local Government and Disaster Risk Management
Hon. Alan Ganoo	Minister of Land Transport and Light Rail Minister of Foreign Affairs, Regional Integration and International Trade
Dr. the Hon. Renganaden Padayachy	Minister of Finance, Economic Planning and Development
Hon. Mrs Fazila Jeewa-Daureeawoo, GCSK	Minister of Social Integration, Social Security and National Solidarity
Hon. Soomilduth Bholah	Minister of Industrial Development, SMEs and Cooperatives
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Hon. Mahen Kumar Seeruttun	Minister of Financial Services and Good Governance
Hon. Georges Pierre Lesjongard	Minister of Energy and Public Utilities
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Hon. Sudheer Maudhoo	Minister of Blue Economy, Marine Resources, Fisheries and Shipping
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Hon. Avinash Teeluck	Minister of Arts and Cultural Heritage
Hon. Teeruthraj Hurdoyal	Minister of Public Service, Administrative and Institutional Reforms

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MAURITIUS

Seventh National Assembly

FIRST SESSION

Debate No. 21 of 2021

Sitting of Tuesday 29 June 2021

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

The National Anthem was played

(Mr Speaker in the Chair)

PAPERS LAID

The Prime Minister: Mr Speaker, Sir, the Papers have been laid on the Table.

**A. Ministry of Housing and Land Use Planning
Ministry of Tourism**

The Landlord and Tenant (Extension of Moratorium for Fair Rent Tribunal) Regulations 2021. (Government Notice No. 138 of 2021)

B. Ministry of Education, Tertiary Education, Science and Technology

The Annual Report of the University of Technology Mauritius for the financial year 01 January 2014 to 31 December 2014.

C. Ministry of Finance, Economic Planning and Development

(a) The Annual Report of the Accountant-General and the Accounts of the Government of the Republic of Mauritius for the financial year ended 30 June 2020.

(b) The Digest of Public Finance Statistics 2017/2018.

(c) The Digest of Agricultural Statistics 2018.

(d) The Annual Digest of Statistics 2018.

(e) The Economic Development Board (e-Commerce Scheme) (Amendment) Regulations 2021. (Government Notice No. 137 of 2021)

**D. Ministry of Labour, Human Resource Development and Training
Ministry of Commerce and Consumer Protection**

(a) The Consumer Protection (Scrap Metal) (Amendment) Regulations 2021. (Government Notice No. 139 of 2021)

(b) The Rodrigues Consumer Protection (Control of Price of Taxable and Non-Taxable Goods) (Amendment No. 14) Regulations 2021. (Government Notice No. 140 of 2021)

E. Ministry of Health and Wellness

The Public Health (COVID-19 Vaccines for Emergency Use) (Amendment No. 4) Regulations 2021. (Government Notice No. 136 of 2021)

MOTION**SUSPENSION OF S.O. 10(2)**

The Prime Minister: Mr 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.

Mr Seeruttun seconded.

Question put and agreed to.

(11.33 a.m.)

STATEMENT BY MINISTER**FATF PLENARY MEETINGS 2021**

The Minister of Financial Services and Good Governance (Mr M. Seeruttun): Mr Speaker, Sir, with your permission, I wish to make a Statement on the latest developments with regard to the inclusion of Mauritius under the Financial Action Task Force "*list of Jurisdictions under Increased Monitoring*".

Mr Speaker, Sir, for recall, in my Statement to the House on 24 February 2020, I informed this Assembly about the substantial progress made in relation to the technical compliance with respect to the FATF Recommendations since the Mutual Evaluation Report in 2018 where Mauritius was rated largely compliant or compliant with 35 out of the 40 FATF Recommendations. I also informed the House that the FATF had identified five strategic deficiencies which Mauritius must implement to improve the level of effectiveness of its AML/CFT regime. At its Plenary meeting in February 2020, the FATF placed Mauritius on its "*list of Jurisdictions under Increased Monitoring*" and provided Mauritius with an Action Plan to be implemented within a time frame of around two years. At this Plenary meeting, Mauritius took a high-level political commitment to implement the Action Plan within the agreed timelines.

Mr Speaker, Sir, since the placing of Mauritius on the FATF list, Government has been proactive in tackling these strategic deficiencies, *inter alia*, through the setting up of an inter-Ministerial Committee, chaired by the hon. Prime Minister, to monitor closely the progress made in the implementation of the Action Plan. The hon. Prime Minister has extended his unflinching support to my Ministry and all relevant institutions in this national effort to strengthen the country's AML/CFT framework, both in terms of technical compliance and effectiveness. In this context, Government has invested massively in all

supervisory bodies and law enforcement agencies to provide them with all necessary resources.

Mr Speaker, Sir, the Core Group of the National Committee on Anti-Money Laundering and combatting the Financing of Terrorism, chaired by the Financial Secretary, has been overseeing the work being undertaken by all the implementing agencies and provided strategic guidance as appropriate. In December 2020, a sub-Committee of the Core Group was mandated to ensure close monitoring of the remaining Action Plan items. The sub-Committee met the relevant implementing agencies, almost on a daily basis, to ensure that any challenges are dealt with promptly and the agencies focused their activities in demonstrating progress made in addressing the FATF Action Plan.

Mr Speaker, Sir, a first Progress Report was submitted in March 2020 but could not be considered by the FATF in view of the prevailing COVID-19 situation. Subsequently, on 31 July 2020, Mauritius submitted a revised first Progress Report to the FATF Africa/Middle East Joint Group. A second Progress Report was submitted to the Joint Group on 27 November 2020, to demonstrate further progress made in addressing the 5 strategic deficiencies identified by FATF since July 2020. Mauritius submitted a third Progress Report to the Joint Group on 02 April 2021, which was considered at the recent June 2021 FATF Plenary. It is to be noted that during all virtual face to face meetings held with the Joint Group and the FATF Plenaries held since September 2020, Mauritius has been commended for its strong political commitment and the sustained progress made in the implementation of the FATF Action Plan.

Mr Speaker, Sir, at its Plenary meeting held from 23 to 25 June 2021, the FATF has made the initial determination that Mauritius has substantially completed its Action Plan and warrants an on-site assessment to verify that the implementation of Mauritius's AML/CFT reforms have begun and is being sustained and that the necessary political commitment remains in place to sustain implementation in the future. The FATF has highlighted that Mauritius has made the following key reforms, including by –

- (1) conducting outreach to promote understanding of ML and TF risks and obligations;
- (2) developing risk-based supervision plans effectively for the Financial Services Commission;

- (3) ensuring access to accurate basic and beneficial ownership information by competent authorities in a timely manner, and
- (4) providing training for law enforcement authorities to ensure that they have the capability to conduct money laundering investigations.

The FATF will continue to monitor the COVID-19 situation and conduct an on-site visit at the earliest possible date.

Mr Speaker, Sir, it is worth noting that during the ICRG process, Mauritius has worked in close collaboration with the ESAAMLG Secretariat, which provided technical support and valuable guidance to the Mauritian Authorities. Mauritius has also benefited from technical assistance from the European Union, Germany, UK, France, the IMF and the UNODC to support the implementation of the Action Plan. For the period July 2020 to date, around 1,000 participants from different implementing and supervisory bodies have received training in numerous fields, including, *inter alia*, Suspicious Transactions Reporting, Risk Based Supervision, Beneficial Ownership, Parallel Financial Investigations, Targeted Financial Sections, Risk Assessment of Non-Profit Organisations, and Terrorism Financing. As far as possible, trainings were conducted online and all physical trainings were conducted in accordance with strict sanitary protocols.

Mr Speaker, Sir, the positive outcome from the FATF is the result of work undertaken by all the supervisors, law enforcement agencies and different committees who have worked diligently and tirelessly. This is also the result of the public-private partnership in this national effort. It is worth noting that since the placing of Mauritius on the FATF list of '*Jurisdictions under Increased Monitoring*', the different institutions and the private sector have displayed an unprecedented spirit of team work and very strong collaboration, with a common objective to exit the FATF list at the earliest.

In fact, Mr Speaker, Sir, over the past few years, Government has intensified its efforts and deployed a series of remarkable measures to bring our jurisdiction in conformity with international norms. Mauritius made further progress in respect of Technical Compliance and is now rated compliant or largely compliant with 36 out of 40 FATF recommendations. This demonstrates our unflinching commitment to continue strengthening our AML/CFT system, well before and beyond the FATF list, thereby ensuring effective adherence to all international standards on AML/CFT.

Mr Speaker, Sir, to conclude, I would like to mention that my Ministry together with the Core Group of AML/CFT and concerned institutions have already developed an extensive work plan in preparation for the submission of the next Progress Report to the Africa Middle East Joint Group and the forthcoming on-site visit of the FATF delegation.

Let me reassure the House that the Government will continue along this path and will remain committed to leave no stone unturned to complete the delisting process in the FATF list of '*Jurisdictions under Increased Monitoring*'. This will enable Mauritius to eventually exit the EU and UK lists of '*High Risk Third Countries*'.

Thank you, Mr Speaker, Sir.

PUBLIC BILLS

Third Reading

On motion made and seconded, the Appropriation (2021-2022) Bill (No. X of 2021) was read the third time and passed.

Second Reading

THE SUPPLEMENTARY APPROPRIATION (2020-2021) (No. 2) BILL

(No. XI of 2021)

Order for Second Reading read.

(11.43 a.m.)

The Minister of Finance, Economic Planning and Development (Dr. R. Padayachy): Mr Speaker, Sir, I move that the Supplementary Appropriation (2020-2021) (No. 2) Bill (No. XI of 2021) be read a second time.

The Bill makes provision for a supplementary appropriation of Rs23,600,000,000 under Vote 27-1: Centrally Managed Initiatives of Government in respect of services of Government for the Financial Year 2020-2021.

The House will recall that a sum of Rs144.3 billion was voted for Financial Year 2020-2021. In addition, a Supplementary Appropriation Bill of Rs17 billion was introduced in the National Assembly in November 2020 and was voted in May 2021 mainly for equity injection in the National Property Fund Ltd to enable the Company to meet its immediate debt obligations.

Mr Speaker, Sir, between November 2020 and now, there have been major unforeseen developments at the national level. In particular, there has been the second lockdown in March/April 2021 with the resurgence of the virus.

Accordingly, Government took a number of measures to preserve livelihoods and mitigate the negative impact on the economy. The Wage Assistance Scheme and the Self-Employed Assistance Scheme were extended to workers in the non-tourism sector. A one-off grant of Rs10,000 was also paid to the self-employed. In addition, new projects and schemes were approved under the Economic Recovery Programme. Furthermore, expenditure has to be incurred following the decision of the Judicial Committee of the Privy Council in the case *Betamax Ltd versus State Trading Corporation*.

Mr Speaker, Sir, it is in this context that the House is being called to vote for a second Supplementary Appropriation Bill which is in line with Section 105(3) (a) of the Constitution. The Supplementary Appropriation of Rs23.6 billion caters for the following –

- (1) a grant of Rs9.2 billion to the National Resilience Fund mainly in connection with the payment of a one-off grant to self-employed, and the payment of the Wage Assistance Scheme and the Self-Employed Assistance Scheme;
- (2) a grant of Rs4 billion to the COVID-19 Projects Development Fund for the implementation of additional projects approved under the Economic Recovery Programme;
- (3) a grant of Rs4.6 billion to the State Trading Corporation (STC) to enable the Corporation to settle its liability following the decision of the Privy Council in the *Betamax versus STC* case;
- (4) a contribution of Rs2.5 billion towards the National Environment and Climate Change Fund for implementation of projects and programmes aimed at protecting the environment and mitigating risks associated with climate change;
- (5) an initial contribution of Rs1 billion towards the National COVID-19 Vaccination Programme Fund for the purchase of vaccines, and
- (6) Rs2.3 billion to write-off some long-outstanding loans that were provided to public bodies.

The items of expenditure concerned as well as explanatory notes thereon are set out in the Estimates of Supplementary Expenditure (ESE) that has already been tabled in the National Assembly.

Mr Speaker, Sir, I will now elaborate on each of the items requiring supplementary appropriation.

In the 2020-2021 Budget, provision was made for payment of the Wage Assistance Scheme and the Self-Employed Assistance Scheme to those working in the tourism sector only as a second wave of the COVID-19 epidemic in Mauritius was not anticipated. With the resurgence of the virus in March 2021, as a policy decision, all expenses in connection with securing livelihoods and supporting employment and enterprises that were not budgeted are being met under the National Resilience Fund (NRF).

Accordingly, an amount of Rs9.2 billion is required under the National Resilience Fund for the following –

- (a) Rs2.3 billion for the one-off grant of Rs10,000 paid to some 227,000 self-employed in March 2021, and
- (b) Rs6.9 billion for payment of Wage Assistance Scheme and Self-Employed Assistance Scheme. This provision will, *inter alia*, cater for -
 - (i) payment for half the month of March of Wage Assistance Scheme and Self-Employed Assistance Scheme to operators in the non-tourism sector;
 - (ii) payment for a full month of April of Wage Assistance Scheme and Self-Employed Assistance Scheme to SMEs and self-employed, large public bus companies and large enterprises which were not allowed to operate such as casinos;
 - (iii) payment for the full months of May and June of Wage Assistance Scheme to enterprises which had to remain closed following the lifting of the national confinement such as registered training institutions, restaurants and fast food, fitness centres, casinos, cinemas and wedding halls, or those whose activities are located in a Red Zone. Self-Employed Assistance Scheme was also paid to self-employed who

were not allowed to operate such as artists, hawkers, who reside in a Red Zone, or whose activities are located in a Red Zone, and

- (iv) payment of Wage Assistance Scheme (WAS) and Self-Employed Assistance Scheme (SEAS) up to September 2021, that is, aligned with Government's decision for partial reopening of borders on 15 July and full reopening as from 01 October 2021.

The grant of Rs2.5 billion to the National Environment and Climate Change Fund will be used as follows -

- (a) Rs0.8 billion for cleaning and embellishment of public sites, drains, bridges and rivers, including for the acquisition of compactor/tipper lorries and other equipment;
- (b) Rs0.6 billion for the rehabilitation, protection and management of beaches, lagoons and coral reefs;
- (c) Rs0.6 billion for the Solid Waste Management Programme, including vertical expansion project at Mare Chicose Landfill, and
- (d) Rs0.5 billion for the Landslide Management Programme.

The supplementary appropriation of Rs4 billion to the COVID-19 Projects Development Fund will be used for the implementation of projects that were approved under the Economic Recovery Programme. This provision will be utilised as follows -

- (a) Rs2.8 billion for infrastructure projects such as construction of roads, sports and leisure amenities as well as projects in Rodrigues and Agalega;
- (b) Rs0.65 billion for the Solar Water Heater Schemes and installation of solar PV on public buildings;
- (c) Rs0.25 billion for environment protection and embellishment, and
- (d) Rs0.3 billion for the acquisition of modern tools for local authorities, replacement of irrigation system, acquisition of water tankers, installation of inflatable reservoirs and replacement of defective production meters.

As regards the STC, on 22 June 2021, the Corporation has paid around Rs5.6 billion to Betamax Ltd, representing damages for default under the contract of affreightment, and legal and associated costs.

In this context, Government provided an advance of Rs4.6 billion from the Consolidated Fund to the Corporation. The remaining balance of around Rs1 billion was met by the Corporation from its own funds. Accordingly, a provision of Rs4.6 billion is required to clear the advance.

Concerning the National COVID-19 Vaccination Programme Fund, Rs1 billion is being provided to meet the cost of acquiring vaccines. As at date, 862,400 doses of vaccines have been purchased and a sum of Rs609 million has been spent. Moreover, orders have been placed for the purchase of some 3.3 million doses of vaccines for which funds will be required.

This supplementary appropriation will, therefore, cater for the amount already spent and also ensure availability of sufficient funds for effecting timely payments in respect of upcoming deliveries of vaccines.

Mr Speaker, Sir, in this Supplementary Appropriation Bill, we are also providing for the write-off of some long outstanding loans which were extended to some public bodies by successive Governments from the Consolidated Fund. Some of them dates back to more than 3 decades and have still not yet been repaid. I wish to inform the House that several actions have been initiated by Government to ensure the recovery of these loans. These actions include, *inter alia*, the following -

- (a) rigorous monitoring of repayment of the loans as scheduled by sending timely repayment notices;
- (b) rescheduling of repayment of loans in cases where the public bodies are facing cash flow and financial difficulties, and
- (c) providing a longer moratorium period for the loans so that the public bodies can service the loans when they have started to reap positive returns on their investments.

In spite of the above measures, some of these public bodies are still not in a position to repay their loans to Government in view of their precarious financial situation which has exacerbated with the outbreak of the pandemic. The House will note that this issue has been raised by the Director of Audit in his reports.

In addition, in my reply to a Parliamentary Question on the subject matter last month, I informed the House that my Ministry was analysing on a case to case basis the financial

situation of these public bodies and that I will come up with appropriate measures. It is in this context that we are writing-off, in a phased manner, some of the outstanding loans for public bodies that have no repayment capacity. My Ministry will continue to work with public bodies in implementing turnaround plans to improve their financial situation, including measures to contain expenditure and reduce wastages, raise revenue and better manage their assets.

A sum of Rs2.3 billion is, therefore, being appropriated to write-off outstanding loans as follows –

- (a) Rs732.8 million for Central Water Authority;
- (b) Rs651.2 million for Polytechnics Mauritius Ltd;
- (c) Rs385.1 million for Wastewater Management Authority;
- (d) Rs291.2 million for Irrigation Authority;
- (e) Rs154.1 million for National Transport Corporation;
- (f) Rs67.3 million for Mauritius Broadcasting Corporation;
- (g) Rs5.7 million for Mauritius Meat Authority, and
- (h) Rs12.7 million for other institutions.

Mr Speaker, Sir, the approval of the House is being sought for the writing-off of the above outstanding capital amounts, given that funds were initially appropriated and released as loans to these public bodies. The supplementary appropriation of Rs2.3 billion will be used solely for effecting book adjustments in the accounts of Government and will, therefore, not entail any cash withdrawal from the Consolidated Fund. As regards the arrears on interests and penalties on these loans, they will be waived accordingly.

Mr Speaker, Sir, I wish to inform the House that, except for the grant to the STC, the above supplementary expenditure has already been factored in the revised estimates for the current financial year that were published in the 2021-2022 Budget Estimates. The budget deficit for the current financial year is now expected to be around 6.6% of GDP instead of 5.6%. The public sector debt would be around 96% of GDP instead of 95% of GDP.

Mr Speaker, Sir, I now commend the Bill to the House.

The Prime Minister seconded.

(11.57 a.m.)

The Leader of the Opposition (Mr X. L. Duval): Mr Speaker, Sir, I have a number of points to make. The first point relates to the Explanatory Memorandum of the Bill. This is what it says –

“The object of this Bill is to provide for (...) expenditure, both recurrent and capital, in respect of services of Government for the financial year 2020-2021 (...).”

Now, do you believe, Mr Speaker, Sir, after what you have heard the Minister say, that we are on 29 June, tomorrow is the end of the financial year and, suddenly, the Minister of Finance, Economic Planning and Development is going to spend Rs23.6 billion? Of course, it is a misnomer!

In fact, Mr Speaker, Sir, I will even go to say that this Explanatory Memorandum is a fake. Because, Mr Speaker, Sir, of this Rs23.6 billion, let me take out the Rs4.6 billion to Betamax, which I understand has already been paid, etc. But the bulk of the Rs23.6 billion consists of Rs16.7 billion transferred to Special Funds. Now, when will these Special Funds be used? Because, according to the Minister’s own Estimates, which are year in year out underestimated, at the end of next financial year, which is going to start in two days’ time, there will be at least Rs20 billion standing to the credit, therefore, available in those same Special Funds. What we are saying, Mr Speaker, Sir, is there are sufficient amounts of money already in the Special Funds to meet all the expenditures that the hon. Minister has just told us he has met or will meet. All of them! In fact, Mr Speaker, Sir, according to his own Estimates, there will be, at the end of business tomorrow, on the opening of business on 01 July, Rs35 billion in Special Funds. Rs35 billion! Even if you are to take out the Rs17 billion, you still end up, Mr Speaker, Sir, with Rs18-19 billion left to spend on everything that the hon. Minister has told us he has spent! That money is already there!

So, I reiterate my point, Mr Speaker, Sir, that what Government is trying to do is building a war chest for the future, building as much as possible, increasing the budget deficit as much as possible in this year, maybe even next year, so that they can build a war chest to be used and spent on an unsuspecting electorate ahead of the next political electoral campaign. That is what is being done today.

In fact, Mr Speaker, Sir, the appropriate Explanatory Memorandum for this Bill today is that it is providing supplementary appropriation, both recurrent and capital, in respect of services of Government for the Financial Years 2020-2021, 2021-2022 and 2022-2023 at

least, and probably even more, right ahead of the next General Election. That is what this Bill is providing because there is already tons of money in the Special Funds, sufficient to meet all of the expenditures that have been incurred to date, and as the hon. Minister, himself, has said, this money will be, will be, will be! Will be when? Not tomorrow! Will be when? Next year; year after! So, that is, Mr Speaker, Sir, my first point. It is artificially increasing the budget deficit to make future years look better for the Government because the money will be used from that huge kitty. Never before have Special Funds reached that sort of amount, as I have mentioned, Mr Speaker, Sir, to keep a war chest for the next electoral campaign, therefore, killing two birds with one stone.

There have been uses of Special Funds ever since, I think, 2008, but never on this gigantic scale, so much so, Mr Speaker, Sir, that the figures that have been given as far as budget deficit is concerned, as far as public debt is concerned, are today meaningless and do not reflect reality. So much tampering has occurred in respect to public debt; in respect to Special Funds; in respect to budget deficit; in respect to amounts granted, given/loaned by the Bank of Mauritius. The figures that the Government of Mauritius, now, are giving us as to budget deficit and public debt are, Mr Speaker, Sir, totally meaningless, and that is the sad thing about it. And I say again, if this Bill was not to be passed today, there would still, Mr Speaker, Sir, be about Rs4 billion left at the end of next year in the Special Funds. It gives you an idea, Mr Speaker, Sir, that, really, this amount of money is not required, neither for this year nor for next year. It will be after those two years that money may be used.

My second point, Mr Speaker, Sir, is whose money is this anyway, that we are putting in the Special Funds? Whose money is it? Because in the course of this Financial Year, Rs31.7 billion, about Rs32 billion have been transferred to Special Funds. Where does this money come from? Does it come from a flourishing economy? Does it come from huge taxes received? Of course, not! Of course, it does not come from all that. It comes from the Bank of Mauritius; that is where the money comes from. We have to be clear about the source of that money that is being put in Special Funds. In all, at the end of business tomorrow, there will be about Rs35 billion, all of it, money from the Bank of Mauritius. We remember, Mr Speaker, Sir, that over the last two years, a huge amount of Rs158 billion has been snatched from the Bank of Mauritius to pay for Government's expenditure, often wasted expenditure, and for the Mauritius Investment Corporation (MIC).

We were first told, Mr Speaker, Sir, by the then Minister of Finance and by the current Minister of Finance that the IMF approved this. This was fine, I mean it is okay. IMF

has approved, even the Bank of Mauritius told us. It is fine. IMF has approved; that is not true. And when you read, Mr Speaker, Sir, not only the Press Releases, but the full Staff Report and the Director's comments released early this morning, you will see that what has been done is not at all to the taste of the IMF because they have said three things –

- (i) “not to proceed with any further such transfers to the Government of Mauritius - In fact, change the law; I quote the IMF - to pre-empt - such transfers in the future.”

Mr Speaker, Sir, we are told again –

- (ii) “that the MIC should be financed directly from Government-owned funds and not from the Bank of Mauritius, which should disengage from the MIC.”

And, Mr Speaker, Sir, this is probably the worst thing. In the IMF own words, the Balance Sheet of the Bank of Mauritius has been “degraded”.

Can you imagine that word used in an IMF Report? All these transfers from the Bank of Mauritius to the Government of Mauritius have degraded the Balance Sheet of the Bank of Mauritius. It has been, according to the IMF –

“subject to substantial deterioration of its Balance Sheet, which could challenge fulfilling the Bank of Mauritius price stability mandate.”

That is, defending the value of rupee, mopping up excess liquidity, etc.

So, Mr Speaker, Sir, we are here putting in a war chest money that does not rightly belong to the Government of Mauritius; it belongs to the Bank of Mauritius. And here, Mr Speaker, Sir, when the IMF tells us that we should recapitalise the Bank of Mauritius, what does that mean ‘recapitalise the Bank of Mauritius’? In fact, it means we should return money that we have taken to the Bank of Mauritius. That is what it says. We should return the money that we have taken back to the Bank of Mauritius. And that is, Mr Speaker, Sir, what the IMF is saying; return it. And instead - and this is my point - of returning at least the Rs16.7 billion that appear available today, which we are putting in Special Funds, at least that, probably also the Rs2.3 billion of write-off of all balances, all this money, Mr Speaker, Sir, instead of being put in a Special Fund, should be returned to the Bank of Mauritius to recapitalise the Bank. And I will tell you, Mr Speaker, Sir, why it is urgent that we should recapitalise the Bank of Mauritius, that is, prop up its Balance Sheet because it is necessary for us to have a stable Bank of Mauritius to defend the rupee - we will talk about that in a

moment - to mop up excess liquidity and to do such other things that the Bank of Mauritius mandate requires the Bank to do.

Mr Speaker, Sir, if you calculate, since the Government has been snatching money away from the Bank of Mauritius, the Balance Sheet of the Bank of Mauritius has weakened by Rs41 billion - I do not want to go too much into figures - has deteriorated by Rs41 billion. In fact, I can prove, any decent Accountant can prove that as at yesterday's date, before the devaluation, the Bank of Mauritius, Mr Speaker, Sir, had a deficit on its Balance Sheet. It had a deficit of about Rs5 billion on its Balance Sheet; not a surplus, a deficit of Rs5 billion. So much money has been taken by the Government, Mr Speaker, Sir; Rs5 billion deficit on its Balance Sheet for the once reputed Bank of Mauritius. So, the Bank of Mauritius equity is negative mainly, Mr Speaker, Sir, because of this Rs28 billion false loan; loan not loan; advance not advance given to the Government of Mauritius.

Mr Speaker, Sir, I have taken the trouble to write to the Auditors of the Bank of Mauritius. Do you know who the Auditors are, Mr Speaker, Sir? A firm called KPMG. Now, KPMG is renowned in Mauritius, perhaps not sufficiently renowned. I am just saying that so that people know. The KPMG, in fact, were the Auditors of BAI, when BAI went bankrupt. I am not saying anything funny is going on because the senior partner then was fired. So, KPMG are now the Auditors of the Bank of Mauritius, and I have written to them, to tell them to be very careful and not to include supposed assets which are only recoverable over 200 years.

So, we will see what KPMG does with my letter and with the Audit responsibilities because it is not up to me, it is not up to the hon. Minister of Finance or even the Governor of the Bank of Mauritius to decide whether the Bank of Mauritius Balance Sheet is in deficit or not in deficit. It has to be approved by Auditors and that is why KPMG has an extremely important role to play, and I am thus, Mr Speaker, Sir, through this speech, putting them in front of their responsibilities.

Now, Mr Speaker, Sir, what has happened, of course, is that, by magic, the rupee has been depreciated substantially yesterday by 4%. I think the rupee now, if you take it against the dollar, will be something like Rs43 against a dollar. Since the election, Mr Speaker, Sir, the rupee has lost 16% of its value against the dollar. The rupee has lost 25% of its value since the election of November/December 2019 against the euro. The rupee has lost another 26% against the pound sterling. What does that mean? That means, for the Bank of Mauritius,

that all its reserves will be obviously revaluated and the deficit that it was going to show, as of the day before yesterday, suddenly will disappear through an artificial revaluation of its reserves; an artificial, if you want, fictitious, not realised revaluation of its reserves. And that will, for the unknowing, save the Bank of Mauritius from showing a deficit on its Balance Sheet after, as I mentioned, the Rs28 billion correction is made to this advance that is not an advance.

But, Mr Speaker, Sir, the devaluation of yesterday, the massive devaluation, has a cost. It has a cost for inflation. People who have to buy all sorts of foodstuffs which are imported; people who are constructing houses; people who have the ambition to buy a small car, a new car; everything will go up and has been going up and will continue to increase. The Bank of Mauritius Balance Sheet will be protected; it will show artificially a surplus. There is not a free meal, as they say, Mr Speaker, Sir. Who is going to bear the brunt of that? It is, Mr Speaker, Sir, the consumer.

Now, what has been done, Mr Speaker, Sir, as I mentioned, the Bank of Mauritius has been degraded, the Balance Sheet has been degraded and money given to the Government and now put into the Special Fund. In fact, Mr Speaker, Sir, if you want to coin perhaps a well-known proverb, '*déshabiller Saint Pierre pour habiller Saint Paul.*' This is what the Government has done. *Ine déshabille* the Bank of Mauritius and *habille* the Government's own finances, with the consequential effect on the Bank of Mauritius, Mr Speaker, Sir.

(Interruptions)

In a colloquial way, people might understand what has actually happened, what the hon. Minister of Finance has done. He has been good at *déshabiller et réhabiller*. And this is, Mr Speaker, Sir, what, I think, the people will understand properly. At the cost, Mr Speaker, Sir, as I mentioned, of a strong devaluation in the rupee, probably unprecedented - except in the bad old days - with a massive effect on the cost of living and the purchasing power of Mauritians, Mr Speaker, Sir. And, of course, further losses on the Bank of Mauritius Balance Sheet are expected as the investments in the Mauritius Investment Corporation continue to play, Mr Speaker, Sir.

And the third thing, before I move on to a few other items, is accountability. Now, in the past, wrongly so, I think, we were always blamed for using Special Funds and there is no accountability as to the expenses, Mr Speaker, Sir. In fact, Mr Speaker, Sir, I would like to complain about the Estimates this year. The Estimates this year, Mr Speaker, Sir, give no idea

at all about how the funds have been used over the year. We know, Mr Speaker, Sir, that in last year's Estimates, we were supposed to have Rs9.1 billion tomorrow in the Special Funds. That is what we were given last year. We are given, this year, Mr Speaker, Sir, this page here, page 485, with a piece of paper that says that, tomorrow, there will be Rs35 billion in the Special Funds. The difference between one and the other, we can only guess. We can guess that Rs16.7 billion is there, but if you take Rs9 billion and you add Rs16 billion, you still do not come to the Rs35 billion here. We have no idea, Mr Speaker, Sir, about what money has really been received in the Special Funds, and most importantly, where this money has been spent. We have no idea. It has not been provided for.

And now, Mr Speaker, Sir, I will give you why, I think, democracy is, in fact, being undermined and going down the drain hole in Mauritius. This is what used to be provided under the old Government. Mr Speaker, Sir, I am going to table that; this is the Estimates of 2014 and I was Minister of Finance. You look at it, it is completely different to this one because it gives you the whole history of each Special Fund, the amount, the receipts, the payments, the transfers, ever since the Fund was set up so that you could follow at any time and question in Parliament and speak in the Budget debates. You could tell exactly what has happened in a Special Fund. Today, Mr Speaker, Sir, accounting-wise, we do not know exactly what the Minister of Finance has done with the Special Fund. It is a black hole. We can guess like a jigsaw puzzle; we can try and put, but we will never get to the figures because we simply do not have the figures. And this is, Mr Speaker, Sir, if you do not mind me saying so, a lack of respect to the National Assembly; it is a lack of respect to ask us to vote successively up to Rs31.7 billion in Special Funds over the year and not to tell us exactly, not to account for it in this House and expect for us to have a debate like this and expect for us to speak during the Budget debates without knowing what has happened to taxpayers' money. It is a lack of respect, Mr Speaker, Sir, similarly, as we have just been given now by the hon. Minister of Finance, details of the Rs2.3 billion, the debts that he is going to write off.

Is it, Mr Speaker, Sir, not a lack of respect to wait for his Second Reading debate speech to tell us where that Rs2.3 billion is going? Does he expect us to respond like that, off the cuff, from figures that he has given? Can't we have, Mr Speaker, Sir, with your help, some more respect for the National Assembly; that we are given exactly the movements on the Special Funds so that the main purpose of the National Assembly is to control funds spent and received by Government? Isn't it more respectful to provide us with the figure? And isn't

it disrespectful of the hon. Minister of Finance, in his second Reading debate, to give us details of the Rs2.3 billion of write-off that he is going to effect in a few moments, Mr Speaker, Sir? Let it be like that. I hope, Mr Speaker, Sir, that what I have said has not gone on deaf ears and, as it is, we will have to wait for the Report of the Director of Audit in February to be able to understand what has actually happened in the Special Funds. Thank God for the Director of Audit!

Mr Speaker, Sir, a few other things before I finish. Money is being provided here for the Wage Assistance Scheme. Now, again, the IMF has mentioned it, I have mentioned it before; it cannot just be stopped abruptly on 30 September. There will be companies, especially in the tourism sector, but also in the leisure industry. We are talking about cinemas, restaurants, etc., which will continue to be affected by COVID. Part of the restrictions may stay. Even if all the restrictions are removed, there will be a slow start-up to activity.

My request, Mr Speaker, Sir, to the hon. Minister of Finance and to Government is that the Wage Assistance Scheme should not, as has been stated in the Budget debates, stop abruptly on 30 September and should continue. I will remind the House, Mr Speaker, Sir, that the Wage Assistance Scheme was not provided as a first response by the hon. Minister of Finance, but it was after the Opposition, including myself, had made repeated requests for a type of Wage Assistance Scheme...

(Interruptions)

Mr Speaker: Order!

Mr X. L. Duval: ...that such schemes were put in, same as I am asking for it to be continued after 30 September.

(Interruptions)

Mr Speaker: Order!

Mr X. L. Duval: Mr Speaker, Sir, the Vaccination Programme; a lot has been said, why, in fact, is it necessary to tax people Rs2 for every litre of diesel and petrol, even when it is bad quality diesel and petrol, but, hopefully, it is not bad quality this time, why is it necessary to tax people when so much money is floating around, which will not be used for many, many years to come.

Mr Speaker, Sir, as far as the Rs4.6 billion which has been paid to Betamax on top of the Rs2 billion or so, directly from STC, a Commission of Inquiry has been proposed, agreed, whatever the word is, by Government, and I read from the Cabinet Decision that it is to be presided by a Judge. Now, a Judge is a Judge. For me, a Judge is a Sitting Judge. A Commissioner of Police is a Commissioner of Police; a retired Commissioner of Police is not a Commissioner of Police. So, I understand that it is a Sitting Judge, as the Opposition has requested; that a Sitting Judge who is appointed to head this Commission of Inquiry because we know that the Sitting Judge is only appointed with the agreement of the Chief Justice. So, there is a *droit de regard* from the Chief Justice as to which Judge is actually appointed, whereas a retired Judge could be a number of retired Judges who are presently struggling, I believe, with some of the Commissions of Inquiry which have been set up by Government. So, we do hope, Mr Speaker, Sir, that we have understood correctly, that when you say presided - perhaps, we can hear from that later on - by a Judge, that is going to be a Sitting Judge.

Mr Speaker, Sir, that is what I had to say concerning the Supplementary Appropriation Bill. My main point being, of course, that this money is nothing but a creation of a war chest and its proper place is to be returned to the Bank of Mauritius to recapitalise the Balance Sheet.

Thank you, Mr Speaker, Sir.

Mr Speaker: Hon. Minister Dookun-Luchoomun!

(12.24 p.m.)

The Vice-Prime Minister, Minister of Education, Tertiary Education, Science and Technology (Mrs L. D. Dookun-Luchoomun): Mr Speaker, Sir, let me, at the very start of my intervention, state how shocked I am to hear the Leader of the Opposition, who was himself a former Minister of Finance, state that through the Supplementary Appropriation Bill, Government is preparing a war chest for the elections to be held in 2024. Mr Speaker, Sir, we are in 2021, we are going through a crisis and the whole world is going through the same crisis and the impact of this crisis is being felt across the world. But it seems that the Leader of the Opposition is not aware of it.

We have in this House today Mr Speaker, Sir, a Supplementary Appropriation Bill and we have to approve this Bill to the tune of Rs23.6 billion. The sum being sought is to serve a dual purpose. The first, Mr Speaker, Sir, is to consolidate the several actions

undertaken here during what has been perhaps the most catastrophic crisis that have reached our shores, and the second, is to stave off a possible worsening of the situation, is there are no steps adopted to sustain the measures already put in place. Mr Speaker, Sir, perhaps this is an answer to the hon. Leader of the Opposition, who was wondering why we need to have this Appropriation of additional reserves.

Mr Speaker, Sir, I honestly do not believe that there should really be a debate over the different centrally managed initiatives that are spelt out under this Appropriation. I mean, it's crystal clear that any Government would seek to reinforce what has worked so that it more positively responds to the needs of the day.

Let's have a quick look at the Rs9.2 billion being sought here for the National Resilience Fund. Resilience, Mr Speaker, Sir, means the ability not to take things lying down, but to bounce back, and bounce back with vengeance. Can we envisage not doing that? Can we even imagine what would have been the consequences of not engaging in innovative approaches to dealing with the pandemic? Mr Speaker, Sir, let us consider what would have been the results if urgent corrective actions and socioeconomic measures had not been taken by Government. We know that across the world Governments have resorted to different means to support their people, people who had started feeling the impact of pandemic. They obviously adopted measures that were contextually relevant to them. The measures were diverse because it was impossible; it was out of question to even think of a one size fits all scenarios.

This Government, Mr Speaker, Sir, knew that it had to come up with previously unthought-of measures, unprecedented actions that would help people to escape the economic dungeons that were looming their head. Mr Speaker, Sir, we all know what Government has done to support the very needy and we all knew that it could not be business as usual or random responses. These had to be novel, non-conformists measures. Incidentally, may I remind the House that many of these measures received a very favorable review from the UNDP, and even the IMF, in spite of what the hon. Leader of the Opposition has just said. And, what were these measures, Mr Speaker, Sir? We have talked about the Government Wage Assistance Scheme; we have talked about the Self- Employed Assistance Scheme and the one-off grant to self-employed people. Such and similar schemes have proved to be most beneficial, Mr Speaker, Sir. It's only those who do not want to see it that would say so, that would say that it had not been beneficial. We do realise that within 10 days of the launch of the Self-Employed Assistance Scheme and the Wage Assistance Scheme, there were already

175,000 applications received at the MRA and these applications were online, Mr Speaker, Sir. Officers have been working in spite of the confinement to support these people. We should also remember that these two schemes supplied as well for impacted operators, employers and self-employed posts in the Red Zones, as well as mentioned by the Minister of Finance.

Mr Speaker, Sir, the amounts invested - I will not say spent - in the Government Wage Assistance Scheme and Self-Employed Assistance Scheme are indicative of their effective reach. Thus, as at 09 June 2021, the Government Wage Assistance Scheme concerned 278,982 employees while the Self-Employed Assistance Scheme involved 260,886 beneficiaries. The total amount disbursed stood at Rs16 billion and for the Self-Employed Assistance Scheme, around Rs6.6 billion.

Mr Speaker, Sir, il y a des familles mauriciennes qui vivent au jour le jour et, pendant le confinement, sans l'aide apportée par l'Etat, cela aurait été catastrophique pour eux. Il fallait à tout prix éviter ce scénario qui aurait pu nous mener vers une explosion sociale. Government has put forward a number of COVID-19 related socio-economic measures and there is no doubt that these have mitigated the impact on the vulnerable segments of society.

We do realise, as a caring Government, that many people living in dire conditions need an economic safety net, need something to fall back on. It is our moral and ethical duty as Government to safeguard their livelihoods, to ensure some comfort to them because, Mr Speaker, Sir, the damage caused to them is more than just collateral. It is hard. It is direct.

Mr Speaker, Sir, this is why the Minister of Finance is preparing himself because we are living in a world of uncertainty. COVID has brought its lot of uncertainty and we need to prepare ourselves and get ready to be able to react and to respond timelessly. We had to intervene and we will continue to intervene as a protective gesture, if any, and if and when the need arises. I have said it before, Mr Speaker, Sir, not supporting those who are economically vulnerable is absolutely out of question for this Government. We are a caring Government. We have shown that we can act and act timelessly and effectively because, Mr Speaker, Sir, we do have a conscience. Had we not adopted these measures, the crisis would have been real and hard-hitting.

Mr Speaker, Sir, the measures adopted to avert the ill-effects of the crisis, are clearly visible in the Health and Education Sectors. For me, they are both deeply intertwined. We believe in herd immunity and that is why the Supplementary Appropriation Bill makes a

direct allusion to the vaccination process. Mr Speaker, Sir, today we know that as the situation stands, one out of two adults has already been vaccinated. We have covered 48% of the population and we should be soon getting to the 60% mark that would provide us general immunity. And, Mr Speaker, Sir, we shall be getting there soon.

Mr Speaker, Sir, this concerns as much my Ministry as it concerns the Ministry of Health and Wellness. We have to ensure the necessary health-checks of those that are directly linked to schools - school staff, service providers and others, so as to protect our children. If this means introducing additional measures to increase public confidence in vaccination, so be it. But as matters stand now, we cannot walk away from our responsibility to protect and ensure the safety of all our learners. Their health and their security as well as their mental health are uppermost in our consideration. I am glad to state, Mr Speaker, Sir that more than 90% of the school personnel have already been vaccinated and we are moving ahead. What does this indicate, Mr Speaker, Sir? It indicates that Government is primarily concerned with protecting the population at large and this, at any cost. I can assure the House that the country will not witness a scrooge-like miserly stewardship where the well-being of the population is concerned.

In this context, allow me, Mr Speaker, Sir, to briefly refer to the COVID-19 Project Development Fund. All economists will confirm that our GDP has contracted because of the COVID-19 pandemic. In fact, the biggest dip in our GDP was recorded in the second quarter of the 2020 as it contracted by 32.5%. Now, we all know how this will impact on our economy, on our people. Mr Speaker, Sir, I will not go deep into the economic analysis but I will simply insist on the fact that the economic recovery plan, *le plan de relance et de l'investissement et de l'économie*, has to necessarily be fully implemented and that too, timelessly. This plan comprises a series of measures and these target boosting GDP and growth, protecting jobs, creating new ones, reducing dependence on imports and improving the overall wellbeing of the population. These cannot be avoided if we want to give a spring to the heels of our economy.

Mr Speaker, Sir, allow me to refer to item 28222023 - *Write-off of loans* that has a direct pertinence to my Ministry, especially where Polytechnics Mauritius is concerned. You will recall, Mr Speaker, Sir, that the former regime, prior to 2014, had come up with a project relating to the construction of campuses and the premises of which were to be rented to public and private operators in the higher education sector. In this connection, a loan of Rs486 m. was extended by the Ministry of Finance to the then Knowledge Parks Ltd and

Knowledge Parks Ltd was a purely commercial vehicle that was expected to repay the loan from revenue collected as rent from these institutions.

Mr Speaker, Sir, when this Government came to power in late 2014, we came up with the idea of setting up Polytechnics Mauritius. This body had to launch work ready programmes that are aligned to the nation's select sectors of the economy and Polytechnics Mauritius Ltd has become a flagship organisation that now leads the way in putting a new face on technical education. It has successfully attracted more than 2000 students after only three years of operation. Since the premises are not rented but instead of welcoming students enrolling for technical education, the question of repaying the loan no longer holds nor is it warranted.

As of 31 March 2021, it is to my understanding that the loan stood at Rs810 m., including accrued interest. I am, therefore, deeply grateful to my colleague, the Minister of Finance, who has positively considered the request to write-off this loan. Indeed, the writing-off of the loan is a clear-cut signal of the importance this Government attaches to our ambition to give technical education its rightful place. We want to create the conditions whereby students of technical education of today, will become the creators of jobs for tomorrow.

Mr Speaker, Sir, I would continue by taking another item under the ESE, item 26323058 – *National Environment and Climate Change Fund*. Mr Speaker, Sir, it is important for us to remember that Mauritius is the seventh most vulnerable country in the world so far as the impact of climate change is concerned.

Petit Etat insulaire que nous sommes, il n'y a pas mal d'enjeux majeurs qui nous rendent vulnérables. Nous avons l'érosion de nos plages, la montée des eaux, les *landslides*, les *flashfloods*. Donc, ce n'est que louable que nous allouons R 2 milliards de fonds supplémentaire pour le ministère de l'environnement afin de sauvegarder nos plages et de mitiger les effets du changement climatique.

Mr Speaker, Sir, yes, we are all concerned about the settlement of the STC's liability to Betamax as a direct consequence of the ruling of the Privy Council. I will simply state that effecting the monetary settlement only goes to prove how deliberately ironclad the modalities of the contract had been worked out as highlighted in the ruling of the Supreme Court of Mauritius.

Mais, M. le président, ceux qui, de l'autre côté de la Chambre, se réjouissent et viennent nous pointer du doigt, ne perdent rien à attendre. Laissons la Commission d'enquête faire son travail. *We shall separate the wheat from the chaff* et la vérité émergera, M. le président.

M. le président, je comprends que le Leader de l'Opposition est en faveur de l'instauration de cette commission d'enquête et nous allons attendre avec lui les *findings* de cette commission parce que la vérité, comme je l'ai dit, M. le président, émergera et cela certainement.

M. le président, nous faisons tous confiance au ministre des Finances et nous faisons confiance à toutes les mesures annoncées dans son Budget. Il s'agit là des dépenses éminemment justifiables pour servir l'intérêt du peuple de notre République.

Merci M. le président.

(12.39 p.m.)

The Minister of Health and Wellness (Dr. K. Jagutpal): Mr Speaker, Sir, outright, I wish to thank my colleague, Dr. the hon. Renganaden Padayachy for having provided to my Ministry the funds required for the upgrading of our health establishments, as well as the procurement of equipment.

Before I embark on the Budget allotted to my Ministry, I would first come back to the point raised by the Leader of the Opposition on the money that has been taken by the Government from the Bank of Mauritius. I wish, in lay terms, to have this again because this has been subject to debate. At the time when the country is going through the economic downturn due to the COVID-19 situation that we all know, what should the Government have done? Is it not the right way that we have been able to sustain the welfare state, we have been able to provide Wage Assistance Scheme and we have been able to sustain our economy through the Bank of Mauritius? Or should there be other possibilities, we should have lent money from other banks, international organisations and paying huge interest? Or we should not have used that money, we should have let unemployment rise, tax our welfare state or the other option?

I am sure, if the Government would have done the other way, the Leader of the Opposition would have come and tell us: "Why have you not taken money from the Bank of Mauritius? Why have you not done so?" This has been the same; it goes in the same line for the sitting Judge for Betamax. If the presiding Judge would have been a retired one, then the

same question would have come. It has always been the same question that keeps on coming for Government's position on the different projects. We all know that from the very beginning that has been the debate that if you do something in this way, even for the vaccine it has been the debate, I will not go again on that.

Mr Speaker, Sir, I will come on what my Ministry is doing especially about accountability and transparency. My Ministry was allocated a total amount of Rs100 m. under the COVID-19 Projects Development Fund, vote and subhead 26323208, for the following upgrading works –

- (1) Rs58.1 m. for the Signage/Sanitary Facilities Renovation and Upgrading of Mediclinics, of 116 Community Health Centres, 23 Area Health Centres and the Provision of Generator in Belvédère Mediclinic;
- (2) Rs2.5 m. for the acquisition of containers in Area Health Centres, Community Health Centres and Mediclinics in order to cater for additional storage of medical and other supplies,
- (3) Rs15 m. is provided for two refrigerated containers at Castel warehouse. These containers are being used for the storage of COVID-19 vaccines which require a strict cold-chain monitoring.
- (4) Rs10 m. for the improvement of waiting areas at the Moka Eye Hospital,
- (5) An amount of Rs14.4 m. for maintenance works at various Mediclinics, Area Health Centres and Community Health Centres (CHC), and
- (6) An amount of Rs3.7 m. for the Department of Operations Support Services of which Rs3,278,228 have been utilised for works and services. I am tabling the list of works with the contractors and all the details.

Mr Speaker, Sir, the list of works undertaken and already completed for a total amount of Rs8,509,849. This also, I will table.

Ongoing works, Mr Speaker, Sir, for a total amount of Rs5,481,915, for this one also, I am going to table the list of expenses.

Mr Speaker, Sir, tenders for a total amount of Rs24,721,100 are due to be awarded and works are expected to start shortly.

Mr Speaker, Sir, I will now come to the National COVID-19 Vaccination Programme Fund Vote, sub-head 26323209. As at date, Mauritius counts 558,883 persons vaccinated with a first dose of COVID-19 vaccine and 228,073 persons who are fully vaccinated. This represents around 45% of the population having had a first injection and by end of this week, nearly 20% of the population would be fully inoculated. Every day, around 14,000 people are either getting their first dose or second dose of a COVID-19 vaccine.

Mauritius launched its National Vaccination Programme on 26 January this year, only some weeks after world super powers started to vaccinate their respective populations. Vaccination target groups were established under the WHO recommendation. As we speak, my Ministry has already vaccinated more than 55,000 frontliners, more than 24,000 Mauritians living with comorbidities that have been administered COVID-19 vaccines, including diabetes and cancer patients. More than 104,000 senior citizens have been vaccinated, including 1,086 residents of homes. We also vaccinated more than 267,000 workers and employees of the public and the private sector.

Mr Speaker, Sir, I wish here to highlight the unflinching and undeniable commitment of our Prime Minister in making sure that our country had the required number of doses of vaccines for our population. The huge positive response of our citizens at large is proof that they have fully understood that along with sanitary measures, vaccination remains an essential tool in fighting COVID-19.

Mr Speaker, Sir, I stated it in this very House. We will act fast but without haste. This is exactly what this Government did and is still doing. In July 2020, the Global Alliance for Vaccines and Immunization (GAVI) invited Mauritius to express its interest for the procurement, through the COVAX Facility, of COVID-19 vaccines being developed by several international pharmaceutical companies.

After consultation with all relevant stakeholders, my Ministry entered into an agreement with the GAVI/COVAX Facility, to secure vaccines to cover 20% of the population. My Ministry has already effected a down payment of Rs32,785,440 and has given a bank guarantee of Rs135,367,690. My Ministry has also paid Rs18.3 m. for the supply of 100,800 doses of AstraZeneca vaccines by GAVI Alliance/COVAX Facility through UNICEF. This sum includes handling and other incidental fees claimed by UNICEF. 62,400 doses have already been received through the COVAX Facility and 38,400 doses are expected before end of July 2021.

Mr Speaker, Sir, as the vaccines to be provided by the GAVI Alliance/COVAX Facility would cover only 20% of the population, my Ministry sought information on availability of COVID-19 vaccines from other sources. We explored all available possibilities to maximize our chances of getting safe and secure vaccines in a timely manner. Apart from the COVAX Initiative, the African Union (AU) also informed my Ministry that it was proposing to procure COVID-19 vaccines for AU Member countries through the African Medical Supplies Platform and the African Vaccine Acquisition Trust (AVAT).

The latter informed my Ministry that the allotment for Mauritius would be 199,682 doses, of which 48,451 from Pfizer and 151,231 from Johnson and Johnson.

My Ministry also approached African Vaccine Acquisition Trust (AVAT) to secure additional doses of the Johnson and Johnson vaccines. My Ministry therefore made a down payment of Rs52,200,000, representing 15% of the total costs for the Johnson and Johnson vaccine doses ordered.

On 02 June 2021, the African Vaccine Acquisition Trust informed my Ministry that it had obtained a reduction in the price of the vaccine from 10 US\$ per dose to 7.50 US\$ per dose. Consequently, the total number of doses of Johnson and Johnson vaccines would be much higher than what was convened initially in the previous order. The first consignment is expected to be received by August 2021, as informed by the African Union.

Mr Speaker, Sir, my Ministry also approached other manufacturers namely AstraZeneca (Oxford), Pfizer/Moderna and Gamaleya Research Institute to enquire about the process and modalities for the procurement of their respective vaccine, the prices thereof, the supply chain, the temperature requirement and the expected date of availability.

Pfizer requested my Ministry to enter into a Non-Disclosure Agreement and held a working session/webinar on 07 January 2021. Thereafter, my Ministry submitted a request for the procurement of Pfizer vaccines. However, there has not been any response up to now.

On 16 December 2020, the Ministry of Foreign Affairs, Regional Integration and International Trade informed my Ministry that the Serum Institute of India was ready to provide AstraZeneca vaccines manufactured under the brand name Covishield. The vaccine had been validated by the World Health Organisation and is administered in two doses, with the second dose being administered after 8 to 12 weeks for more efficacy.

The Indian authorities informed my Ministry that the Government of India would make a donation of 100,000 doses of Covishield vaccines to Mauritius to enable us to kick-

start our vaccination programme. The consignment reached Mauritius on 22 January 2021 and our programme started on 26 January 2021 in Mauritius and on 06 February 2021 in Rodrigues.

On 27 January 2021, a firm order was placed with the Serum Institute of India for the purchase of 300,000 doses of Covishield vaccines, that is, 100,000 doses to be supplied in February 2021, 100,000 doses in first quarter 1 and 100,000 doses in second quarter. A Vaccine Purchase Agreement was thereafter signed between my Ministry and the Serum Institute of India on 15 February 2021. On 21 February 2021, the first consignment of 100,000 doses of Covishield vaccines reached Mauritius for which my Ministry disbursed the sum of Rs21.1 m.

On 05 March 2021, the High Commission of India informed my Ministry that vaccines against COVID-19 manufactured by Bharat Biotech India Ltd and commercialised under the brand name COVAXIN was available for procurement by Mauritius and submitted relevant documentation regarding same. The National COVID-19 Vaccination Committee gave its approval for the use of COVAXIN. My Ministry thus procured 230,150 doses of COVAXIN from Bharat Biotech India Ltd at the rate of 15 US\$ per dose and for a total amount of Rs139.6 m. The consignment reached Mauritius on Friday 19 March 2021.

On 12 March 2021, the Ministry of Foreign Affairs, Regional Integration and International Trade informed my Ministry that the Government of the People's Republic of China would make a donation of 100,000 doses of Sinopharm vaccines to Mauritius. The National COVID-19 Vaccination Committee gave its approval to accept the Sinopharm vaccine. The consignment reached Mauritius on 13 April 2021 and my Ministry paid for freight charges amounting to Rs10.3 m.

Subsequently, in order to roll out our vaccination campaign, my Ministry placed an order for 500,000 Sinopharm vaccines. The consignment reached Mauritius on 20 May 2021. An amount of Rs308 m. was disbursed for this purpose. Moreover, an amount of Rs11,943,997 was paid for freight charges and handling fees.

My Ministry has placed a second order for additional doses of Sinopharm vaccines, for which a down payment of Rs20.7 m. has been effected. The next consignment of the Sinopharm vaccine doses will reach Mauritius on 04 July 2021, for which payment of 7.5 m. US\$ (approximately Rs380 m.) has been effected. My Ministry will also have to disburse an additional sum of some Rs12 m. for freight charges and handling fees.

Mr Speaker, Sir, my Ministry, through the Ministry of Foreign Affairs, Regional Integration and International Trade, also approached the Russian authorities with a view to securing supply of the Sputnik vaccines. Subsequently, after exchange of correspondence, my Ministry placed an order for Sputnik vaccines comprising equal doses of two components, namely Component I and Component II. A first consignment of 60,000 doses of component I will be received tomorrow, for which an amount of Rs24.5 m. has been effected. An additional amount of about Rs2.4 m. will have to be disbursed for freight charges and handling fees.

Mr Speaker, Sir, I also wish to pay tribute to the staff of my Ministry who has had to re-invent their skills to fight an enemy, up till now, unknown to this world. We have managed the pandemic. At the same time, we have also made sure that our normal health services remain fully operational. Staff has been called to work additional long hours, on one hand fighting the novel Coronavirus and on the other hand, remaining true to our commitment of ensuring the population's health.

My Ministry has also proceeded with the recruitment of some 275 Medical Health Officers and Nurses on contract basis to allow the smooth running of services for a period of six months. Today, in addition to our normal health mandate, we are also involved in contact tracing exercises, management of COVID-19 treatment centres, management of quarantine centres and the ongoing vaccination of our population.

Mr Speaker, Sir, we are still learning from this enemy, especially with the appearance of variants. This challenge before us is continuing to unfold and maybe in the near future, we might be called to set up a full-fledged department for the management of COVID-19, be it testing or vaccination. We are confident that we have the know-how and expertise to succeed.

Today, we are on the eve of further re-opening our economy. We are about to kick start our tourism sector after months of inactivity. All this would not have been possible without vaccination.

This Government has always put the safety and wellness of the population as its guiding principle and we have never faltered from this imperative. When we will be opening our borders, we will exercise maximum caution so as to make sure that not a single citizen's health is compromised.

Mr Speaker, Sir, today, our country leads by example not only on its management of the pandemic. This Government, thanks to the guidance of its dynamic Prime Minister, has

also maintained the socio-economic wellbeing of the population. While our critics are busy indulging in demagogy, in making political alliances and the so-called pacific rallies, this Government will pursue its relentless work for the benefit of the people of the Republic.

I thank you for your attention.

Mr Speaker: I suspend the Sitting for one and a half hours.

At 1.00 p.m., the Sitting was suspended.

On resuming at 2.40 p.m., with Mr Speaker in the Chair.

Mr Speaker: Please, be seated!

ANNOUNCEMENT

HON. P. ARMANCE - DECLARATION - *RADIO PLUS* - 28 JUNE 2021

Mr Speaker: Hon. Members, I have an announcement to make. My attention has been drawn to a declaration made by the hon. Third Member for Constituency No. 1, GRNW and Port Louis West (Mr Armance), on 28 June 2021, aired on *Radio Plus*, expressing his views on the business to be transacted during today's Sitting.

Hon. Armance stated, amongst others, I quote –

« Mo rappel la popilasion que le Parleman li siprem et fodé pas que ce même tanp de la demokراسي être enn zwe dans la main de l'Exécutif, ou, le gouverneman. »

Hon. Members, I wish to draw the attention of the House that –

- pursuant to Standing Order 10(1), save for the special circumstances provided therein, the Assembly shall sit on Tuesdays at 11.30 o'clock; and that
- pursuant to Standing Order 24(3)(c), on any day fixed for the consideration of an Appropriation Bill or a Supplementary Appropriation Bill by the Committee of Supply, notice of questions, including private notice questions, shall not be entertained.

In the light of the above, there is nothing sinister in Supplementary Appropriation Bills, including the Committee of Supply in relation thereto, to be transacted on Tuesday Sittings, and this has been the case in all sessions and past legislatures.

Such a statement, hon. Members, coming from the Opposition Whip may only damage the reputation of this temple of democracy.

I wish to reassure the House and the population at large that Parliament, as an independent institution, remains supreme and is not subject to the control of the Executive.

Thank you.

Hon. Juman!

(2.42 p.m.)

Mr E. Juman (Fourth Member for Port Louis Maritime & Port Louis East):

Merci, M. le président. M. le président, lors de leurs allocutions respectives, le ministre de la Santé et du Bien-être, l'honorable Dr. Jagutpal, et la Vice-première ministre et ministre de l'Education, l'honorable Madame Dookun-Luchoomun, donnent l'impression que l'Opposition est contre les dotations budgétaires allouées, telles que le *Wage Assistance Scheme*, l'achat des vaccins, les dépenses encourues pendant la COVID-19 ou le *Self-Employed Assistance Scheme*.

M. le président, loin de là! Oui, l'Opposition, nous sommes contre la mauvaise gestion de nos finances, nous sommes contre l'opacité dans laquelle se retrouvent nos finances. Nous sommes contre la façon dont a été gérée l'acquisition faite pendant la COVID pour les équipements médicaux. Nous sommes contre la façon dont ont été gérées, en ce moment, les finances publiques mais pas contre les dotations budgétaires.

M. le président, il y a exactement deux mois de cela, soit le 27 avril 2021, nous avons été appelés à voter un budget supplémentaire de R 17 milliards - R 17 milliards, dont R 11.9 milliards injectées au *National Property Fund Ltd*, à lui seul. Et aujourd'hui, pour la deuxième fois en deux mois, le ministre des Finances vient maintenant nous demander de voter un autre budget additionnel dans lequel fait partie R 4.6 milliards, cette fois-ci une somme qui a été engouffrée dans les réclamations de l'ordre de R 5.6 milliards de Betamax, suivant le cinglant désaveu infligé à ce gouvernement par le jugement du *Privy Council*.

M. le président, étrangement, ces deux budgets supplémentaires incluant R 11.9 milliards du *NPFL* et le présent R 4.6 milliards à Betamax, totalisant R 16.5 milliards, sans compter le milliard de roupies payées déjà par la *STC*; sans compter les honoraires de l'équipe légale, ce qui reviendrait à peu près à R 18 milliards - R 18,000,000,000, M. le président, sont le résultat de la politique vengeresse adoptée par ce régime depuis 2014 ! Une

vendetta politique qui coûte malheureusement aux contribuables une fortune. Une fortune qui s'élève bien au-dessus de R 18 milliards si on devait ajouter ce qui s'est passé avec la *BAI* ; encore des frais de la *BAI*. Une vendetta politique qui a provoqué d'innombrables pertes d'emplois, ainsi qu'une perte de confiance de notre système. Une vendetta politique qui a fait fuir les investisseurs quand le climat économique n'inspire pas confiance. Dans un climat pareil, M. le président, avec ce qui s'est passé avec la *BAI*, avec le Betamax, voyez-vous des investisseurs venir s'investir à Maurice? Une vendetta politique qui a hypothéqué l'avenir de notre pays; de notre jeune génération à venir.

Malheureusement, M. le président, quand on parle de l'État, on parle inévitablement de la caisse publique, non des poches des ministres ou des décideurs, ce qui implique alors que ces dizaines de milliards de roupies dont je vous parle, sortent directement de la trésorerie publique, donc les *taxpayers' money*. Le *taxpayer*, c'est Monsieur et Madame tout le monde! Les consommateurs! Des entrepreneurs! Des professionnels! Encore une fois, on demande aux *taxpayers* de se sacrifier davantage pour sortir ce gouvernement du pétrin dans lequel il s'est lui-même enfoncé grâce à ses pitoyables décisions. *Zott fane lepep peye!*

Je me demande si le gouvernement réalise l'énormité du fardeau qu'il impose à la population en cette période de crise sociale et économique à cause de sa soif démesurée de vengeance contre l'ancien régime, principalement contre le Parti travailliste, contre le Dr. Navin Ramgoolam. Un fardeau sous lequel s'écroule non seulement le peuple mais aussi le pays, surtout à un moment où tous nos efforts auraient dû être recentrés et concentrés sur la relance de l'économie; de notre économie!

Avec les 18 milliards de roupies, M. le président, on aurait pu encadrer les secteurs en difficulté et les PME, ce qui aurait pu amortir le pillage des réserves de la Banque de Maurice. On aurait pu créer beaucoup plus emplois. Avec ces R 18 milliards, on aurait pu mettre 18,000 familles sous un toit. J'éviterai d'entrer dans les détails, M. le président, mais j'insisterai cependant sur le fait que le FMI a sommé la Banque centrale de se recapitaliser ; ce qui sous-entend que la Banque de Maurice n'a pas suffisamment de capital pour intervenir en cas d'éventuelles crises. Et qu'a fait la Banque centrale face à cette critique? Le Leader de l'Opposition, ce matin, s'est longuement appesanti dessus. La Banque de Maurice a dévalué de façon brutale et sans crier gare, la roupie, et cela à deux jours de la fermeture de l'année financière 2020-2021. Ce qui contraint la banque commerciale de réajuster leurs taux de change, le dollar passant de R 41.00 à R 42.95, pour permettre la Banque centrale de renflouer automatiquement les caisses du *Special Reserve Fund*.

M. le président, savez-vous qui en sortent perdants ? Encore une fois, ce sont les consommateurs. Ce sont les consommateurs qui encastrent les frais parce qu'ils devront dépenser davantage pour consommer moins surtout à une période où environ 100,000 personnes ont déjà ou perdu ou sans emploi ou d'autres qui ont vu leurs salaires se réduire.

Je ne m'attarderai pas sur instrumentalisation ou la politisation de la Banque centrale, M. le président, pour plaire au gouvernement du jour. Mais cela n'augure rien de bon pour notre économie. Et comme il fallait s'y attendre, encore une fois, c'est la population est l'éternelle sacrifiée, avec une hausse du taux d'inflation et aussi des prix sont désormais inévitables avec cette hausse. Voilà en quelques mots ce qui résume la gestion de notre économie.

M. le président, permettez-moi, il y a deux, trois ministres qui ont parlé avant moi. On nous demande de voter R 4.6 milliards pour Betamax, pour STC, pour éventuellement payer à Betamax R 4.6 milliards. Trois ministres en trois lignes. Et Madame l'honorable ministre de l'Éducation, elle nous dit que la vérité va triompher. La vérité a déjà triomphé. Mais qui paye le frais ? R 5.7 milliards - c'est ça la vérité. La population doit payer R 5.7 milliards. Je ne veux pas revenir sur toute l'affaire, M. le président, quand le jugement du *Privy Council* est assez clair et explicite. Le jugement dit qu'il n'y a rien d'illégal. Et quand on parle de la vérité, et surtout on fait référence à la commission d'enquête instituée par le gouvernement. Vous savez le Parti Travailleiste, nous ne sommes pas contre, on a aucun problème avec une commission d'enquête. Bien au contraire, comme l'a dit Madame la ministre, la vérité va encore triompher s'il y a une commission d'enquête. Parce que le Parti Travailleiste, le gouvernement dirigé par le Dr. Navin Ramgoolam, qui avait pris la décision, avait bien fait leur travail. Mais là où nous sommes contre, M. le président, c'est que, encore une fois, ce sont les contribuables qui vont payer pour la commission d'enquête. C'est les contribuables qui soient encore appelés à subir les caprices du gouvernement. Pourquoi pas une commission d'enquête en 2015 ? Pourquoi maintenant ? M. le président, je vous dis que le Parti Travailleiste sortira gagnant politiquement mais aux dépens des contribuables. On dit pourquoi. Pourquoi ? Je vous dis pourquoi, parce que vous savez en 2007 lorsque le gouvernement dirigé par le Dr. Navin Ramgoolam avait décidé alors d'acquérir un *tanker* pour transporter les produits pétroliers, c'était avant-gardiste.

(Interruptions)

Mr Speaker: Order!

Mr Juman: Oui, vous pouvez rire.

(Interruptions)

Mr Speaker: Talk to me! Address the Chair!

Mr Juman : M. le président, en 2007 avant, lorsqu'ils ont signifié le gouvernement, ils ont commandité un rapport. Et en mai 2017, l'étude menée par le Cabinet, *Consultant Logistic and Trade Consultancy*, le rapport conclut avec les mesures, si on achète un *tanker*, on va économiser 12 millions de dollars, en plus il y aura d'autres bénéfiques. En septembre 2007, *Mauritius Shipping Company* propose la création d'une nouvelle société avec la participation du secteur privé. Octobre 2007, le gouvernement accepte que les entreprises locales du secteur privé soient invitées à investir dans un *tanker*. Ce n'est pas donner à X ou Y ou à Betamax ou d'autres. Mars 2008, le ministère *Land and Shipping* sollicite la collaboration de la Chambre de Commerce pour contacter les intéressés par ce projet. Et vous savez, il y a sept compagnies: ABC Motors, Currimjee Jeewanjee & Co. Ltd., Abdus Salam, Bhunjun & Sons Ltd., Gamma-Civic Ltd., Gamma & Sons, et Maersk Mauritius. Ce n'est pas comme ça qu'on a alloué directement à Betamax. C'était ouvert mais seul Betamax a répondu présent, et le contrat a été signé en 2009. Et vous savez qu'est-ce qui se passe après, M. le président ? Voilà ce qu'un ancien ministre MSM, M. Soodhun répond à une question de l'honorable Reza Uteem, qui lui demande –

“I heard the hon. Minister mentioning that legal advice was sought from the State Law Office. May I know from the hon. Minister whether final form of the contract was signed, was cleared, vetted and approved by the State Law Office?”

L'honorable ministre répond –

“Mr Deputy Speaker, Sir, the advice of the State Law Office was that the agreement is legally in order.”

Il va plus loin à une question du Leader de l'Opposition –

« Maintenant que nous avons un nouveau navire, nous en sommes fiers. »

2011, l'honorable ministre du Commerce, M. Showkutally Soodhun, Président MSM, ministre MSM au gouvernement, c'est lui qui a dit, il est fier, nous sommes fiers. C'est lui qui a dit –

“All the agreement is legally in order.”

Voilà ce qui a été dit, M. le président. C'est pourquoi je vous dis, pourquoi on n'a pas institué une commission d'enquête à cette époque. Mais là, *over and above Rs5.7 billion, we are asking the taxpayers to pay again for the commission of inquiry?*

(Interruptions)

D'ailleurs comme j'ai mentionné auparavant, le contrat Betamax, s'il avait été maintenu, nous aurons permis surtout dans le contexte économique actuel d'économiser beaucoup plus d'argent et ça, ce n'est pas maintenant que je vous dis ça. Le Leader de l'Opposition d'alors, l'honorable Xavier Luc Duval avait dit lors d'une *PNQ* –

« *Challenge the Minister*, déposez la différence qu'il y a, vous dites qu'il y a une différence, déposez à la chambre le rapport. »

Jusqu'à maintenant, jamais déposé et moi, je vous mets au défi, déposez le rapport, déposez le prix, on compare. On va trouver la différence. Il me semble d'ailleurs que le gouvernement n'a pas appris de ses erreurs. Il s'obstine à faire encore payer à la population le prix de sa soif de vengeance encore une fois.

Je suis contre que le contribuable soit encore appelé à subir les caprices du gouvernement, comme je vous ai dit, parce qu'on ne peut pas continuellement mettre le poids sur les épaules des consommateurs, des contribuables puisqu'une commission d'enquête bouffera encore plus de fonds publics, une commission d'enquête qui finira encore par sombrer dans l'oubli populaire, une commission d'enquête qui traînera des pieds avant de rédiger un rapport qui dormira encore une fois au fond du tiroir.

Devrais-je rappeler combien de commissions d'enquête ont été instituées par ce gouvernement même, qui n'ont jamais servi à rien ? Qu'est-il advenu de la commission d'enquête sur la drogue ? Combien de recommandations ont été implémentées jusqu'à maintenant ? Qu'en est-il de la commission d'enquête sur Britam, sur Alvaro Sobrinho ? Où en est-on ? Encore de l'argent. Sous ce gouvernement, une commission d'enquête ne se résume qu'à un outil politique visant à discréditer des adversaires politiques. Cela n'a pas de sens et ne devrait plus être toléré. Il est grand temps, M. le président, pour que le gouvernement mette un frein à la politique de vengeance et d'en faire payer le prix à la population. Il est aussi grand temps pour qu'on vienne avec une loi qui oblige les responsables d'encaisser eux-mêmes les dommages et intérêts. Il faudra qu'on envoie un signal fort à la population, aux futurs décideurs, quel que soit, peut-être moi, peut-être vous, peut-être nous, qui seront là et d'autres jeunes, il faudra envoyer un signal fort. On ne peut

plus continuer. R 5.7 milliards, R 11.9 milliards, R 4 milliards par ici, R 1.2 milliards par-là, pourquoi pas une commission d'enquête sur l'achat des équipements médicaux ? Pourquoi pas sur Pack & Blister ? Quinze mois après, des centaines de millions avoisinant des milliards de roupies, pas de commission d'enquête ? La caisse publique n'est pas la propriété personnelle des dirigeants. Que le gouvernement cesse une fois pour toute de dévaliser ce pays, M. le président.

Merci pour votre attention.

Mr Speaker: Hon. Minister Ramano!

(3.04 p.m.)

The Minister of Environment, Solid Waste Management and Climate Change (Mr K. Ramano): M. le président, merci de me donner la parole.

M. le président, à entendre l'honorable Ehsan Juman, on se croirait en pleine campagne électorale. En fait ce qui est le plus grave, M. le président, on a affaire à quelqu'un qui, après plusieurs mois de députation, éprouve toujours des difficultés à comprendre le pourquoi d'un débat budgétaire, des raisons d'être d'un *Committee of Supply* ou encore le pourquoi d'un *Supplementary Appropriation Bill*.

M. le président, ce *Supplementary Appropriation Bill* a toujours été un *regular feature* et il n'y a rien de plus normal quand on fait face à une situation dû à une urgence sanitaire sans précédent à travers le monde, ou encore dû à un dérèglement et dû au changement climatique, M. le président.

M. le président, on a entendu l'honorable Ehsan Juman parler de l'affaire Betamax, il a en fallu de peu pour qu'il crie victoire, M. le président. C'est un peu la victoire du Parti Travailleiste. Est-ce que c'est le *war chest* du Parti Travailleiste qui est en train d'être fait, je ne sais pas, M. le président mais ce qui est quand même grave, M. le président, ce qui est quand même préoccupant, l'honorable Ehsan Juman projette l'image d'un homme politique qui a peur. Il a beau dire que nous nous accueillons telles et telles mesures, mais l'idée d'une commission d'enquête sur l'affaire Betamax fait peur au Parti Travailleiste, M. le président. C'est un fait et nous savons pertinemment bien quel a été la réaction primaire de certains dirigeants du Parti Travailleiste pour dire que –

« Pas question de commission d'enquête ».

Mais après avoir pris connaissance de la déclaration du Leader du MMM, du Leader de l'opposition etc. pour dire qu'il n'y a aucun problème pour une commission d'enquête, mais là on essaie de revoir sa position. Mais l'histoire retiendra, M. le président, que le Parti Travailleiste, et qui était tout récemment un allié privilégié des autres partis de l'opposition, le Parti travailleiste est le seul parti à se prononcer contre l'idée d'une commission d'enquête sur l'affaire Betamax.

Si vous n'avez rien à cacher, une fois que la commission d'enquête sera instituée, venez de l'avant, partagez vos informations et aidez la population à trouver clair. Moi, je suis confiant, M. le président, que la vérité triomphera dans l'affaire Betamax, M. le président.

M. le président, le *Supplementary Appropriation (2020-2021) (No. 2) Bill (No. XI of 2021)* prévoit des dotations supplémentaires pour divers services du gouvernement et un certain nombre de mesures pour préserver les moyens de subsistance et atténuer l'impact négatif sur l'économie par la mise en œuvre de divers projets et programmes et aussi pour faire face à certaines dépenses imprévues. Ces fonds supplémentaires comprennent un montant de R 2,5 milliards au *National Environment Climate Change Fund* et R 4 milliards au *COVID-19 Projects Development Fund* pour la réalisation de projets environnementaux existants, ainsi que pour la mise en œuvre de projets nouveaux et innovants pour la période 2021 à 2023.

M. le président, compte tenu du contexte socio-économique difficile actuel, dans lequel tout développement durement acquis dans le passé a été fortement impacté par la pandémie de la COVID-19, cette panoplie de moyens financiers allouée par le gouvernement pour soutenir les mesures environnementales en la République de Maurice est considérable.

Les députés concéderont qu'un tel dévouement au domaine environnemental n'a pas toujours été une caractéristique commune des précédents exercices d'appropriation budgétaire. En fait, dans un passé pas si lointain, le *National Environment Fund* pour l'environnement de l'époque disposait de très peu de moyens et avait une portée restreinte et était même sous-utilisé.

M. le président, ce n'est qu'en 2018 avec le *National Environment Commission*, sous la présidence du Premier ministre, l'hon. Pravind Kumar Jugnauth, qui a reconnu la nécessité urgente d'allouer des ressources financières substantielles pour traiter les questions prioritaires liées à l'environnement. Le *National Environment Commission* a pris la décision audacieuse de débloquer des ressources financières en conséquence. Cela a abouti à la

réorganisation et à la consolidation du *National Environment Fund* de l'époque en un véhicule à gestion centralisée.

Cette restructuration du *National Environment Fund* pour l'environnement de l'époque a eu un certain nombre d'avantages.

Dans un premier temps, la refonte du *National Environment Fund* a permis d'éviter les entraves rencontrées dans l'exécution des projets environnementaux, dont la mise en œuvre s'étend généralement sur plusieurs exercices et sont souvent soumis à de longues préparations techniques telles que des évaluations détaillées et la conception avant la mise en œuvre.

Deuxièmement, le *National Environment Fund* a permis l'exécution de mesures d'urgence en temps opportun. Les travaux de construction d'infrastructures de drainage dans les zones inondables à haut risque témoignent de ces mesures. En outre, le nouveau *National Environment Fund* a été revu de manière à servir de conduit centralisé des fonds internationaux. C'est dans cet esprit que le *National Environment Fund* de l'époque a été rebaptisé le *National Environment Climate Change Fund* et cela à la suite de la promulgation de la loi sur le changement climatique 2020 l'année dernière.

M. le président, dans le cadre de l'exercice budgétaire 2018/19, le *National Environment Fund* a été capitalisé avec R 2 milliards pour les exercices 2018-2020 en vue d'aborder plus de projets à travers l'île. Depuis, le gouvernement a fait preuve d'un engagement continu à maintenir un tel soutien. En effet, le *National Environment Fund* a par la suite été ré-crédité de R 2,3 milliards supplémentaires en 2020.

Au cours de l'exercice 2020-2021, les principales dotations se sont élevées comme suit –

- R 215 millions pour la protection de nos plages, lagons et récifs coralliens ;
- R 1 milliard 272 millions pour renforcer la résilience aux inondations ;
- R 207 millions pour les programmes de nettoyage et d'embellissement, et
- R 153 millions pour la promotion du recyclage et d'une économie circulaire, ainsi que la mise en place de plusieurs déchetteries.

M. le président, cet engagement a été renouvelé dans le cadre de cet exercice budgétaire à hauteur de R 2,5 milliards pour l'exercice 2021 à 2023, dont R 2,2 milliards seront dépensés pour la mise en œuvre de projets environnementaux au cours de l'exercice

2021-2022. Je suis informé que les R 300 millions restants seront reconduits pour l'exercice 2022-2023.

Permettez-moi maintenant, M. le président d'informer brièvement la Chambre du breakdown de ces coûts, avant d'en dire plus sur les détails surtout. Dans un premier temps –

- (a) R 400 millions seront alloués aux travaux de réhabilitation des plages, ainsi qu'au programme des lagons et récifs coralliens. Deuxièmement ;
- (b) R 590 millions seront affectés à des programmes de nettoyage et d'embellissement ;
- (c) R 403 millions seront alloués à la gestion des déchets et à la promotion de l'économie circulaire, et
- (d) un montant supplémentaire de R 433 millions sera utilisé pour entreprendre des travaux de réhabilitation dû aux glissements de terrain.

M. le président, R 234 millions seront consacrées au suivi environnemental, à la sensibilisation et à la conscientisation et aux projets à l'île Rodrigues, R 132 millions seront allouées à la promotion de l'économie verte et à l'amélioration des prévisions météorologiques pour la réduction des risques de catastrophe. Ces sommes s'élèvent à un total de deux milliards 192 millions de roupies pour une mise en œuvre au cours de l'exercice 2021-2022.

M. le président, en ce qui concerne les allocations budgétaires spécifiques au fonds national pour l'environnement au changement climatique, je vais d'abord élaborer sur les fonds fournis pour faire face aux impacts du changement climatique. M. le président, R 833 millions ont été alloués à la fois aux travaux de protection côtière, aux travaux de réhabilitation des glissements de terrain et il est évident que l'adaptation au changement climatique a été, est à nouveau reconnue comme un domaine prioritaire dans ce budget actuel, M. le président.

M. le président, R 400 millions seront dédiées à la réhabilitation, la protection et la gestion des plages, ainsi que la mise en œuvre des programmes axés sur les lagons et les récifs coralliens. De cette somme, R 210 millions serviront à achever des travaux sur quelque 6,8 km des zones côtières situés à –

- (a) Pointe aux Feuilles à Grand Sable ;
- (b) Providence à Grand Port ;

- (c) Bois des Amourettes ;
- (d) de Petit Sable à Bambous Virieux, et
- (e) de Bambous Virieux à Anse Jonchée.

Des fonds seront alloués pour financer des services de conseil pour la conception et la préparation de projets pour le développement d'un *Waterfront* à Deux Frères. Un montant supplémentaire de R 30 millions sera utilisé pour financer l'acquisition de services de consultants pour l'évaluation, la conception et la supervision des travaux sur les sites côtiers de Sattan Babooa et d'autres sites sur les plages publiques du Vieux Grand Port et Rivière des Créoles. Ces plages ont été fortement touchées à la suite de la marée noire qui a suivi l'échouement du MV Wakashio l'année dernière. Pour améliorer les conditions de vie des habitants du Vieux Grand-Port, touchés par la marée noire, un projet intégré sera réalisé sur 300 mètres comprenant une passerelle, la construction d'une jetée entre autres, M. le président et cela inclue aussi le drainage des eaux pluviales, la plantation de mangroves et aussi la restauration de récifs coralliens.

M. le président, des fonds sont également alloués pour pas moins de 17 sites érodés et dégradés, à savoir de Flic en Flac, Tamarin, Baie du Cap, Trou aux Biches, Blue Bay, Albion, Le Morne, Riambel, Pointe des Lascars, Pointe d'Esny, St Félix, La Prairie, La Preneuse entre autres, M. le président, il y a aussi la région de Poste de Flacq.

M. le président, R 2 millions seront affectés à des programmes de plantation et de restauration de mangroves afin d'augmenter la couverture de mangroves le long de la côte ouest. Ces mesures aideront à aider les mangroves à remplir leur rôle vital de *carbon sinks* naturel, à endiguer l'érosion côtière et à servir de nurseries pour les poissons et autres créatures marines vitales pour la préservation des écosystèmes. Des fonds supplémentaires seront fournis pour la modernisation des installations de loisirs sur 4 grandes plages publiques, à savoir Mon Choisy, Flic en Flac, Belle Mare et La Prairie. Ces projets seront mis en œuvre étape par étape.

En ce qui concerne le financement alloués à la protection du littoral, des fonds seront également alloués pour entreprendre une surveillance continue des plantes endémiques plantées sur quelque 600 mètres dans les zones dynamique de Flic en Flac, Belle Mare Le Morne, entre autres, M. le président.

M. le président, dans le cadre des efforts visant à améliorer l'adaptation au changement climatique, environ R 433 millions seront déboursées au cours de l'exercice

2021-2022 pour d'importants travaux de stabilisation dû aux glissements de terrain, y compris l'achèvement des projets en cours à Chamarel, Morcellement Hermitage, Coromandel, Ruisseau des Créoles, Baie du Cap entre autres, M. le président et il convient aussi d'entreprendre des travaux de contre-mesure aux ruptures de pente à Montagne Ory, au Batelage à Souillac, au pont de Souillac et à la falaise de Macondé et l'achèvement de ces travaux sont prévus pour 2022.

M. le président, de plus, à la suite des pluies torrentielles intenses survenues au mois d'avril de cette année et qui ont entraîné une rupture et une instabilité des pentes le long de l'autoroute du Sud-Est à Rivière des Créoles, des travaux de stabilisation seront effectués pour contrer les futures ruptures de pente au coût de R 70 millions le long de la route A15. La date d'achèvement est prévue encore pour 2022, M. le président.

Le *National Environment Climate Change Fund* bénéficiera également d'un appui budgétaire important pour s'attaquer aux programmes de nettoyage et d'embellissement à travers le pays à la hauteur de R 590 millions.

En vue d'obtenir des résultats plus percutants, quelque R 100 millions seront fournis comme capital initial pour mettre en place une autorité nationale qui sera sous l'égide du bureau de Premier ministre. L'Autorité nationale de nettoyage de l'environnement agira ainsi comme un *one-stop-shop* pour le nettoyage et l'embellissement.

M. le président, avec une telle approche, la coordination des actions sera grandement améliorée, ainsi que les résultats attendus et la responsabilisation.

M. le président, cette configuration institutionnelle innovante apportera des gains d'efficacité substantiels et une optimisation des ressources. Au-delà de la capitalisation de cette Autorité de nettoyage et aussi de la protection de l'environnement et qui sera déduit des fonds du Fonds National de l'Environnement, M. le président, un certain nombre d'activités est prévu pour l'année 2021-2022. Ainsi R 223 millions sera utilisé pour remplacer et moderniser les équipements de nettoyage, y compris les camions compacteurs et les bennes. R 100 millions seront consacrées au nettoyage et à l'embellissement de quelques 110 sites publics et autres, dont les lieux de culte, des aires de jeux pour enfants, des parcours de santé ainsi qu'à la collecte des encombrants.

R 50 millions, M. le président, seront fournies pour le verdissement et à l'embellissement des réserves et aussi des autoroutes M1-M2 et d'autres routes principales dans différentes villes et villages. M. le président, je dois annoncer que ce plan

d'embellissement du M1-M2 est arrivé à un stage de finalisation et, dans les jours à venir, il sera rendu public.

M. le président, R 30 millions sont allouées pour le nettoyage, le dragage, la réhabilitation et l'amélioration des drains, des ponts et des rivières par les autorités locales et surtout dans les zones inondables qui ont été identifiées par le *Land Drainage Authority*, notamment Ruisseau du Pouce, Canal Kitchree, Tranquebar, Rivulet Terre Rouge, Roche Bois, Canal Anglais, Canal Magenta Rivière Poste de Flacq, Midlands, Rose Belle, Mahébourg, entre autres.

M. le président, en ce qui concerne l'économie circulaire, le gouvernement poursuivra ses efforts pour promouvoir les initiatives de recyclage et encourager la récupération des ressources dans la gestion des déchets solides ainsi que créer le bon écosystème pour soutenir les emplois verts, améliorer l'efficacité des ressources et réduire notre dépendance à l'égard des décharges.

M. le président, une première déchetterie est fonctionnelle à La Chaumière, celle de La Laura sera fonctionnelle au mois d'août et les autres déchetteries de Poudre d'Or et Roche Bois seront fonctionnelles à la fin de cette année-ci. M. le président, quelques R 36 millions sont également prévues pour l'investissement dans les usines de compostage des déchets verts ; les déchets verts générés par les marchés, les ménages des régions pilotes, telles que Henrietta, Salazie, Martinière et La Chaumière sont contemplées par le *Ministry of Local Government* et des centres de compostage seront aussi prévus par le ministère de l'Environnement, notamment dans les jardins, tels que le Gymkhana, le Parc National de Bras d'Eau qui pourront utiliser ces centres de compostage. Nous pensons qu'avec ces mesures, quelques 12,000 tonnes de déchets verts générés annuellement à partir de ces sources seront détournés du centre d'enfouissement de Mare Chicose.

Pour encourager le recyclage des déchets et augmenter ainsi le taux de ramassage des bouteilles en PolyÉthylène Téréthphalate, communément appelées les bouteilles PET *Bottles*, au niveau des ménages, R 34 millions seront consacrées à l'installation de quelques 400 écopoubelles à travers le pays et cela marchera de pair avec le plan que nous travaillons actuellement avec le *Butler's Association* pour gérer comme il se doit les *PET Bottles* dans le pays, M. le président.

M. le président, j'ai le plaisir d'informer l'Assemblée que le rapport du *Solid Waste Management Strategy* a été déjà soumis au ministère. Donc, c'est un plan financé par

l'Agence française de développement. Nous sommes arrivés à un stade de désignation d'un *transaction advisor* et nous lancerons prochainement les appels d'offres en ce qui concerne l'installation des centres de compostage et les centres de tri. Et, nous nous attaquerons à deux régions spécifiques : la région du Nord et la région de l'Ouest, notamment à La Chaumière. Ces unités permettront la séparation de ressources de déchets secs et humides et des matières recyclables qu'on pourra éventuellement mettre à la disposition des différents recycleurs, et cela, selon un partenariat public-privé, sous le PPP, M. le président.

M. le président, dans le cadre de la promotion de l'économie circulaire, un montant de R 300 millions sera décaissé au cours de l'exercice 2021-2022 pour l'expansion verticale de la décharge de Mare Chicose, en vue d'étendre considérablement les infrastructures d'élimination des déchets d'une manière respectueuse de l'environnement. Des espaces d'élimination des déchets seront créés pour au moins 10 ans supplémentaires afin d'éviter toute future crise d'élimination des déchets. Une allocation budgétaire comprendra également R 5 millions pour mettre en œuvre le programme de traitement de l'amiante dans les maisons des ex-CHA.

M. le président, compte tenu de l'expansion des activités humaines à travers le pays, qu'elles soient de nature domestique ou industrielle, il est devenu de plus en plus important d'évaluer nos efforts pour lutter contre divers types de polluants qui ont un impact sur notre environnement. Cela nous permettra en tant que gouvernement responsable d'assurer un environnement plus sûr pour les citoyens et visiteurs, et en outre pour déclencher des mesures plus appropriées. A cet effet, ce Budget prévoit un montant sans précédent de R 234 millions pour le suivi environnemental, la sensibilisation et la conscientisation, notamment à l'île Rodrigues.

Dans un premier temps, M. le président, trois stations fixes de surveillance de l'air, le *Air Quality Index*, et un certain nombre d'*Internet of Things Sensors* seront acquis pour un montant de R 35 millions. Ces fonds permettront de poursuivre nos efforts de développer un système d'indexation de la qualité de l'air en temps réel et qui mesurera les normes de qualité de l'air ambiant prévalent dans le pays, et évaluera mieux l'impact de la pollution de l'air, en particulier à proximité des zones industrielles et des centres-villes.

Le système de surveillance en temps réel sera un outil utile pour établir les tendances de la qualité de l'air dans les régions touchées. M. le président, dans cette même optique, nous procédons actuellement à l'acquisition de 15 fumimètres portables qui seront acquis pour

surveiller les émissions de gaz d'échappement des véhicules, notamment les émissions de fumées noires des véhicules à moteur diesel.

M. le président, R 5 millions seront également allouées pour le développement de l'indice de qualité de l'eau du lagon. Ce projet fait suite à la récente crise environnementale que nous avons vécue et cet indice de qualité des eaux nous aidera à atteindre l'objectif de développement durable 14, *le SDG 14*, en mettant l'accent sur la conservation et l'utilisation durable des océans, des mers et des ressources marines.

L'indice de qualité des eaux permettra en outre au *National Environment Laboratory* de mon ministère d'identifier les tendances de la qualité des eaux côtières. M. le président, un montant de R 10 millions sera utilisé pour un programme indépendant et complémentaire de surveillance des eaux de surface et souterraines afin de garantir la qualité de l'eau potable dans l'environnement. Ce projet sera mis en œuvre en installant des systèmes de surveillance de l'eau en ligne sur 28 sites, à savoir des rivières avec des zones d'évaluation, des rivières en zones industrialisées, des puits d'eaux souterraines et des forages. A terme, ce projet nous permettra d'améliorer la survie de la qualité des eaux de surface et souterraine dominante tout en contribuant à une meilleure compréhension de la relation entre les conditions environnementales et la santé humaine.

M. le président, R 10 millions seront également consacrés au cours de l'exercice 2021-2022 à la mise en place d'une unité d'analyse des résidus de pesticides au *National Environment Laboratory* de mon ministère. Ce projet, d'une valeur de R 35 millions, nous permettra de constituer une base de données pour le suivi régulier du niveau de pesticides dans nos eaux souterraines et nappes phréatiques, assurant la protection de nos ressources en eau, des écosystèmes aquatiques et de la santé de la population.

M. le président, R 75 millions seront affectées au cours des trois prochaines années au Programme de surveillance environnementale holistique et intégrée de la flore et de la faune écologiques côtières et marines de la région du Sud-Est, afin d'évaluer les impacts de l'épave du Wakashio et de la marée noire par les ministères concernés, en collaboration avec l'Université de Maurice et des organisations non gouvernementales. Ce programme comprend la surveillance de l'écotoxicologie et les effets biologiques, à savoir l'effet de la marée noire sur -

- l'habitat de récifs coralliens, mangroves, des habitats côtiers ;
- la biodiversité terrestre dans les îlots du Sud-Est;

- les espèces de flore et de faune des sites Ramsar, à savoir le Parc Marin de Blue Bay et le site Ramsar de Pointe d'Esny, ainsi qu'à l'île aux Aigrettes, qui est une réserve naturelle, agissant comme un habitat naturel pour la flore et la faune en voie de disparition.

M. le président, il convient aussi de la protection des habitats des zones humides et de la biodiversité associée aux mangroves, les récifs coralliens et la végétation côtière.

Cette allocation budgétaire assurera une bonne collecte des données et une enquête en ce qui concerne le suivi de la récupération de l'écosystème à cet endroit, à savoir l'eau douce, marine et terrestre, à court et moyen terme. Un cadre pour une stratégie continue et intégrée de surveillance marine sera également établi. Cette stratégie permettra de suivre l'évolution de l'écosystème vers l'amélioration de l'état environnemental à plus long terme. Un plan d'action avec les recommandations sur les techniques de restauration appropriées pour soutenir le processus de récupération est également élaboré.

M. le président, le gouvernement, conformément à sa vision de parvenir à une île sans plastique dans les plus brefs délais, a pris des mesures audacieuses pour résoudre le problème de la pollution plastique à Maurice. Grâce à un montant supplémentaire de R 39 millions fourni par le *National Environment Fund*, ces actions seront renforcées.

En effet, avec la promulgation des deux règlements sur l'interdiction d'une liste de produits en plastique à usage unique et l'interdiction des sacs en plastique, ainsi qu'en vue d'accroître l'efficacité de l'application de la loi vis-à-vis de l'utilisation de produits en plastique, la mise à niveau des équipements au niveau du *National Environment Laboratory* de mon ministère sera entreprise et 2 *FTIR equipment* seront acquis pour faciliter les tests, l'identification et la caractérisation de la composition plastique trouvée dans les produits de plastique à usage unique ou encore dans les sacs en plastique au coût de R 17,5 millions, M. le président.

M. le président, nous avons prévu aussi R 1 million pour le recrutement d'un consultant pour élaborer une feuille de route pour faire de l'île Maurice une île sans plastique d'ici 2030.

M. le président, la collecte des preuves et le développement de technologies appropriées font partie intégrante de la lutte contre la pollution plastique. Et là il y a une somme de R 2 millions qui seront fournies par l'intermédiaire du *Mauritius Research and Innovation Council* pour promouvoir la recherche sur le cycle de vie des microbilles de

plastique présentes dans les produits cosmétiques tels que les dentifrices et les crèmes solaires, entre autres. Les résultats consolideront la connaissance des processus de production, soutiendront ainsi la prise de décision, une meilleure gouvernance et fourniront des options politiques éclairées.

Pour faire face à la situation urgente de la pollution plastique en mer, M. le président, un montant de R 8 millions sera fourni à l'Institut océanographique de Maurice pour entreprendre une évaluation quantitative et qualitative des micros plastiques dans nos eaux. Cette recherche dotera nos autorités du mécanisme nécessaire pour une évaluation plus efficace de l'accumulation de plastique dans les sédiments et les organismes marins.

M. le président, la Chambre conviendra que l'injection de fonds pour la mise en œuvre de projets environnementaux sera de peu utilisée sans la participation, la collaboration et l'engagement des citoyens de ce pays. Cela implique que les efforts gouvernementaux pour amorcer une transition écologique reposent sur la promotion d'une saine culture environnementale auprès des parties prenantes au sens large. À cette fin, R 15 millions ont été allouées pour promouvoir la participation communautaire, la sensibilisation et la prise de conscience sur les grandes questions environnementales et promouvoir une culture environnementale parmi nos citoyens, notamment parmi les jeunes. Il est rappelé que le *National Youth Environment Council* est déjà en place et fonctionnel. Une série d'activités sera organisée, dont plusieurs concours impliquant les écoles primaires et secondaires.

M. le président, pour renforcer les connaissances au niveau national sur la résilience climatique et les évaluations des risques liées au changement climatique, des fonds de l'ordre de R 3 millions seront utilisés pour renforcer les connaissances des cadres du gouvernement, le *greening of the public sector*. Des programmes adaptés de renforcement des capacités seront mis en place dans le but d'améliorer les connaissances pour une réponse climatique coordonnée dans différents secteurs au niveau de la fonction publique.

M. le président, nous ajouterons à nos efforts antérieurs pour promouvoir l'économie verte comme une étape majeure vers la réalisation de la transition écologique pour une île Maurice plus propre et plus verte. Pour stimuler la croissance dans le cadre de ce paradigme de l'économie verte et permettre au pays de s'engager sur une voie de développement basée sur des modèles de reprise verte et aussi produire une croissance compétitive mais responsable, R 95 millions seront fournies. Ce montant substantiel reflète l'engagement du gouvernement à stimuler le programme d'économie verte.

À cette fin, M. le président, R 50 millions seront fournies pour promouvoir l'adoption de l'énergie solaire renouvelable dans le secteur public, notamment à travers l'installation des panneaux solaires photovoltaïques et aussi, M. le président, plusieurs bâtiments gouvernementaux seront dotés de telles infrastructures.

M. le président, je termine pour mentionner quelques petites mesures pour dire que nous consacrons R 20 millions pour l'installation des chauffe-eau solaires dans les maisons de la NHDC, R 10 millions seront fournies pour le programme de *rainwater harvesting*, notamment dans une centaine d'écoles, 10 hôpitaux et plusieurs marchés public, M. le président, et là je dirai, M. le président, que ce budget 2021/2022 prévoit environ R 33,8 milliards pour résoudre les problèmes liés à l'environnement, y compris R 2,5 milliards au *National Environment Fund and for Climate Change*. Cela témoigne, M. le président, de l'engagement de ce gouvernement à ne pas minimiser les considérations environnementales sur l'agenda socio-économique. En lui-même, ce budget démontre l'engagement du gouvernement à faire de son objectif d'une transition écologique une réalité.

Sur ces mots, M. le président, je vous remercie.

Mr Speaker: Thank you, hon. Member. I will request the Deputy Speaker to take the Chair.

At this stage, the Deputy Speaker took the Chair.

The Deputy Speaker: Thank you very much. Please be seated. Hon. Uteem!

(3.37 p.m.)

Mr R. Uteem (Second Member for Port Louis South & Port Louis Central): Mr Deputy Speaker, Sir, I listened to hon. Ramano just now, he started by teaching a lesson to hon. Juman as to what this Bill is about, and then, he went on to repeat his Budget speech. But what he does not say, is that there is today an appropriation for his Ministry under special reserve - National Environment and Climate Change Fund. We are asked to vote an additional Rs2.5 billion and not a word about how much has been spent because we are voting last year's Budget, which is supposed to end tomorrow. So, we are asked to vote Rs2.5 billion for his Fund and not a word as to how much of this Rs2.5 billion he has spent, and worse, not a word to say why he has not spent all this money! Maybe if he stops talking and acting, we may get more results!

Mr Deputy Speaker, Sir, the hon. Minister of Finance, Economic Planning and Development, is, unfortunately, not here but when he presented his Budget last year, we all recall that he boasted that he had a balanced Budget. A balanced Budget means that the expenditure is the same as revenue.

Today, he has informed us that after all, the Budget deficit will be 6.6%. But these figures, Mr Deputy Speaker, Sir, are very far from the real deficit because they do not take into account the money advanced by the Bank of Mauritius and special funds.

Only last week, the International Monetary Fund published a Press release and this early morning published the full report on its Article IV consultation with Mauritius. And do you know what the IMF said about Central Government Finance? According to the IMF, the current Budget deficit will be 12.2%, not 6.6% as the hon. Minister just said. It is not the Leader of the Opposition, it is not MMM, the IMF is saying the Budget deficit is 12.2%, double what the hon. Minister has just announced!

But, what is worst, Mr Deputy Speaker, Sir, is when we add the Special Funds and other capital transfers, according to the IMF, the overall borrowing requirement, that is the difference between revenue and expenditure for 2020. Do you know how much it is? 20% of GDP! This is IMF figures, 20% of GDP! That is huge. And, the hon. Minister of Finance wants us to believe that he is managing the economy in a responsible manner. But, the truth of the matter, Mr Deputy Speaker, Sir, is that this Government has a high propensity to spend, an even higher propensity to indebt the population. They are not creating any wealth. We do not hear about creation of jobs, about creating more wealth, more new sectors, and more economic growth. What we hear is borrowing, borrowing and borrowing! And today again, we heard the hon. Minister of Finance say that they are borrowing. Our public debt has reached 96% of GDP.

And, most of the items of expenditure in this Supplementary Appropriation (2020-2021) (No. 2) Bill 2021 involve special funds. Hon. Pravind Jugnauth, Prime Minister, presented his Budget in 2017-2018; he announced closure of several Special Funds. The Explanatory Notes to the budgetary measures read as follows and I quote -

“With a view to improving transparency in the management of public finances, all the revenues and expenditures of the Build Mauritius Fund and National Resilience Fund will, as from 1st July 2017, be accounted for in the Consolidated Fund.”

The hon. Prime Minister, when he was Minister of Finance, he announced the closure of Special Funds and in particular the National Resilience Fund and today we are asked to put more money in that National Resilience Fund. Today, that National Resilience Fund's unspent balance is Rs12.8 billion. What happened to the transparency in management of public finances announced by the Prime Minister?

We have just voted this year's Budget. We just went through Committee Stage, three hard days, but all of us did what we have to do. We asked questions, we scrutinised every item of expenditure for every Ministry. But, did we look at the Special Funds? Were we allowed to ask one single question on Special Funds? Were we allowed to ask questions about how much of those Special Funds have been spent? Why have they not been spent? Who are doing the contracts? Who is managing the expenditure? No! We have not, because Special Funds fall outside the budgetary scrutiny of Parliament, and this is why we do not like Special Funds, we want every expenditure. Hon. Ramano just mentioned all that his Ministry is doing. I am very happy he is doing it, but put it in the Budget. Why hide it in a fund where we cannot ask questions, we cannot scrutinise what is going on?

And, in his report, Mr Deputy Speaker, Sir, on the accounts of the Government 2019-2020, the Director of Audit stated –

“As of 19 February 2021

(c) a total of 30 financial statements in respect of 13 Special Funds have not yet been submitted for audit purposes.”

13 Special Funds had not submitted their accounts for scrutiny by the Director of Audit. And among those Special Funds, were again the National Resilience Fund and the COVID-19 Project Development Funds. So, these are funds that every year, the hon. Minister of Finance, the Government tells us to put money, billions of rupees and those accounts not only do we, in Parliament, not get to scrutinise and ask questions on those accounts, but, now, in breach of the law, they do not even submit those accounts to the Director of National Audit for auditing purposes. Is that good governance? Is that transparency?

The use of Special Funds, Mr Deputy Speaker, Sir, has also been criticised by the World Bank, because it undermines the effectiveness of the budgetary process and the medium fiscal framework to manage and control expenditure. At paragraph 211 of the report they just published in April, this is what we can read –

“The supplementary budgeting practices, - like today the supplementary budgeting practice - including those that addressed emergency situation - just like what we are doing today - should ensure that all revenues and expenditures are included in the budget to avoid off-budget funds and achieve full accountability of resources.”

This is what the World Bank is telling us. Stop putting money in off-budget special funds. Put it in your budget. Do not hide anything. You need to be transparent, you need to be accountable.

It is a pity when we listen to hon. Mrs Dookun-Luchoomun who is not here, trying to think that we, the Opposition, are against Government's spending. Excuse me! We are the one who keep saying that we should give more money in terms of Wage Assistance Scheme and Self-Employed Assistance Scheme. But, what we do not agree is that you put all these items of expenditure in Special Funds, where we cannot get to scrutinise and ask questions about it. This is what we do not agree. We do not agree the transferring of all these money in Special Funds.

And, it is not bad enough, Mr Deputy Speaker, Sir, that we are having Special Funds. The Government is doing worse; they are accumulating all these money and not spending it. I am not going to repeat all that the hon. Leader of the Opposition has said before me and I fully subscribe to what he has said, as at today, according to the official figures provided by the hon. Minister of Finance, there are more than Rs25 billion of unspent money in those funds. Rs25 billion unspent! Why? Plus the Rs80 billion of the MIC! Why are we being asked to put all these money aside? Why are we being asked to borrow, to create debt, to be indebted and, at the end of day, the Government keeps accumulating all these funds.

With your permission, now, Mr Deputy Speaker, Sir, I would like to turn to the specific items of expenditure. The National Resilience Fund - Rs9.2 billion for provision required mainly for payments of One-Off Self-Employed Grant Scheme, Wage Assistance Scheme and Self-Employed Assistance Scheme. Of course, we are all in favour, but I would like to repeat what I have said a number of times in this House. Why does this Government discriminate between citizens of this country? We have heard hon. Mrs Dookun-Luchoomun say that as at 09 June of this year, we have around 278,000 employees who were paid Rs16.6 billion and we have 260,000 self-employed, roughly the same, who were paid only Rs6.6 billion. Employees earning up to Rs50,000 are paid Rs25,375 a month. Government pays that. But self-employed are paid only Rs5,287. How can you discriminate? I mean, if I am an

electrician and I am employed by a contractor, I get paid Rs25,000 but if I work on my own, I get paid only Rs5,000. What is the logic? And, we all know that the poorer member of this society are self-employed, those who do not have a degree, a diploma or maybe a Certificate of Morality that enables them to get employed. Forget about the public sector, the civil service but even in the private sector, they cannot get employed if they do not have a Certificate of Morality. They are the poorest of the poor. They are the ones who should be getting more money.

It is the Self-Employed Assistance Scheme that ought to have been attracting all the attention of this Government. And, there are so many problems when it comes to Self-Employed Assistance Scheme. Just now, Vallée Pitot was a Red Zone and there was a communiqué by the MRA asking inhabitants of Vallée Pitot to apply for Self-Employed Assistance Scheme. Do you know the number of people who contacted me, who sent me SMS to tell me that their applications have been rejected by the MRA? Because apparently they were not living in red zone! I mean, luckily enough, you know, I was there, I contacted the MRA and we tried to sort out for these people but how many people who did not contact me and maybe did not get any assistance? So, I urge the hon. Minister of Finance, Economic Planning and Development to have a review on this Self-Employed Assistance Scheme.

Next, we are voting Rs1 billion to the National COVID-19 Vaccination Programme Fund. Again, I have listened very carefully to the hon. Minister of Health and Wellness who is, unfortunately, not here to listen to what I have to say. He gave us a lot of details about how many vaccines we have, how many people have been vaccinated today, 1 dose, 2 doses. It is all very well, Mr Deputy Speaker, Sir, but he did not mention a word about the delay in getting the vaccines and once the vaccines were obtained, the delay in getting the population to be vaccinated and now that they are vaccinated, the conditions under which vaccination is being done with a long queue and the lack of orderly organisation of the vaccination campaign.

He also made no apology that he did not pre-order vaccines. He did not pre-order Pfizer and now he is surprised that Pfizer is not even returning his calls. Other countries have ordered Pfizer but you know, we were stupid, we chose not to pre-order. So, today Pfizer does not want to talk to us. I also did not hear a word about the vaccine that we did, whether these vaccines are recognised or not. Is Covaxin recognised by the World Health Organisation? Are some of the vaccines that we are asked to do, whether it is Sinopharm then it will be Sputnik and there is Covishield, are these vaccines recognised in Europe? Are these

vaccines recognised in the United States? Will Mauritians willing to travel, whether it is for business, to go for medical treatment or for studies, will the countries in Europe recognise the vaccines that we have done and if they are not recognised, what is the Government doing in terms of diplomacy to make sure that Mauritians are not penalised for being vaccinated with a vaccine that is not recognised?

The next item is write-off of loans. We are asked to write-off Rs2.3 billion of loans. Every year the Director of Audit points out that many statutory bodies do not service their loans. As at 30 June 2020 the total arrears amounted to Rs4.1 billion comprising of Rs1.9 billion capital and interest and penalties Rs2.2 billion. Rs4.1 billion owed to the Government. The worst payers are the Central Water Authority, the Wastewater Management Authority, the Irrigation Authority and Polytechnics.

Answering to a PQ last month, the hon. Minister of Finance, Economic Planning and Development announced a series of measures that the Government is supposed to take to recover the arrears and to prevent arrears from accumulating further but in the end, instead of taking the measures he told us he will take, he comes to Parliament and asks us to write-off Rs2 billion worth of debt.

But before writing off these debts, did the hon. Minister investigate the reason why these authorities were unable to repay their debts? What measures did the Ministry take to bring long-term solution to ensure that these authorities would become financially sound? Let us take the example of the Central Water Authority and I am glad that I see on the list that hon. Lesjongard will talk after me because that is his department. Is the CWA managed in an efficient way? Or is it the fact that it is today in a monopolistic situation, breeding incompetence and management inertia? Otherwise, how can we explain that even today, it has more than 60% of non-revenue water, which means that more than 60% of water that leaves the reservoirs is not paid for? I am sure if there was due diligence done at the level of the CWA, they would be recovering the money but it is a Government-owned, they do not want to do anything about it and they are content with losing so much money. And today, we are being asked to write-off their debt and I can see the same about the Wastewater Management Authority whose management, or rather mismanagement, has been the subject of adverse comments by the Director of National Audit for several years. So much money wasted, tenders being cancelled, performance fees and penalty clauses not being enforced and today, instead of sanctioning those responsible at the level of the Wastewater Management Authority, we are writing off their debt. *La population passe à la caisse une nouvelle fois!*

And now, I will end, Mr Deputy Speaker, Sir, by talking about the Rs4.6 billion that is being paid to STC for it to satisfy the judgement of Betamax. In fact answering to a question, the hon. Minister of Commerce and Consumer Protection said that the amount to be paid to Betamax by STC is roughly Rs5.7 billion and that is a lot of money, Mr Deputy Speaker, Sir, Rs5.7 billion! And the population has the right to know why it is been asked to pay so much money and we welcome the decision of the Government to set up a Commission of Enquiry to look into the circumstances in which the contract with Betamax was awarded but also the circumstances that led to the termination of the contract. The terms of reference has not yet been finalised but I hope it will also include the Commission making recommendations to prevent the occurrence of similar situation in the future.

The contract awarded to Betamax and its termination have been the subject of many PNQs and PQs. I have made it a point to read each one of them. There are almost 100 pages of them and it is interesting to see how Ministers answer the same question depending on which Party they are in power with. It is very interesting to see, in this same House, we ask the same questions but the answers change and I will give you 3 examples and I will end on that. I will give you 3 examples. First example, which I hope the Commission of Enquiry will enlighten us, is...

The Deputy Speaker: May I, hon. Uteem? I do not want to interrupt, I am sure if you had a look at your time. It is about 20 minutes.

Mr Uteem: Yes. The hon. Minister Ramano just talked about 35 minutes so if you can give me 5 more minutes.

The Deputy Speaker: 25 more minutes? Are the Whips available because what I have in front of me is 20 minutes so that is why...

Mr Uteem: I have five minutes. I will wrap up in 5 minutes.

The Deputy Speaker: No, I do not have an issue as long as you take. I just have to go by what I have in front of me.

Mr Uteem: It is okay. You know, the hon. Ramano took 35 minutes.

The Deputy Speaker: Would the Clerk of the National Assembly please enlighten me because I do not see the Whips either from Government or Opposition here? Please continue until the Whips come back to me.

Mr Uteem: Yes, there are only 4 Members of the Opposition talking.

The Deputy Speaker: Can the Deputy Whip answer? How long was allocated to each Member?

Mr Uteem: 5 minutes is okay! I will not be long. It is Betamax.

(Interruptions)

The Deputy Speaker: I really do not mind you speaking as much as you want but I have got a paper in front of me, I have to go by it.

Mr Uteem: Okay.

The Deputy Speaker: Yes, Deputy Chief Whip!

Mr Uteem: Sir, I was going to say...

The Deputy Speaker: Give him the mike, let me hear how long was allocated?

Mr Dhunoo: 15 Minutes.

The Deputy Speaker: 15 minutes?

Mr Uteem: No, I have 5 more minutes.

The Deputy Speaker: No, no I have up to 20 minutes here!

Mr Dhunoo: As per the list that I have.

The Deputy Speaker: No, I will allow you to continue, please.

Mr Uteem: If you give me five more minutes I will wrap up.

The Deputy Speaker: I will just request the Whips of the Opposition and of the Government to be present to give me indication! Please continue!

Mr Uteem: Thank you, Mr Deputy Speaker, Sir.

Mr Deputy Speaker, Sir, there are only 3 questions that I want this Commission of Enquiry to answer. The first was the contract for affreightment between the STC and Betamax in the best interest of the population. Why? Because answering to a PNQ in August 2010, hon. Soodhun, the then Minister of Commerce, said that in October 2009, BDO de Chazal Du Mee submitted an independent evaluation report on the offer from Betamax and concluded overall that the rate being proposed by the promoter is more competitive than was being obtained. The same Minister, again, in November 2011 say and I quote –

“In general terms the freight charges payable today are no less favourable than was previously obtained.”

Then, again, on 13 December 2011, the same Minister –

“the average freight rates paid by STC are actually in quantitative and qualitative terms, more favourable than what they used to be.”

But then, a change of Government in 2015; hon. Gungah, the new Minister comes to the House, the same question was asked, and he says –

“STC is definitely making savings by having recourse to other tankers for transportation of petroleum products.”

And then, he goes on –

“(...) since we stopped the services of Betamax, the country has saved a minimum of Rs425 m.”

Then, in 2017, Mr Yerrigadoo, Attorney General, replying to a PNQ, stated that the agreement was –

“drafted very much in favour of Betamax Ltd”,

the same argument that was taken again by hon. Minister Callichurn when he answered the PNQ two weeks ago. So, we want to know, was this contract in the interest of the public or not in the interest of the public, because, in this House, different Ministers said exactly different things at different time.

Then, the second question:

“Did the STC seek legal advice from the State Law Office before entering into the contract and before terminating the contract?”

Again, hon. Soodhun said –

“the advice of the SLO was that the agreement was legally in order.”

Hon. Sayed-Hossen stated that he was –

“confident that this contract was cleared with the State Law Office.”

However, when hon. Gungah answered a PQ, he stated that –

“the contract was in breach of Section 14 of the Public Procurement Act and was unlawful.”

But he refused to give a copy of the advice that he received from SLO on the grounds that there was a Police enquiry.

Hon. Yerrigadoo stated that –

“STC received independent legal advice, both locally and internationally (...) to the effect that the contract was against the ‘public interest’.”

He mentioned that –

“Advice was given by Stephenson Harwood and a respected Senior Counsel and Senior Attorney.”

But, Mr Deputy Speaker, Sir, I have looked at a copy of the advice given by Stephenson Harwood, and you know what that advice says, I will read it out –

“However, STC would be unlikely to succeed in the arbitration proceedings.”

(Interruptions)

That was the advice given and despite the advice given by Stephenson Harwood, the Government terminated the contract with Betamax. So, I hope that the Commission of Inquiry looks into the second item, whether legal advice was taken before entering into contract and terminating the contract. And finally and lastly, and I will conclude on that...

The Deputy Speaker: In fact, I am just notified by the Whip that you can go on for a little longer. Sorry, but I go by what I have in front of me; I hope you understand.

Mr Uteem: Thank you. I am just wrapping up.

Ms Ramyad: Just to clarify, everyone was given 20 minutes, but since hon. Ramano has gone a bit longer, so in a matter of fairness.

Mr Uteem: Thank you, hon. Whip. I will not be long, it’s a last thing.

The Deputy Speaker: Please!

Mr Uteem: The third question that the population want to know, the third question that this Commission of Inquiry will have to clear, other than whether it was a good contract, whether we had legal advice going to the contract and terminate it, is: did the Government try to negotiate with Betamax instead of terminating the contract?

We heard hon. Gungah answering a PQ on 29 November 2016 where he stated in no uncertain terms, and I quote –

“Government has never proposed any amicable settlement for the termination of the contract between STC and Betamax Ltd.”

On the other hand, hon. Yerrigadoo, a year later, on 19 June 2017, mentioned that –

“Three meetings were held with Betamax Ltd. in January 2015 to review the contract, but Betamax Ltd. did not demonstrate any genuine willingness to renegotiate the contract.”

A similar answer was given by - now Minister of Commerce and Consumer Protection, hon. Callichurn. He said –

“Betamax did not demonstrate any genuine willingness to negotiate the contract.”

Mr Deputy Speaker, Sir, I have Notes of Meetings held, chaired by the then hon. Lutchmeenaraidoo, and were present the Minister Bhadain, the Minister Gungah, the Attorney General, Mr Yerrigadoo, Mr Megh Pillay for State Trading Corporation, Mr Bhunjun for Betamax and his lawyers; and in that Minutes, this is what it says, and I read –

“Mr V. Bhunjun thanked the Chairperson for the opportunity being provided to Betamax to state its views and comments during this meeting and stated that he was confident that Government will be fair during these discussions. He stated that despite the adverse articles appearing in the local Press which are unfounded and erroneous, he was willing to continue working with the Government and was willing to consider any proposals from the Government. The more so, that the Bhunjun Group is currently involved in other significant projects in Mauritius.”

So, we need to know, Mr Deputy Speaker, Sir, why despite what was said in that meeting, Government went ahead and terminated the contract. And this is why, Mr Deputy Speaker, Sir, we are all looking forward to this Commission of Inquiry. We are all looking forward to find out what happened because it is simply not acceptable that, at the end of the day, it is the population who has, once again, to fork out billions from its pocket.

Thank you.

The Deputy Speaker: Thank you very much. I am sorry again for interrupting because this is what I had in front me, 20 minutes.

So, hon. Minister, please!

(4.07 p.m.)

The Minister of Energy and Public Utilities (Mr G. Lesjongard): Merci, M. le président, de me donner la parole afin de pouvoir commenter le *Supplementary Appropriation (2020-2021) (No. 2) Bill 2021*. Mais comme il est de coutume, M. le président, avant d'entrer dans le vif du sujet je vais réagir naturellement sur quelques commentaires qui ont été faits par les précédents orateurs, c'est-à-dire, l'honorable Uteem et l'honorable Juman.

M. le président, ce qu'il faudrait que la Chambre comprenne, nous sommes toujours en urgence sanitaire premièrement et beaucoup de ces dotations prévues dans ce *Supplementary Appropriation Bill* concernent des mesures prises pour que nous puissions lutter contre cette pandémie. Mais nous sommes aussi en pleine implémentation des mesures d'atténuations contre le changement climatique.

M. le président, l'honorable Uteem, je ne vais pas rentrer dans la technicité des chiffres, je ne suis pas comptable de profession, mais n'empêche que j'ai en ma présence une copie du rapport, c'est-à-dire, *Article IV 2021* du Fonds Monétaire International (FMI) et j'ai là devant moi la déclaration de l'*Executive Director for Mauritius*, M. Aivo H. Andrianarivelo, où il vient dire au paragraphe 2, en date du 21 juin de cette année-ci, et je cite

–

“The Authorities stress that this unprecedented crisis, especially harshly impacting small, highly open island economies like Mauritius, has necessitated a mix of conventional and unconventional policy measures to preserve economic and financial stability.

The Authorities reaffirm that the fiscal, monetary and financial sector measures undertaken are supporting economic recovery after protecting employment, limiting corporate defaults and bankruptcies, and providing adequate liquidity in the financial system.

They emphasise that, in the absence of such bold measures, the impact of the crisis would have been much more sizeable, notably on firms and the financial sector.

They maintain that it is imperative to allow adequate time and flexibility for these measures to put the economy back on a sustained growth trajectory.”

Et c'est ça la dure réalité, M. le président, aujourd'hui, c'est que nous faisons face à une crise sans précédent dans le monde et nous devons trouver des moyens afin de faire face à cette situation. Cette situation n'est pas permanente, M. le président, c'est une situation temporaire et, M. le président, passer cette crise, ce gouvernement va faire tout le nécessaire afin de

rétablir les finances publiques et présenter une ardoise propre aux institutions internationales, et nous faisons tous confiance à notre ministre des Finances.

M. le président, je vais premièrement commenter sur deux items, premièrement, la dotation pour le paiement que l'État a dû effectuer à la suite du jugement en faveur de Betamax, et l'autre concerne mon ministère, c'est-à-dire l'allocation sous l'*Economic Recovery Plan* afin d'améliorer la distribution d'eau dans certaines régions de l'île mais aussi, je vais faire quelques commentaires sur le *writing-off* des emprunts au niveau de la CWA, mais principalement au niveau de la *Wastewater Management Authority*. Mais permettez-moi, premièrement, de commencer par l'institution d'une commission d'enquête pour faire - et je pèse mes mots - la lumière sur le *Betamax Gate*. C'est une décision qui émane du conseil des ministres de vendredi dernier, M. le président.

A écouter les intervenants de l'opposition, l'honorable Uteem mais aussi l'honorable Juman, la première question qu'on est en droit de se poser, M. le président, c'est : est-ce que le Leader de l'Opposition quand il avait posé sa question au ministre Callichurn, s'était concerté avec les partis de l'opposition ? J'ai comme l'impression que non. Ça c'est une première constatation de par les arguments avancés par l'honorable Juman, et aussi la déclaration de l'honorable Dr. Boolell sur les ondes d'une radio tout récemment. Mais le Parti Travailleiste essaye d'induire la population en erreur en disant que c'est dans un esprit de vengeance que ce gouvernement veut mettre sur pied une commission d'enquête. La première question à se poser naturellement pour nous, membres du gouvernement, est-ce que quand le Leader de l'Opposition a fait cette requête, est-ce que c'était dans un esprit de vengeance qu'il a fait la requête au gouvernement ? C'est ça, parce que le Leader de l'Opposition, lui-même, il était dans le gouvernement qui avait à l'époque, octroyé le contrat à Betamax. Alors moi, je suis en droit de me poser cette question, c'est est-ce que le Leader de l'Opposition, lui aussi, c'est dans un esprit de vengeance qu'il a fait la requête au gouvernement pour instituer cette commission d'enquête.

Maintenant, M. le président, cette décision n'est nullement motivée par la vengeance. Si nous instituons une commission d'enquête, c'est dans l'intérêt supérieur de la population et nous voulons que toute la lumière soit faite sur le scandale de Betamax et nous voulons la même chose que le Leader de l'Opposition. Permettez-moi, M. le président, de me référer à cette tranche de questions posées par le Leader de l'Opposition au ministre Callichurn, et il vient dire, et je cite –

“And that was his very first question in that PNQ. Normally when the Leader of the Opposition asks a PNQ, it is always the last question that he comes forward with asking either a commission of inquiry or an inquiry. In this case, it was the first question, and he says –

‘So my first question is: will the Government agree once and for all to appoint a commission of inquiry headed by a sitting judge so that your side of the story can be heard and everybody aside of the story can be heard. We will know once and for all who is to be blamed and who is not to be blamed.’”

Nous sommes sur la même longueur d’onde, M. le président, nous voulons savoir nous aussi et une commission d’enquête devra faire la lumière sur les procédures ayant mené à la signature du contrat et aussi à sa mise à terme. C’est-à-dire ce qui est intéressant politiquement parlant, elle couvrira deux différentes périodes par deux différents gouvernements, celui dirigé par Sir Anerood Jugnauth à un certain moment et celui dirigé par le Dr. Navin Ramgoolam. Et, M. le président, permettez-moi, il est compréhensible et ce serait mal placé, M. le président, pour moi de commenter un jugement donné par une cour de justice, et dans ce cas précis, par le conseil privé.

Toutefois, M. le président, on est en droit, comme ça a été fait avant moi de se poser des questions sur le choix de Betamax, et pour moi, M. le président, l’affaire Betamax a trois aspects, l’aspect légal, l’aspect politique et l’aspect financier. Le côté légal est clair. Betamax a remporté son cas devant le conseil privé et ce n’est pas sujet à des débats au sein de cet hémicycle cet après-midi. Par contre, l’aspect politique, M. le président, est primordial, et je commence; quel rôle ont joué les ministres responsables du dossier depuis le début des discussions entre les différents partis jusqu’à la fin de l’allocation du contrat de Betamax, et la grande question, pourquoi Betamax, pourquoi un contrat d’une telle ampleur financière n’est pas comme tous les autres contrats passés à travers le *Central Procurement Board*, et pourquoi une telle urgence à allouer un tel contrat sans faire des études de marché ?

M. le président, tous les partis politiques, et je pense que l’honorable Uteem en a parlé, certains députés ici présents aujourd’hui en ont parlé, soit en faveur, certains, soit contre ce contrat juste. M. le président, il est à noter que lors de l’allocation du contrat, le PTR et le PMSD étaient ensemble et étaient au pouvoir, le MSM qui est aujourd’hui au pouvoir avait mis un terme à ce contrat, le MMM à l’époque avait dénoncé les procédures d’allocation du contrat. Nous savons après tous, allons dire les *in and out* de ce dossier, la

décision de mettre sur pied une commission d'enquête sur ce contrat, et comment a été mis à terme ce contrat, est un grand pas afin de faire toute la lumière, M. de président, sur cette affaire, à partir du point zéro, c'est-à-dire la période précédant la signature du contrat entre Betamax et la *State Trading Corporation* et sur les circonstances qui ont mené à la mise à terme du contrat. Peut-être qu'il n'y a pas l'unanimité au sein de cette auguste assemblée, mais il y a unanimité au sein de la population, M. le président, à mettre sur pied cette commission d'enquête. Et, M. le président, la vérité n'a pas de prix pour moi, M. le président.

M. le président, sur le plan politique les déclarations sont claires et j'espère que l'honorable Dr. Boolell qui va prendre la parole après moi va nous dire exactement en quoi consiste la déclaration de l'honorable Juman pour venir dire que ...

Premièrement, nous allons dépenser l'argent public si nous voulons faire la lumière sur ce contrat premièrement et deuxièmement, je veux savoir si au sein de l'opposition, il y a l'unanimité sur l'institution de cette commission d'enquête. Et j'ai dit, un peu plus tôt, qu'on n'est pas en train de fer dominère, M. le président. Betamax a déjà empoché son argent. Ça, c'est clair. C'est une question de savoir qui sont les vrais protagonistes de ce scandale. Nous ne contestons nullement le fait que Betamax a remporté sa demande d'indemnisation devant le Conseil privé. L'Etat a dû payer R 5.6 milliards à travers le ministère des Finances et la *State Trading Corporation* et je comprends que le gouvernement a respecté cet engagement. L'Etat a perdu R 5,6 milliards et le gouvernement de 2005 à 2010 doit venir expliquer toutes les procédures, les réunions, les décisions prises au niveau des ministères et au sein du Conseil des ministres.

M. le président, quelques faits à souligner, le peuple a le droit de savoir que le gouvernement avait préalablement décidé d'allouer le contrat à Betamax ou Betonix Limited avant même que le *Board* de la *State Trading Corporation* en ait décidé ainsi. Le peuple a le droit de savoir, par exemple, pourquoi la présidente du conseil d'administration de la *State Trading Corporation* à l'époque n'avait pas présidé la réunion pour avaliser l'allocation du contrat. Il nous faut savoir aussi quand fut créé Betamax. Il y avait aussi un comité interministériel présidé par l'honorable Leader de l'Opposition afin de faciliter l'octroi de ce contrat. Il faudra savoir aussi, M. le président, si un ministre avait été ordonné de s'absenter du Conseil des ministres afin de faire accélérer les procédures d'allocation de ce contrat.

M. le président, je précise que toutes mes questions aujourd'hui ont trait au *Supplementary Appropriation Bill* puisque nous devons savoir pourquoi nous avons dû

déboursier cette somme et il n'y aurait jamais eu de déboursement des fonds, M. le président, de l'état si aucun contrat n'avait été alloué à Betamax dont fait partie comme actionnaires des proches d'un ancien ministre de l'époque et membre du parti Travailleiste. Il n'y aurait jamais eu ce cas en cour si le *due diligence* financier avait été fait en toute transparence. Le gouvernement d'alors et l'actuel Leader de l'Opposition en sait beaucoup sur ce point.

M. le président, le gouvernement de 2005 et 2010 avait permis à *BDO*, firme d'expert-comptable, de faire le *due diligence* financier et ça j'en avais parlé quand j'étais intervenu à l'époque, M. le président, alors que cette même compagnie était l'auditeur de la compagnie Betonix Ltd, compagnie qui gère les opérations de Betamax. M. le président, il y a mille questions sur Betamax et c'est la responsabilité de l'État de faire toute la lumière sur l'allocation de ce contrat, les implications financières et politiques de ce contrat. Les membres du gouvernement travailleiste de l'époque devront venir nous dire pourquoi il avait rencontré les représentants de Betamax avant que *l'expression of interest* soit publiée pour le transport de nos produits pétroliers. Autant de questions qu'aura à répondre cette commission d'enquête, M. le président, afin de faire toute la lumière sur l'affaire Betamax et comprendre les rôles joués de part et d'autre par les protagonistes de cette affaire.

M. le président, vers la fin de 2020, nous faisons face déjà à plusieurs mois de sécheresse. On doit se rappeler à cette époque le niveau de nos réservoirs et de nos nappes phréatiques, M. le président. Il nous fallait trouver d'autres sources d'eau et aussi prévoir comment mieux gérer de telles situations et les investissements sous l'ERP prévoyaient des nouvelles infrastructures pour d'autres sources d'eau potable. Je l'ai signalé dans mon intervention sur le budget et nous multiplions, M. le président, nos installations pour puiser l'eau des rivières et d'autres sources. L'item sous l'ERP prévoit un investissement de l'ordre de R 403,6 millions afin d'améliorer notre réseau de distribution d'eau.

Je dois souligner, M. le président, qu'il y a eu un certain retard dans l'implémentation de ces projets. Je l'ai dit, nous sommes en pleine crise sanitaire, c'est dû au Covid-19 mais aussi au confinement. M. le président, nous nous préparons aussi à certaines situations d'urgence qui peuvent affecter toute une région pendant des fois, ça arrive 24 heures ou 48 heures avec l'installation de ce qu'on appelle les *inflatable reservoirs* qui peuvent être transporté d'un endroit à un autre.

Un premier exercice d'appel d'offres avait été lancé mais aucun des soumissionnaires n'a pu répondre aux spécifications. Un nouvel appel d'offre sera bientôt lancé, M. le

président. Les principaux projets concernent aussi entre autres l'amélioration du réseau de distribution reliant la station de pompage de Plaine Lauzun au réservoir de Coline Monneron, ce qui va grandement améliorer la fourniture d'eau à Tranquebar et Vallée Pitot. Les travaux devront débiter d'ici septembre prochain. Une somme de R 25 millions sera injectée afin de relier le réservoir de Malenga à la région de Crève-Cœur. Par rapport à la *Wastewater Management Authority*, nous avons trois projets qui sont déjà enclenchés pour un montant total de R 100 millions et ces projets sont comme suit, M. le président –

- R 22 millions pour les travaux d'extension du système de tout-à-l'égout à Nicolay Port Louis et Coromandel ;
- R 50 millions pour les travaux d'entretien et de réparation dans les régions de Port-Louis, Beau-Bassin, Curepipe, Quatre Bornes, Baie du Tombeau et Grand Baie ,
- et R 28 millions pour l'extension du système de tout-à-l'égout dans les régions du Nord.

Le gouvernement, M. le président, compte investir R 4,4 milliards pour les trois prochaines années dont R 1,17 milliards pour la période 2021-2022 afin d'étendre le système à travers le pays. Nous avons un objectif, c'est que 50% des ménages puissent être connecté au réseau de tout-à-l'égout d'ici 2030. M. le président, nous avons d'autres projets dans la région de Vallée des Prêtres, La Source Quatre Bornes mais aussi à la Ferme et Bambous. Il est important, M. le président de souligner la mise en place d'un éventuel système de contrôle et de mise à jour centralisée au niveau de la *Wastewater Management Authority*.

M. le président, l'honorable Uteem avait évoqué les dettes des deux organismes tombant sous ma responsabilité, la CWA, on a rayé presque R 732 millions de dette et la *Wastewater Management Authority*, où on a rayé presque R 385 millions de dette. Mais ce que je souhaite partager à la Chambre, M. le président, c'est dans un rapport rendu public. Je vais me référer à ce rapport qui est très explicite et vient expliquer pour quelle raison aujourd'hui on se retrouve dans cette situation.

The Waste Water Management Authority has been reporting deficits over the past years. This situation is mainly attributable to the finance cost, interest on loan, which have a negative impact on the bottom line results in financial statements. The change in policy by Government since January 2013, for financing wastewater projects through loans instead of grants, had a negative impact on the financial position of the Wastewater Management

Authority. It is observed that the revenue derived from wastewater charges is not sufficient, save for operational expenditure to fund massive investment in waste water projects.

Alors, il ne faut pas nous attribuer complètement ces emprunts parce que j'ai démontré que si on se retrouve dans cette situation aujourd'hui au niveau de la *Wastewater Management Authority*, c'est un peu grâce aux décisions prises en l'an 2013. En ce qui concerne la CWA, M. le président, je pense que la population est consciente qu'on est en train de mettre bon ordre dans les finances de la CWA et que les résultats dans les années à venir vont être différents.

M. le président, avant de conclure, permettez-moi de dire quelques mots sur la dotation d'un milliard de roupies pour l'achat de vaccins. M. le président, ce gouvernement, comme tous les gouvernements, nous avons la responsabilité de protéger notre population que ce soit sur le plan sanitaire ou sur le plan économique. Nous sommes dépendants du tourisme. M. le président, nous faisons toute notre possible pour diminuer les risques de contamination et aussi depuis le début de l'année, nous organisons des campagnes de vaccination afin d'atteindre l'immunité collective d'ici le mois d'octobre. Je comprends que nous avons presque 550,000 personnes vaccinées et je comprends aussi que nous sommes le 8ème pays au monde à avoir vacciné le plus grand nombre de sa population.

M. le président, à l'heure où nous débattons, il n'y a aucun remède prouvé ou homologué au niveau mondial, sauf les différents vaccins qui diminuent les risques de contamination. M. le président la population, qui on doit le reconnaître, était réticente au début pour se faire vacciner. Aujourd'hui, ils sont plus conscients de l'importance de se faire vacciner et c'est très encourageant pour la santé de notre peuple et aussi pour notre économie et c'est comme un peuple uni, M. le président, que nous allons pouvoir avancer et lutter contre cette pandémie.

J'en ai terminé. Merci, M. le président.

The Deputy Speaker: Thank you very much. Hon. Minister Callichurn!

(4.34 p.m.)

The Minister of Labour, Human Resource Development and Training, Minister of Commerce and Consumer Protection (Mr S. Callichurn): Mr Deputy Speaker Sir, the Supplementary Appropriation Bill 2020-2021 makes provision, *inter alia*, for an additional sum of Rs4.6 billion to enable the corporation, that is the STC, to settle its liability, following

the Judgement delivered by the Judicial Committee of the Privy Council on 14 June 2021 in the case of Betamax Ltd versus the State Trading Corporation (STC).

I would, therefore, like to enlighten the House on this issue. Mr Deputy Speaker Sir, I must confess that after the reply to the PNQ at the sitting of 17 June and following the Government's decision to meet the full claim of the Betamax Ltd, I thought that it was time to put this matter to rest and move forward with the huge challenges with which the country is faced, especially in the post-COVID-19 global context. The fact that I am taking the time of the House again on this matter, Mr Deputy Speaker, Sir, is a reflection of the utter disgust which I felt following the unacceptable behaviour of some Members on the other side of the House. The glee with which they were celebrating the outcome of the whole matter as if they have been able to get away with murder, allow me to explain why I believe so, Mr Deputy Speaker, Sir.

Being the sole importer of petroleum products for the country, it is fully understood that back in 2006, the aim of the then Government was primarily for the STC to acquire its own tanker with a view to reduce dependence on foreign tanker operators for the transportation of petroleum products for Mauritius and to reduce freight rates and ensure timely supplies. A study was thus conducted by a consultant on the acquisition of a tanker. The consultant concluded that if Mauritius owns its own tanker, there would be net substantial savings of USD12.6 m. annually, greater control over pricing, delivery, timing and volume of imports, he clearly stated Mauritius as a Sovereign State.

In 2007, the then Government decided that local private companies should be invited to finance the purchase of the tanker. Subsequently, the Ministry of Public Infrastructure, Land Transport and Shipping (Land Transport & Shipping Division) sought the collaboration of the Mauritius Chamber of Commerce and Industry for soliciting interest of the private sector in the project. Out of 400 firms contacted, only 6 showed interest. However, when a formal invitation for expression of interest was sent to them, Betonix Ltd was the only one to submit a responsive proposal, in partnership with Executive Ship Management (ESM) Private Limited of Singapore.

In December 2008, the then Government agreed that Betonix Ltd, in partnership with the ESM Private Limited to acquire, operate, register locally a double-hulled tanker vessel subject to a commercial contract being entered into between STC and the promoters for the

transportation of petroleum products for Mauritius for a period of 15 years as from August 2010.

With regard to the operation and ownership of the new tanker, a new company would be formed whereby Betonix Ltd would hold 85% and ESM Private Limited 15% of the shares. Betonix Ltd and ESM Private Limited was to fully finance the purchase of the double tanker vessel from their own funds and without any financial commitment and involvement whatsoever from Government. The vessel would be registered locally and freight rates would be charged on the transportation of petroleum products and had to be jointly agreed between Betonix Ltd and ESM Private Limited on the one side and the STC on the other and would be based on rebates available with regard to indicative market rates.

Consequently, the joint venture Betonix Ltd and ESM Private Limited submitted a draft proposed Contract of Affreightment and Implementation Agreement to STC regarding the ownership and operation of a brand new tanker vessel with a carrying capacity of 64,000 tonnes for the period of 15 years. The draft Contract of Affreightment was submitted to the State Law Office (SLO) for vetting and on 28 April 2009, the State Law Office responded stating that the Public Procurement Act which came into force on 17 January 2008 stipulated that –

“Any major contract for the procurement of goods or services or the execution of works by a public body, unless the procurement falls within the exceptions as set out at Section 3(1) (a) and (b) and which exceptions are not applicable in the present case, must have the approval of the Central Procurement Board.”

The State Law Office was of the view that since the STC is a public body, it was bound to follow the procedures under the Public Procurement Act as the contract contemplated was that of freight, for the carriage of petroleum products and as such, had to obtain the approval of the Central Procurement Board. The State Law Office advised that the STC be precluded from signing the contract unless the approval of the CPB was obtained.

What happened thereafter, Mr Deputy Speaker, Sir, in order to obviate the legal difficulty raised by the State Law Office, the then Government, on 29 June 2009, hastily amended the Public Procurement Regulations 2008 to include the STC as an exempt organisation under the Public Procurement Act for –

“Goods purchased for resale, including services incidental to the purchase or distribution of such goods,”

which is to be found in Government Notice 68 of 2009.

So, when they realised that the amendment was not enough, Mr Deputy Speaker, Sir, the then Government, again, on 30 July 2009, amended the Public Procurement Act through the Finance (Miscellaneous Provisions) Act 2009 to state that the Public Procurement Act does not apply to the procurement effected by an exempt organisation. They like to use this expression: ‘going through the back door’, not even a proper debate on the issue. That was done in the Finance Bill; made it in *catimini!*

Now, Mr Deputy Speaker, Sir, this clearly begs for the following questions. Listen to me carefully...

(Interruptions)

The Deputy Speaker: Order!

Mr Callichurn:

- Why the acquisition of a tanker by STC was conveniently put aside by the then Government? May we know why? Was it not supposed to be a project of the STC, financed by the STC?
- What was the aim of the then Government in 2006, was it not primarily for the STC to acquire its own tanker in order to make savings, as rightly mentioned by hon. Juman?

And, it was provided in that report which was submitted to Government back in 2006.

- Who was the Minister of Commerce then? Is it not because he was related to the Bhunjun family, and in order to avoid any conflict of interest issues, there was a *remaniement ministériel*, thereafter?

Perhaps those in power at that time know the answer! Hon. Dr. Boolell will be speaking after me and I expect answers from him.

- What was the intent of the then Government when all these manoeuvres were taking place? Was it to protect the best interest of the country or were there more sinister ulterior motives?

Mr Deputy Speaker, Sir, one simply has to look into the nature of the transaction which has been made possible outside the purview of the Public Procurement Act. It is

because of this important amendment to the Public Procurement legislation that led to the signature of the contract of affreightment between STC and Betamax Ltd in November 2009.

It is vital for people to understand the implications of such a contract. Allow me to quote, Mr Deputy Speaker, Sir, Professor Swaley Kasenally, in an interview given to l'Express on 07 July 2011, who said –

“The contract between STC and Betamax Ltd for the transportation of petroleum products contains clauses inimical to the interest of the country.”

That is, detrimental.

Indeed, the contract was disadvantageous in all sense to the STC. It guaranteed an annual rent of USD17.6 million for 100% of freight capacity of its vessel, regardless of whether the vessel carried a full load of uninterrupted period of 15 years plus costs of fuel, port dues and demurrage charges irrespective of fall in world prices of freight and lesser number of trips undertaken from Mangalore to Mauritius.

Mr Deputy Speaker, Sir, it is also worth mentioning that the daily rate freight charges at that time was USD16,500 per day, whereas STC paid approximately three times that amount, that is, USD48,000. Moreover, they were guaranteed for an increase in freight charges from 1.5% from Year 6, and by 2% as from Year 10.

In the same article I mentioned earlier, Professor Swaley Kasenally asked a very important question: “Was the arrangement between STC and Betamax Ltd tantamount to STC financing the tanker which costed USD58 million, according to BDO-DCDM report by guaranteeing the annual payment of USD 17.6 million, as rented for the vessel.”

So, was it in the best interest of the STC to have bought a vessel at USD58 million instead of renting it from a private operator at USD17.6 m. annually? Was it not in the interest of the STC? It would have taken the STC approximately 3 years and few months to wholly finance the acquisition of a similar vessel, Mr Deputy Speaker, Sir. So, where was the interest of the Government then? Now, they say that taxpayers will pay for the wrongdoing of this Government. Did they not think about it when they gave the contract? A contract *coulé dans du béton X, s'il vous plaît*, to a private operator, Mr Deputy Speaker, Sir!

Mr Deputy Speaker, Sir, it was clear that the clauses of the contract offered numerous benefits to Betamax Ltd only and none to Government of Mauritius. So, how could this

Government have continued with such a contract where the liabilities to the STC well outweigh those of Betamax Ltd and was not, in any sense, in the interest of our people.

Mr Deputy Speaker, Sir, when we took Office in 2014, we did not just terminate the contract outright as many people believe, and it was certainly not because of vendetta politics, hon. Eshan Joomun - he is gone. Actually, we invited Betamax Ltd to re-negotiate the terms and conditions of the contract. But, I am informed that unfortunately they did not want to review the terms and conditions that were outrageous. Hence, negotiations failed. I am not in presence of the copy of the Minutes of Proceedings of that meeting, as referred to by hon. Uteem. But if that was the case, the correct facts will come to light in the Commission of Enquiry soon.

In 2015, when the Government took the decision for STC to terminate the contract, it was done in the interest of the country. We were fully aware of the risks that we were taking, but also, and this is especially important, Mr Deputy Speaker, Sir, we were also comforted by the fact that figures obtained from the STC indicated that a release from the contract would result in immediate and substantial savings on freight costs for the Corporation.

It is worth noting that for the period August 2010 to January 2015, the STC had to pay Betamax Ltd a total amount of around USD126 million as freight and demurrage fees.

From 2015 to July 2019, after the termination of the contract between STC and Betamax Ltd, savings of Rs1.5 billion were realised. This represents savings of about Rs340 m. per year. Over a period of 15 years, STC would have made a further savings of Rs5 billion, Mr Deputy Speaker, Sir.

Mr Deputy Speaker, Sir, having gone through the chronology of events leading to the signing of this most immoral one-sided contract in favour of Betamax Ltd, I shall not hesitate to state, Mr Deputy Speaker, Sir, that the signature of this contract was nothing short of a conspiracy to defraud the country of billions of rupees for a period of 15 years. It was for all intents and purposes a well-planned and perfectly executed scheme with the blessing of the then Government.

And, Mr Deputy Speaker, Sir, because we did the right thing, because we do not have anything to hide and because the wrongdoing and the malicious intention was on part of those who awarded the contract in November 2009, Government, in its own deliberate judgment, has now decided to set up a commission of inquiry into the matter. In the end, truth will prevail as we may have lost a battle but not a war.

Mr Deputy Speaker, Sir, the STC has honoured its commitment and paid around Rs5.56 billion to Betamax Ltd on 22 June 2021. The Government living up to its responsibilities has contributed Rs4.6 billion of this amount. I, therefore, support the provision being made under this Supplementary Appropriation Bill and I rest my case here.

Thank you, Mr Deputy Speaker, Sir.

The Deputy Speaker: Thank you hon. Minister. Hon. Dr. Boolell!

(4.53 p.m.)

Dr. A. Boolell (First Member for Belle Rose & Quatre Bornes): Thank you very much, Mr Deputy Speaker, Sir.

Mr Deputy Speaker, Sir, I have been long enough in this House to know when there is seriousness of purpose and when an agenda is political. Before I come to the main thrust of my speech, let me remind our friends on both sides of the House, never start something that you can't stop, and we cannot have a Government which governs by Commission of Inquiry. I am all for a Commission of Inquiry and I have said it loud and clear, and my views reflect the views of the Labour Party. But the Terms of Reference have to be clearly defined. Some of our friends have made a case that the Commission of Inquiry should be chaired by a retired Judge and not a sitting Judge. It is a matter that can be argued, but let me remind this House, this is a country where there is separation of powers and when a decision is made by the last bastion of the judiciary, I am not saying that we have to stoop to conquer, but we have to accept the decision.

Mr Deputy Speaker, Sir, if I want to be nasty, I can wear my boogies and start to kick around. If we want to know, ask the question: whether, in relation to Safe City, a tender was called for; whether, in relation to Metro Express, a tender was called for. Special Purpose Vehicles were used, Mr Deputy Speaker, Sir. In respect of construction of 1 km of rail track from Ébène to Rose Hill, the cost has doubled from Rs750 m. to Rs1.4 billion, Mr Deputy Speaker, Sir.

Let me tell this House, never start something that you cannot stop, but, on this side of the House, we are strong proponents of democracy. We value democracy. We know what it is all about and we are human beings, but what is the point of being a human being if you are not humane, Mr Deputy Speaker, Sir.

And I said it, there is no such thing as permanency, Mr Deputy Speaker, Sir. Nothing is for an indefinite duration. I recall when I was Minister of Agro-Industry, we chanted our mantra that the sugar protocol is of an indefinite duration. Nothing lasts forever, be it the contract of IPPA, which CEB has entered into with the sugar cane industry; that contract will have to be revisited, there comes a time when there is a call for renegotiation of prices; be it for *les Moulins de la Concorde*, which have lock, stock and barrel, but, and I say it without fear or prejudice, there is no such thing which lasts forever and ever. But there is a call for democratization; there is a call to widen the circle of opportunities. I am not talking of special or differential treatment, but what I am saying, what is true for the goose can be equally true for the gander, Mr Deputy Speaker, Sir.

And I know how it all comes about. If you want to know, go back to history and find out how there was a political eruption, and it all related to Med Point. Don't ask me to unravel things that should not be said in this very House. Ask your Prime Minister, the Leader of the MSM, why did he solicit the support of the Labour Party at the by-election in Constituency No. 8, Mr Deputy Speaker, Sir?

Mr Deputy Speaker, Sir, let me tell this House that nothing is permanent. You are here today and gone tomorrow. I have been in this House since days immemorial because I believe in human touch and I know what it is all about. I am not here because of my creed, my caste or my community.

Mr Deputy Speaker, Sir, I have heard so many speeches being delivered, but I will come back to the essential of this Bill. The House is called upon to complete an unfinished business, except that there are many shades of grey, and these have been spelt out by Members on both sides of the House. We have talked of omissions, irregularities and shortcomings, Mr Deputy Speaker, Sir. But we have no lessons to learn from them, and hon. Uteem was right to point out what is the purpose of closing Special Funds when you are opening Funds, Funds and Funds, Mr Deputy Speaker, Sir. What is the purpose? Opacity, no transparency and lack of accountability, and yet they are the ones sitting on the other side who will talk of transparency and accountability. They are not qualified; they do not have the merits to talk of transparency and accountability. And my friend, hon. Xavier Duval, Leader of the Opposition was right to say, there is plenty of money in Special Funds to meet all expenditures in 2020-2021, and I will come back to the transfer of Rs31.7 billion for Financial Year 2020-2021.

Special Funds, Mr Deputy Speaker, Sir, - and they know very well what they are doing - do not lapse, but they roll over and may turn out to be a sizeable war chest, as spelt out by the hon. Leader of the Opposition. And who could forget what was promised prior to the General Elections, Mr Deputy Speaker, Sir?

Mr Deputy Speaker, Sir, what is this Supplementary Budget all about? Of course, Opposition wants to have its say; Opposition wants to know whether every rupee is spent judiciously, because there is a call for accountability. We cannot just channel hard earned money from taxpayers into Special Purpose Vehicle. Let us come to how the money is going to be spent. We are told there will be a transfer of Rs16.7 billion to Special Fund, equally, a transfer of Rs4.6 billion to STC to pay liabilities on Betamax and an amount of Rs2.3 billion write-off to parastatal bodies which do not have the capacity to repay.

I listened to hon. Lesjongard, Minister of Energy and Public Utilities. He was right to say that there is a call to revisit, to make parastatal bodies more performing bodies, but, at the same time, we call these bodies 'parastatal bodies' and they are utilities. That is the relevance and importance, but this is no excuse that corrective measures should not be taken to redress a situation which is appalling and which has been going on for far too long. This is the purpose! Taking corrective measures to make sure that there is accountability and not simply, with the stroke of a pen, write off the loan.

But, then, Mr Speaker, Sir, all these special extra budgetary funds, in addition to fishy equity investment and off-budget expenditures, make, as I have stated earlier, the budgetary exercise opaque. These vehicles serve the purpose of a Minister of Finance to fudge figures, Mr Speaker, Sir. And the hon. Minister of Finance is trying to make hay from the sun that belongs to the Bank of Mauritius. And we learn with dismay that the Bank of Mauritius has a deficit of Rs5 billion in its Balance Sheet. This is outrageous, Mr Deputy Speaker, Sir. Outrageous, I call. Indeed, we are all shocked but not surprised, Mr Deputy Speaker, Sir, when we know that fiscal dominance of the Ministry of Finance means a gun pointed at the forehead of the Bank of Mauritius. Surrender, Mr Governor or be sacked! Rs60 billion financing! Rs80 billion to support MIC in respect of ongoing loans to be dispensed to what we call the corporate sector! Rs18 billion released in December 2019!

Mr Deputy Speaker, Sir, it is a war chest beyond the wildest dream! Never heard of! The first in a Small Island Developing State, and they are proud to say that they are raiding

the Central Bank. That is what they are doing, Mr Deputy Speaker, Sir. Rs150 billion, a sum probably equivalent to Gross National Budget!

Mr Deputy Speaker, Sir, I would advise the hon. Minister and the Governor of the Bank to draw lessons from the peers of the Central Bank of India and South Africa, to understand what is the importance and meaning of the independence of Central Bank. Independence of Central Bank and monetary policy, Mr Deputy Speaker, Sir, is not a game for a laugh.

The Bank of Mauritius rules the waves of monetary policy. And when we talk of monetary policy, there is every reason to highlight the importance of fiscal deficiency. And I will talk of fiscal deficit for Financial Year 2020-2021. We may blurt out, we may release figures, but, at the end of the day, we have to pay heed and we have – whether we like it or not – to stick to what we agreed upon, that is, paying heed to what is said in the IMF manual, Mr Deputy Speaker, Sir.

And what is the true fiscal deficit that has been highlighted by hon. Uteem? It is much higher than officially forecast and it is 20% of the GDP after excluding Bank of Mauritius transfer of Rs60 billion and after adding Betamax expenses of Rs4.6 billion as well as other expenses such as the BAI bail out of Rs11.9 billion disguised as equity investment in National Property Fund, Mr Deputy Speaker, Sir, and other off-budget expenses in public entities like Metro Express. So, that is why I am sounding a note of caution.

Whereas Betamax, Mr Deputy Speaker, Sir, went through all the process, Metro Express had recourse to a Special Purpose Vehicle, and there is a lot to be answered for. And what is true for Metro Express is equally true for Safe City, Mr Deputy Speaker, Sir. And I am not the one who is saying it! Go and refer to the findings of the Report of the Director of Audit, Mr Speaker, Sir.

Mr Deputy Speaker, Sir, I am glad I am elevating you to the state of Speaker!

The Deputy Speaker: Time will tell!

Dr. Boolell: Mr Deputy Speaker, Sir, this deficit figures confirm, as I said, that the latest IMF Press Release of last week, which also estimates the Government overall borrowing requirements for 2020-2021 of Mauritius at 20%.

My friends earlier stated; hon. Ehsan Juman talked of BAI and Betamax. BAI and Betamax; yet, this is a country which wants to widen the circle of opportunities, which is key

to embark upon democratisation of the economy. And if there is a call for special treatment as long as everything is confined within the parameter of the law, why not, Mr Deputy Speaker, Sir?

Betamax and BAI payments included in the 2020/2021 Budget amount to a whopping Rs16.5 billion. And you know what could have been done with such a vast amount of money? Reaching out to the poor; reaching out to the vulnerable; reaching out to the self-employed; empower them, Mr Deputy Speaker, Sir; enabling them to take the rung of the social and economic ladder. This is what empowerment is all about! And not embark, Mr Deputy Speaker, Sir, on the politics of vengeance and spite. This is a heavy price to pay for expropriation and nationalisation, a heavy price to be borne by taxpayers, Mr Deputy Speaker, Sir. And I can tell you, Mr Deputy Speaker, Sir, taxpayers are fuming with frustration and rage. But Mauritians are of peaceful and tolerance nature. But this is stretching their forbearance to unbearable limits.

I said it, it is a phrase that I like to say, but I do not say it with pleasure. Let me remind this House and advise our friends on the other side of the House: beware of descent into social chaos. Better beware of stark demonstration of the public anger. The regime has failed abysmally to make the most of COVID to address sectoral and macroeconomic fundamentals. COVID has been an opportunity for many of them sitting on the other side, for their cronies, for the sycophants, Mr Deputy Speaker, Sir. An opportunity not to rip off; this is what they have been doing during the COVID period. This is the lockdown, but from lockdown to lock-up, it is down the road, Mr Deputy Speaker, Sir.

Mr Deputy Speaker, Sir, today, the country is in an economic morass; a vain attempt to shift attention elsewhere, with a blow in the face of the regime. And as Shakespeare said in Hamlet: "it will be hoisted by its own petard", Mr Deputy Speaker, Sir.

Commission of Inquiry - I mentioned it - has been made. So be it! But, as I said, the terms of reference have to be clearly defined. But, at the same time, it is good to know that in respect of Betamax, this has been adjudicated three times already. It is going to be investigated, but what is true for the goose, as I said, is equally true for the gander. We are talking of so many scandals of gigantic proportions which are yet to be proved. And I mentioned the findings of the Report of the Director of Audit where contracts were awarded in a dubious manner, and I am not going to highlight the many examples given in the Report

in relation to waste of public funds. But let me give you a foretaste of what the public should know. Rs476 m. of contract was allocated to Pack & Blister.

And we should not forget that the founder of that company was jailed to 13 years for corrupt and fraudulent practices. The Ministry of Health and Wellness made acquisition of defective mechanical ventilators, and I am sure the hon. Minister of Health and Wellness and Dr. Joomaye owe an explanation to the nation. As I have stated, Mr Deputy Speaker, Sir, and it is good that I highlight it, from lockdown to lock-up, it is just down the road. They do not have too far to go, Mr Deputy Speaker, Sir.

Mr Deputy Speaker, Sir, let me now come to what I call the crux of the extra supplementary budget; what we call Wage Assistance of Rs9.2 billion. Of course, the money for payment is not going to come from the war chest of Sun Trust, although the sun never sets in relation to its political war chest. But if there was less spending, as I stated earlier, if there was less largesse and waste of public finances, the self-employed, the furloughed employees could have obtained a more decent wage subsidy, Mr Deputy Speaker, Sir.

Mr Deputy Speaker, Sir, let me now come to what I call the crux of the extra supplementary budget; what we call Wage Assistance of Rs9.2 billion. Of course, the money for payment is not going to come from the war chest of Sun Trust, although the sun never sets in relation to its political war chest. But if there was less spending, as I stated earlier, if there was less largesse and waste of public finances, the self-employed, the furloughed employees could have obtained a more decent wage subsidy, Mr Deputy Speaker, Sir.

Mr Deputy Speaker, Sir, let me now come to an issue, and I will show you why, right from the outset, I have stated - I am not the only one; others who are well-versed in Economics and who know public finances better than I do, but, sometimes, Mr Deputy Speaker, Sir, the child can be the father of the man. Let me tell you one thing, and I will come to the classification when it comes to capital and recurrent. An amount of Rs9.2 billion Wage Assistance bill has been transferred to a Special Fund; the National Resilience Fund. And would you believe it, Mr Deputy Speaker, Sir, it is classified as capital expenditure in the Vote of Supplementary Expenditure, whereas these are clearly recurrent expenses; another example of creative and deceptive accounting of this Budget. Is Government trying to inflate its capital expenditure, as I already demonstrated when I intervened in the debates on the Budget, Mr Deputy Speaker, Sir? What did I say? I said that investment by public sector is going at the same rate as in previous years and the capital spending boost is a bluff.

Hardworking employees and the self-employed would have wished, as I stated earlier, that wage assistance be extended to them in these difficult circumstances than sending down the drain Rs16.5 billion.

Worse still, other major bail-out expenses are being effected in another off-budget public entity, Mr Deputy Speaker, Sir. And they have the cheek to talk of Betamax, which was exempted from Public Procurement Act; not the only one, CEB, MBC and others, Mr Deputy Speaker, Sir. But major bail-out expenses are being expected in another off-budget public entity, the MIC - the famous Mauritius Investment Corporation.

A smart Government trick was to get the Bank of Mauritius to set up the MIC for large-scale sector bail-out. How much is Omnicane going to reap from MIC for its failed project of Mon Trésor? An inflated price of Rs9.8 m. per acre of land. MIC is bailing out mismanagement and a failed project; dishing out money to supposedly distressed enterprises. Which firm has done due diligence and scrutinised the audited account of these corporate bodies? LUX is selling 42 bungalows at Rs63 m. per unit.

Mr Deputy Speaker, Sir, that Government will not tell you that the demarcation line between zombies and distressed enterprises is razor-thin, and we want them to show cause for disbursement. If the Government takes the lead in creative and deceptive accounting, we cannot expect some corporates to be one step behind. It is the commercial banks which are the ultimate beneficiaries. Outstanding bank loans of big spenders are now indirectly being serviced by the Bank of Mauritius, and Bretton Woods Institutions were right to impress upon Government that MIC should go through the budgetary process. But those who are furloughed know that wage subsidies will not last.

He or she has to buy basic commodities or begging to survive, know the meaning of undue hardship. Inflation at more than 5%, and that is still an underestimate as the price index is yet to reflect the surge in prices. The Rupee has crashed by more than 4% vis-à-vis all major currencies. What is inflation, Mr Deputy Speaker, Sir? It is a tax, an additional burden, first and foremost on the poor, the vulnerable, and the population at large. But who will accept that public financial resources are being misused and squandered when many of our people fight for a meal a day, some do not have a food bank to go?

Mr Deputy Speaker, Sir, prices of basic necessities, of basic needs are skyrocketing. It is no longer depreciation, but, as from yesterday, it is outright devaluation. If this is the way to replenish the Special Reserve Fund of the Bank of Mauritius by approximately Rs118

billion, then it is outrageous. A tax burden, Mr Deputy Speaker, Sir, to be borne by consumers, and it is breaking the backbone of hard-working individuals. And I will tell the hon. Minister, today, he has been anointed as the father of devaluation of the new decade, Mr Deputy Speaker, Sir.

Mr Deputy Speaker, Sir, let me come to the Rs31.7 billion transfer - a fudge. Government is asking the House to approve an additional transfer of Rs16.7 billion to four Special Funds for Financial Year 2020-2021. An amount of Rs15 billion was already voted in last year's Budget as a transfer to the COVID-19 Projects Development Fund, but we have not been told how each Rupee has been spent. The total transfer to Special Funds thus adopts a huge amount of Rs31.7 billion, as I have stated, for the year 2020-2021, and yet, expenses from all these Special Funds are far lower, estimated at only around Rs10 billion for the year, with closing balances in Special Fund of a total of Rs35 billion at end of June 2021. Mr Deputy Speaker, Sir, you do realise that the accumulated reserves in the Special Fund would be rollover for good electoral purposes. To the sound mind, it is electoral bribery.

Let me come to misallocation of funds, Mr Deputy Speaker, Sir. A clear illustration of misallocation of funds is the additional amount of Rs4 billion being credited for 2020-2021 to the COVID-19 Projects Development Fund or projects under the Economic Recovery Programme. Government is transferring an additional of Rs4 billion, now in 2020-2021, for an Economic Recovery Programme which will start only in the next Financial Year in 2021-2022. For all practical purposes, there is no rationale for including expenses under the Economic Recovery Programme, in the COVID-19 Projects Development Fund, but it should rather be in the Budget.

Besides, Mr Deputy Speaker, Sir, hardly any money has been spent in the COVID-19 Projects Development Fund during 2020-2021 despite a provision of Rs6 billion as subsidy for the construction of 12,000 social housing units, and my friend, hon. Mohamed raised pertinent questions on the potential saga of the Social Living Development Programme. With the pioneer status certificate in hand, the few raiders lining up to have a big slice, if not the whole pie of the 12,000 housing units to be constructed. As we say, Mr Deputy Speaker, Sir, winners take all; some will enjoy the crumbs that fall off the master's table.

Mr Deputy Speaker, Sir, let me come to the next expenditure of Rs16 billion. Why is Government stocking money in the Special Funds in 2020-2021? Because Government plans to spend Rs26 billion next year in 2021-2022 from the Special Funds. Excluding revenue of

Rs10 billion, net expenditure by Special Funds amount to Rs3 billion or over 3% of our GDP. By not accounting for net expenditure and Special Funds in 2021-2022, Government is hiding the true size of the fiscal deficit. The official Budget Estimates in 2021-2022 is only 5% of GDP because it excludes the net expenditure of Rs16 billion by Special Funds. The real budget deficit, including Special Funds in 2021-2022 is, therefore, much, much higher by 3% of GDP.

Mr Deputy Speaker, Sir, when I intervened on the Budget, I describe some of the deceptive tricks used to manipulate Budget figures. Clearly, Government has cooked up data to show that the budget deficit in 2021-2022 would be under control at only 5% of GDP, notably by wrongly including about Rs8 billion of exceptional transfers from quasi-corporation in revenue and not including in expenses additional bail-out funds of Rs2.5 billion injected in the National Property Fund. The actual budget deficit in 2021-2022 is well above 10% of GDP, as stipulated in the IMF Staff Report.

Mr Deputy Speaker, Sir, as regards the loan write-off of Rs2.3 billion, that has been spelt out and clearly explained, and I will come now to fiscal honesty. May I remind all of us in Parliament that this House owes an unconditional adherence to fiscal honesty, transparency and accountability, and yet, Government is asking us to participate in the exercise to park funds off-budget in order to fudge the budgetary exercise and mislead the population about the reality of the fiscal situation. Just as the hon. Minister is refusing to accept that a Bank of Mauritius advance of Rs28 billion is public debt for, of course, ludicrous reasons.

Mr Deputy Speaker, Sir, I was surprised when the hon. Prime Minister and the hon. Minister of Finance had the cheek or gumption to compare public debt of Mauritius with Singapore; a country which is top-rated by credit agencies. Singapore does not issue debt to finance deficits, but to develop a domestic debt market. The Constitution of Singapore mandates a balanced budget over the five-year political cycle and sustained over performance and conservative fiscal rule has contributed to the build-up of large net assets. Even after incurring deficit due to COVID, following years of balance and surplus budgets, Singapore is meeting its COVID deficit with accumulated Contingency Fund and Net Investment Income on its past reserve. Mr Deputy Speaker, Sir, Net Investment Return on reserves, not the reserves themselves, as in Mauritius. Singapore does not raid the Central Bank.

Mr Deputy Speaker, Sir, what is needed in Mauritius? We need a Fiscal Responsibility Act to legally enshrine principles of fiscal openness, transparency and

accountability. The public has a right to accurate and comprehensive information about the economic situation of the country. New Zealand swears by Fiscal Responsibility Act, whereas Mauritius goes for fiscal dominance, raiding the Central Bank. But then, it is good to recall that the provisions of the Public Debt Management Act with regard to the observance of public debt ceiling were suspended, and now, we are paying a heavy price.

Mr Deputy Speaker, Sir, much has been said about public debt and there is everybody to see, more than 100% of our GDP, and that was again reported today and confirmed by the IMF Staff Report.

Mr Deputy Speaker, Sir, the Supplementary Budget 2021 is being debated, but let me remind the House that there is a call for naked truth. This Government cannot carry on fudging figures; it cannot cook the figures. We may get away here in this House, but, out there, Mr Deputy Speaker, Sir, people can see through this Government. The purpose of Government is governance and not to have a political agenda day in day out.

Mr Deputy Speaker, this is a great little country and the people have every right to know the truth. If Government fails to deliver, the Opposition will live to the expectation of the people and the nation at large.

Thank you very much.

The Deputy Speaker: Thank you very much. Hon. Minister Gobin!

(5.26 p.m.)

The Attorney General, Minister of Agro-Industry and Food Security (Mr M. Gobin): Thank you, Mr Deputy Speaker, Sir. I do not propose to take the time of the House for too long, I have to intervene on two issues, and this, because I think all has been said, especially after I have heard the interventions of the hon. Members who have spoken before me.

I intervene, first of all, Mr Deputy Speaker, Sir, on the question of the writing off of loans for two public sector agencies falling under the aegis of the Ministry of Agro-Industry and Food Security, namely the Irrigation Authority and the Mauritius Meat Authority. When one looks at the accounts, one cannot be puzzled as to why the accounts have been as such for so long. And here, I have to thank the hon. Minister of Finance for putting some order in the accounts.

When we look at the Mauritius Meat Authority, Mr Deputy Speaker, Sir, and I owe some explanation to the House, the outstanding loans from Government date from 1974 to 1980 and these loans are still outstanding in the books without anybody having taken any action *pour l'assainissement de cette comptabilité*. So, when we look at the period 1974 to 1980, Mr Deputy Speaker, Sir, the Mauritius Meat Authority had taken loans for a total amount of Rs5,807,992.50 from Government to finance essentially its capital expenses. As at date, following some repayments, but very minor repayments in view of the sum of the loans, the outstanding loan of the MMA amounts to some Rs5.7 m. and the details, as I said, date to 1974 to 1980, and today, the hon. Minister of Finance has announced that the total sum of Rs5.7 m., therefore, is being written off.

When it comes to the Irrigation Authority, here also, I owe some explanation to the House as to the writing off, as announced earlier today by the hon. Minister of Finance, of the writing off of capital expenses of Rs291.2 m., and here, I have to explain where this money has gone to.

The Irrigation Authority, as the House will appreciate, provides services for irrigation services to the planters' community and in the years 1980 to 1990's, there were two huge irrigation projects which had to be financed. The first one was a Northern Plains Irrigation Project Stage 1. And in the early 90s, the Palma Irrigation Project and for the Palma Irrigation Project it concerned an area of 325 *arpents*. Thereafter, Mr Deputy Speaker, Sir, things got worse. Irrigation Authority needed more capital expenditure and I will explain why. There are three main projects which I have to list down to explain the expenses. There was the project, once again, that was in the year 2010 to pay the contractor Sotravic Limitée for the Northern Plain Irrigation Project once again. In 2011, the Northern Plain Irrigation Project Phase 2, here was to pay outstanding claims from the contractor on that project, namely joint venture Rehm-Grinaker-Rey Lenferna. And prior to that, there was also the other project in between the years 1990 to 1995, the rehabilitation of La Ferme canal and Magenta canal. This explains the request which was made by Irrigation Authority last year while the accounts were being looked at afresh. So, the Irrigation Authority Board, therefore, took the decision in June last year to make a request to the Ministry of Finance for the writing-off of those Irrigation Authority loans for capital expenditure as I stated earlier and as confirmed by the Ministry of Finance in a sum of Rs291.2 m. for capital expenditure incurred by the Irrigation Authority. This concludes the first part of my intervention and I will quickly come to the second part of my intervention.

Mr Deputy Speaker, Sir, concerning the Supplementary Appropriation tonight for the Betamax case. A lot has been said but I have to lend my voice to explain a few points for the people out there once again to understand. A lot has been said that and I heard earlier on hon. Juman when he said that there was a report from a consultant who said that if Mauritius were to acquire a tanker, Mauritius would make substantive savings as my hon. colleague Minister Callichurn has explained earlier on. Yes hon. Juman is correct. If Mauritius were to acquire a tanker, Mauritius would make the savings but Mauritius did not acquire the tanker. The tanker was acquired as we know for a fact by a company called Betamax Limitée and for a fact we know what the terms of the contract of affreightment were.

As my hon. colleague once again, Mr Callichurn stated, *c'était un contrat coulé dans du béton*. A lot has been said and I heard hon. Boolell earlier speaking before me that the judgment of a Privy Council has brought finality to the litigation. Yes. Absolutely, you are correct. The judgment of the Privy Council has brought finality to the litigation and last week the judgment has been satisfied. Payment has been effected. There is no getting away. *Un jugement de cette Cour, Conseil Privé de la Reine doit être respecté, et le jugement a été respecté.*

But the people need to know the circumstances in which firstly the contract was signed and we are the first ones to say it, the people need to know also the circumstances in which the contract was terminated. This is why last Friday Government took the decision to set up a Commission of Enquiry because the people out there need to know.

There is another point which has been made here during the Budget debates on the very day the judgment of the Privy Council was handed down and it has been made again this afternoon by hon. Juman and this point is being made only and only by the Labour Party that there is nothing illegal contract of affreightment. This point is being harped upon regularly that there is nothing illegal in the contract of affreightment but we need to ask the question. What was the question of legality? Was it a criminal offence? Was it in breach of a particular legislation? You need to ask the question first and then you arrive at a conclusion. What was the question?

Both in the judgment of the Supreme Court and in the judgment of the Privy Council, the question was whether the Public Procurement Act was breached. That is the question. The question was whether the contract of affreightment was within the Public Procurement Legislation or exempt from the Public Procurement Legislation. That was the question. And

this is where there is the judgment of the Privy Council overturning what the Supreme Court of Mauritius had said and that is all. But for the people out there, we need to ask the question. What about the terms of the contract? What about the chronology and I think the debate which is taking place tonight in the course of this Bill will go a great length. It certainly will go a great length to help that Commission of Enquiry initiate its enquiry because the right questions have been asked tonight. A number of those questions have been asked by hon. Lesjongard. Quite correctly and a number of questions have been asked by hon. Callichurn and a number of questions have been asked by hon. Uteem as well. And I think the most important question in fact was asked by hon. Uteem. And I give credit to hon. Uteem, he asked the question, was that contract in the best interests of the public or not? So, let the Commission of Enquiry inquire and answer your question, hon. Uteem, I will be the first one to say yes the Commission of Enquiry should answer your question because then we will know who are those who have acted in the public interest by signing the contract in 2009 or those who have terminated such a contract in 2015. There were consequences, yes, there would have been consequences had we not terminated. Then there are consequences, if we have terminated that was a risk to take.

Nobody can predict what a court will say later on. You can quote Stephenson Harwood and I can quote somebody else. Nobody can predict what a court will say. But the essential question was whether that contract was in the best interests of the public and anybody, whether in the House or outside the House, anybody who has heard hon. Callichurn today has the answer. And I will not answer the question. I will leave it to the Commission of Enquiry and everything has to come out. All the documents have to come out before that Commission of Enquiry. You can say whatever you want, the public has to know and I have heard hon. Boolell earlier. He says he has been here long enough. He has seen a lot. He can say that nothing is permanent. Yes hon. Boolell, we all and I personally respect your seniority in the House. You have been here long enough. I respect your grey hair, we also have some grey hair on our heads. We also have seen but there is something you have been here also long enough, Hon. Boolell, you have been here long enough to know one thing for sure that the truth always comes out and it will. And it will. And we will be there to see what happens in the Commission of Enquiry. It is my personal opinion that that Commission of Enquiry should sit in public because the public has to know. Then, there is a deafening silence. Hon. Callichurn mentioned it but did not go as far as saying it but I will say there is a deafening

silence. There is somebody who is so silent that some have forgotten of his existence. A former Minister of the Labour Party in that Cabinet in 2008, 2009, that is Dr. Rajesh Jeetah.

Deafening silence! I hope the Commission of Enquiry will hear him and then the whole truth will come out. We will all go there. Those who are concerned will have to go. The Commission of Enquiry is sufficiently equipped with the legal arsenal in the Act to summon anybody to give evidence, to produce documents and the truth will come out. I pray it comes earlier, sooner rather than later. Government's intention is that the truth should be laid before the people. I have said it a number of times and it is happening thanks to the decision of the hon. Prime Minister, last week, on Friday. Of course, the terms of reference will be finalised but as I said earlier on, it should cover and it will cover, as announced in the Cabinet decision, both the signing and the termination. The terms will be finalised and, of course, the Judicial Officer will be appointed soon so that the work of the Commission of Enquiry can start at the earliest.

Thank you, Mr Deputy Speaker Sir, for giving me these few minutes.

I have done. Thank you.

The Deputy Speaker: Thank you very much. Hon. Prime Minister!

(5.42 p.m.)

The Prime Minister: Mr Deputy Speaker, Sir, I am intervening on the Supplementary Appropriation (2020-2021) Bill to express my opinion, and to comment on the Betamax case as well as on some other items of supplementary expenditure for the financial year.

As a responsible Government, we honoured our commitment by paying on time to Betamax, during this present financial year, the sum that was due in terms of damages for ending the Contract of Affreightment that was signed with the State Trading Corporation in 2009. As we know, the Privy Council upheld the decision of the Singapore International Arbitration Centre (SIAC), which decided on 05 June 2017 to award Betamax Rs4.5 billion for the termination of the contract of Betamax by STC. With the present Bill, the National Assembly is being invited to approve an item of supplementary expenditure for that very purpose.

Mr Deputy Speaker, Sir, I wish to highlight that the appeal that was lodged at the Privy Council concerned three issues.

The main issue was whether the Supreme Court was entitled to review the arbitrator's decision that the Contract of Affreightment was not in breach of Mauritian public procurement laws. Secondly, if the Supreme Court was entitled to do so, was the Contract of Affreightment illegal? And thirdly, if the Contract of Affreightment was illegal, was the Award in conflict with the public policy of Mauritius?

The Privy Council, in its wisdom, ruled on the main issue allowing Betamax's appeal and enforced the Award of the Singapore International Arbitration Centre by concluding that the Supreme Court was not entitled to review the decision of the arbitrator on the legality of the Contract of Affreightment under Mauritian public procurement laws. It explained the reasons for its Judgment as follows, and I quote -

“Section 39 of the International Arbitration Act, based on Article 34 of the Model Law, permits the Court of the State before which proceedings are brought to set aside an award in certain limited circumstances, including if the award conflicts with the public policy of Mauritius. Betamax and STC agreed that it was for the Supreme Court to determine the nature and the extent of the public policy of Mauritius. They also agreed that if an arbitral tribunal decides that an agreement is illegal but makes an award which enforces the agreement, the court is entitled to set aside the award under Section 39(2) (b) (ii) of the International Arbitration Act if it conflicts with public policy. However, the arbitrator had interpreted the Public Procurement Act and the Public Procurement Regulations and decided that they did not render the Contract of Affreightment illegal. Betamax and STC agreed before the Board that it was within the arbitrator's jurisdiction to determine this. However, STC argued that if the arbitral tribunal had made an error of law as to the legality of an agreement in circumstances which involved the public policy of Mauritius, the Supreme Court was entitled to correct it.

The proper question for the court under section 39(2) (b) (ii) is whether, on the findings of law and fact made in the award, there is any conflict between the award and public policy. The interpretation of the Public Procurement Act and the Public Procurement Regulations gave rise to no issue of public policy – the issue was simply whether the Contract of Affreightment was exempted from the procurement legislation. The court cannot use the guise of public policy to reopen issues relating to the meaning and effect of a contract or whether it complies with a regulatory or legislative scheme.

As a result of the Board's conclusion on issue one, issues two and three do not arise. However, on issue two, the Board nonetheless explains why, on the proper interpretation of the difficult legislative provisions relative to the scope of the exemptions set out in the Public Procurement Act and the Public Procurement Regulations, it agrees with the arbitrator rather than the Supreme Court".

Mr Deputy Speaker Sir, it is important to note that the Privy Council itself recognizes the difficult legislative provisions relating to the scope of the exemptions set out in the Public Procurement Act and the Public Procurement Regulations. It is also worth highlighting that the Singapore International Arbitration Centre Arbitrator who, although concluded on the legality of the Betamax deal, noted nonetheless that, and I quote -

"The tribunal accepts that the CoA (Contract of Affreightment) was unusual, and more akin to a time charter than a Contract of Affreightment".

Moreover, both STC and Betamax agreed at the Singapore International Arbitration Centre that the Betamax deal was not approved by the Central Procurement Board (CPB). However, there was a difference in the arguments presented before the Arbitrator. STC, on one side, argued that since the deal was not approved by the CPB as required under the Public Procurement Act of 2006, it was an illegal contract. Betamax argued, on the other side, that the deal fell under the Regulation (GN No. 68 of 2009) that was passed in June 2009 and that exempted the STC from having to go through the CPB for certain types of major contracts and that the contract was valid even though the procedures in the Public Procurement Act were not followed. The Singapore International Arbitration Centre backed the Betamax's version of the case and awarded Betamax the damages.

Mr Deputy Speaker Sir, the Supreme Court decided to set aside the Singapore International Arbitration Centre's decision on 31 May 2019 on the basis that the 2009 regulations did not exempt the STC from having to get the Betamax contract approved by the CPB.

It was asserted that the 2009 regulations also contained a Section 2A which stated that, and I quote –

"Nothing in these regulations shall be construed as excluding the application of the Act to a public body referred to in the First Schedule to these regulations and the Schedule to the Act in respect of a procurement contract to which the public body intends to be a party and which is specified in column 2 of the Schedule to the Act."

The Schedule of the Public Procurement Act states that the STC, as a public body, has to go through the CPB, as laid down in the Public Procurement Act for contracts above Rs100 m. for 'goods'. And 'goods' is defined in the Public Procurement Act as "including commodities, raw materials, manufactured products and equipment, industrial plant, objects in solid, liquid or gaseous form, electricity, as well as services incidental to the supply of the goods such as freight and insurance", and since the contract with Betamax was essentially a contract for freight, transporting oil from suppliers in India to Mauritius, it qualified as a contract for "goods" above Rs100 m. and, therefore, had to go through the CPB. The Supreme Court, therefore, ruled that since the contract did not go through the CPB, as the Public Procurement Act requires, the Betamax contract itself was fundamentally illegal and, therefore, section 39 of the Mauritius International Arbitration Act of 2008 allowed the Supreme Court to set aside the SIAC's decision.

Mr Deputy Speaker, Sir, I believe it is also interesting to highlight the different opinions that the Attorney General's Office gave to the STC in 2009 with regard to the Betamax Deal.

On 28 April 2009, the Attorney General's Office drew attention to the fact that procedures under the Public Procurement Act have not been followed properly and that there are serious implications for the STC. The advice read as follows, and I quote –

"The STC is a public body and is listed under Part IV of the Schedule to the Public Procurement Act. Given the duration of the 'potential commercial contract' and the 'amount of freight' under consideration, the prescribed sum will be met, hence this contract (which is envisaged at that time) is considered as falling under 'major contract'.

The procedures as laid down in the Public Procurement Act have not been followed and the approval of the Central Procurement Board has not been obtained.

Notwithstanding the fact that some of the processes may have been initiated prior to the coming into force of the Public Procurement Act, that is, on 17 January 2008, the approval of the Central Tender Board should have been sought.

It is our view that, unless the approval of the Central Procurement Board is obtained, the STC will be precluded from signing this contract.

Government is being asked to guarantee certain obligations of the STC, in particular, irrevocable payment guarantees; acquisition of vessel in case of termination of

contract by STC or the owner, waiver of immunity despite the other party being a local company.

It is assumed that STC has closely examined the obligations that it may be taking under this agreement, in particular in relation to the financial and technical provisions and that it has carried a commercial evaluation of all risks factors involved. It is assumed that STC is agreeable to being involved in matters relating to construction of the vessel. Clause 10.6.2 (c) is not in order.”

Mr Deputy Speaker, Sir, that Clause 10.6.2 (c) puts the responsibility on STC to acquire the ship even if Betamax was at fault. In another correspondence dated 06 May 2009, the Attorney General’s Office highlighted the following, and I quote –

“It is presently assumed that the STC is proposing to enter into the agreement, as has been qualified by the Legal Adviser of the Promoter as ‘a contract of an exceptional nature in that it involves the acquisition, construction, financing, management and operation of a tanker’, and the STC is not envisaging any other form of agreement.”

In other terms, Mr Deputy Speaker, Sir, the Attorney General’s Office cautioned the STC that it was going against its advice and from the adverse comments regarding certain clauses of the deal, it could be concluded that the transaction was against the interest of the STC and that of the State.

Mr Deputy Speaker, Sir, now that the judgment of the Privy Council is known and executed, nevertheless many questions still arise as to the circumstances in which the Betamax contract was awarded.

Les interrogations subsistent, M. le président, car il n’y a pas encore eu d’éclairage sur les zones d’ombre et les pratiques douteuses qui ont été mises en avant dans différents milieux depuis que ce fameux contrat avait été signé en quatrième vitesse en novembre 2009.

Let me also add my voice to a series of questions which have been asked by both the Opposition and Members of the Government side –

- Y-a-t-il eu un contrat taillé sur mesure pour un bateau taillé sur mesure ?
- Est-ce que ce contrat de 290 millions de dollars américains sur 15 ans était dans l’intérêt public ? *(This is the famous question with which we are all agreeable, at least on this side of the Opposition).*

- Pourquoi la *STC* avait été contraint de payer pour la totalité de la capacité du bateau pour chaque trajet même si celui-ci transportait moins en termes de tonnage ?
- Y-a-t-il eu des situations de conflits d'intérêt depuis la genèse du projet jusqu'à son aboutissement ?
- Quel a été le rôle de l'ancien Premier ministre et de certains de ses ministres dans ce deal ?
- Pourquoi est-ce que les '*Public Procurement Regulations*' ont été amendés pendant que les discussions sur le deal se poursuivaient entre, d'un côté, le gouvernement d'alors et la *STC*, et de l'autre côté, Betonix, dans un premier temps, et Betamax éventuellement ?
- Qui sont ceux qui ont dicté les termes du contrat, et qui a fait pression sur la *STC* pour accepter certaines clauses jugées contre son intérêt par *l'Attorney General's Office* ?
- Pour quelle raison le gouvernement d'alors avait donné son aval le 20 novembre 2009 pour la signature du contrat '*within the least possible delay*', alors que le rapport de *BDO* avait été soumis au comité ministériel chargé du dossier le 26 novembre 2009 ?

M. le président, c'est pour faire la lumière sur les tenants et aboutissants de ce fameux contrat entre la *STC* et Betamax, signé le 27 novembre 2009, que la décision a été prise par mon gouvernement pour instituer une commission d'enquête sur cette affaire et aussi pour établir les circonstances dans lesquelles le contrat a été résilié en 2015.

M. le président, le gouvernement de 2015, sous le *Prime Ministership* de feu Sir Anerood Jugnauth, avait un mandat pour nettoyer les écuries d'Augias que le gouvernement Parti Travailleiste-PMSD avait laissées en héritage. La décision de mettre fin au contrat de la *STC* avec Betamax avait été prise collectivement en prenant en considération les différents éléments troublants et suspects qui nous avaient été présentés par le ministre de la Bonne gouvernance d'alors, M. Roshi Bhadain, et aussi sur avis légal. Nous avons été guidés par l'intérêt du pays et nous assumons pleinement cette décision, et nous respectons le verdict du *Privy Council*. C'est la raison pour laquelle nous avons, bien sûr, et tout de suite entamé les procédures pour honorer cet engagement, c'est-à-dire de payer les dommages dûs à Betamax.

M. le président, laissez-moi aussi dire que ceux qui nous critiquent et nous accusent de passer la facture aux contribuables, devraient aussi interpellier leur conscience. Dois-je leur rappeler que les consommateurs avaient dû casquer une facture de R 4,7 milliards, représentant les pertes qu'avait encourues la *STC* en raison du *hedging* désastreux du gouvernement d'alors, fait en 2008 ? Le ministre des Finances d'alors, qui ose nous faire la leçon aujourd'hui, n'avait pas hésité à imposer aux consommateurs une charge additionnelle de R 3 par litre de carburant pendant plusieurs années.

Mr Deputy Speaker, Sir, through the Bill before the House, Government is providing a grant of Rs4.6 billion to the State Trading Corporation following the decision of the Judicial Committee of the Privy Council in the Betamax case. Payments were made on 22 June 2021 for a total of around Rs5.6 billion and this has been financed from an advance of Rs4.6 billion from Government and Rs1 billion from *STC*'s own funds, and the grant, of course, is being provided to clear the advance.

Mr Deputy Speaker, Sir, the Bill provides for the supplementary appropriation of Rs23.6 billion to also finance supplementary expenditure in respect of the services of Government for the Financial Year 2021 for a number of items which have already been enumerated in the Bill, but it is pertinent for me to mention that –

- (a) Rs2.5 billion as grant to the National Environment and Climate Change Fund to implement projects and programmes aimed at protecting the environment and mitigating risks associated with climate change;
- (b) Rs9.2 billion as grant to the National Resilience Fund for payment of the One-off Self-Employed Grant Scheme to self-employed, and the Wage Assistance Scheme and the Self-Employed Assistance Scheme to workers in the non-tourism sector in the wake of the March/April 2021 confinement;
- (c) Rs4 billion as grant to the COVID-19 Projects Development Fund to implement new projects and schemes approved under the Economic Recovery Programme;
- (d) Rs1 billion as grant to the National COVID-19 Vaccination Programme Fund for the purchase of vaccines to protect the health of the citizens, and
- (e) Rs2.3 billion to write off outstanding loans, very long outstanding loans, I must say, for some of the public bodies.

Mr Speaker, Sir, let me say a few words on those different items. First of all, protecting the environment, which is at the core of sustainable development. And on

sustainability depends the well-being of our population and of future generations. We have, therefore, as a Government, to act resolutely in the face of the numerous challenges imposed by climate change. Hence, the sum of Rs2.5 billion under the National Environment and Climate Change Fund to meet expenses for initiatives such as –

- environmental education and research;
- support to non-governmental organisations which are involved and engaged in environment protection;
- implementation of projects that are related to e-waste management;
- protection and management of beaches, lagoons and coral reefs;
- flood management and cleaning, rehabilitation and upgrading of drains, bridges and rivers;
- landslide management and disaster risk reduction, and
- cleaning and embellishment works.

The part of the funds under the National Environment and Climate Change Fund will be used for the setting up of the National Environment Cleaning Authority under my Office to spearhead the national cleaning agenda for impactful outcome. The National Environment Cleaning Authority will, amongst others –

- adopt a One-Stop-Shop approach for cleaning and embellishment of the country;
- bring substantial efficiency gains and value for money as resources in Government could be pooled to deliver a common outcome, and
- carry out regular intensive and nationwide sensitisation and communication campaigns so as to improve sustainability of the cleaning agenda.

Mr Deputy Speaker, Sir, as a caring Government, we have been protecting lives and livelihoods amidst the COVID-19 pandemic and we will continue to do so until we put our people and enterprises back on the pathway of progress and growth. That is why the National Resilience Fund is meant for that purpose, and I have listened to the different measures that have been taken and that have been explained by Members on this side of the House. I do not want to go into those details again, but the Fund supports the enterprises that show concrete efforts at building permanent resilience and strengthen the resilience of the economy. It finances programmes, projects and schemes to –

- empower vulnerable persons and provide job opportunities for young people and the unemployed;

- support the SMEs and enterprises, in general, to foster and support their long-term restructuring and deleveraging while providing short-term breathing space, especially on cash flow problems and financing requirements;
- enable SMEs and enterprises, in general, to innovate and acquire technology that empower them to grow and become more productive and globally competitive, and
- provide access to industrial space to SMEs at affordable rates.

Mr Deputy Speaker, Sir, moreover, the Bill caters for expenses under the COVID-19 Projects Development Fund that finances projects specified in the Public Sector Investment Programme following the negative impact of the COVID-19 pandemic on the economy.

The National COVID-19 Vaccination Programme Fund has been set up as a Special Fund under the Finance and Audit Act to finance the National COVID-19 Vaccination Programme. And the main objective of the Special Fund is to mobilise and manage the funds required for the implementation of the Programme, including, amongst others, the costs of vaccines, storage equipment, air freight and other logistics, and above all to ultimately achieve herd immunity to facilitate the safe reopening of our borders.

Mr Deputy Speaker, Sir, we are also writing off long outstanding loans of some public bodies that are not in a position to repay same to Government. These bodies are –

- the Mauritius Meat Authority;
- the Irrigation Authority;
- the National Transport Corporation;
- Polytechnics Mauritius Ltd;
- the Mauritius Broadcasting Corporation;
- the Central Water Authority, and
- the Wastewater Management Authority.

Mr Deputy Speaker, Sir, let me also say that, as a caring Government, we have been supporting the population ever since the first cases of COVID-19 were registered in March 2020. In fact, a sum of Rs23.5 billion has already been disbursed to assist some 450,000 individuals through the Wage Assistance Scheme and the Self-Employed Assistance Scheme. I must say that we have, thus, tried our best to protect jobs and enterprises. We took the bold and unprecedented decisions in unprecedented times, and those decisions shielded the population and enterprises from dramatic situations. I must say that our successful response

to COVID-19 on the health, social and economic fronts is an achievement which is recognised by majority of our fellow citizens and also abroad by international institutions. I know some people have probably been praying for disaster to unfold, but we have acted responsibly and diligently; we have saved lives and livelihoods.

The question has been put by some Members as to why we have taken money from the Bank of Mauritius. First of all, we have to find the money. Suddenly, you are faced with a pandemic, for which the world was never prepared, and you have to act, you have to take decisions, and you have obviously to spend such a huge amount in order to translate those decisions into concrete actions. I do not, therefore, see anything sinister if the Bank of Mauritius has made available funds to Government to support the nation.

Look at other countries! By the way, we are told not to compare with Singapore. So often I hear this Opposition saying, “Well, look, what has been done in Singapore; look what they did there.” Then, it is good to compare! But there are certain things that have to be done and that are being done also by other countries, where the debt has also been increasing massively because of this actual situation.

Mr Deputy Speaker, Sir, I think some people should also read what the IMF has been saying with regard to this pandemic. We have a situation, a crisis like no other. What does that mean? A crisis like no other! There is no need to explain. We are in a situation wherein you have to act and you have to act immediately, and wherein you need financial resources in order to face this challenge. What have some Members of the Opposition - not necessarily in this House, but outside this House - been saying? Maybe some people have forgotten. Initially, some were saying, “let us print money” or “let us have recourse to helicopter money”. Can you remember? There was a talk about helicopter money and printing money! This would have been catastrophic, Mr Deputy Speaker, Sir, for our economy.

So, let people judge on what has been said before, what was being recommended by some, and what we have, instead, been doing. Let me also reassure the hon. Leader of the Opposition that Government is not building any war chest for elections. Elections! Time will come, there is still time; not before 2024. It might be a bit later also, we never know! But there is no question of building war chest, and the population will judge.

With regard to the Special Funds, yes, true it is that I announced the closure of those Special Funds in 2017, but that was in circumstances wherein we were not hit by a pandemic of the magnitude we have known in terms of adverse impact on the economy. Today, the

whole world has changed. We are speaking of ‘new normal’, and resilience recovery and sustainability constitute the order of the day. That explains why provisions have been made for Special Purpose Funds; National Resilience Fund, the Projects Development Fund, National Environment and Climate Change Fund, National COVID-19 Vaccination Programme Fund.

Can you imagine the situation if we did not have such a Fund for COVID-19 Vaccination Programme? We are being criticised by some Members of the Opposition that we were late in procuring vaccines. I do not know in what kind of world they are living. It is as if vaccines were available on the shelf and you could just go and then buy vaccines? Do they know that there are some - not developed countries - which do not even have enough vaccines for themselves; and some, of course, have been *accaparer autant de vaccins, plus qu’il n’en faut pour leur population aussi. Il faut dire!* It is not only I who say that. WHO also has been saying that. It is, fact, saying that every day. But some think that all these are easily available.

Mr Speaker, Sir, I explained these Funds in the context of emergency situations. There are times when what is normally not done in normal circumstances has to be done because we are in exceptional circumstances. And, again, I must say we will do whatever it takes in order to attain our goals and put the country anew on the path of sustained socio-economic growth. We have a responsibility as Government and we are, of course, doing what we believe is in the best interest of the country and of the population.

Times are difficult, Mr Speaker, Sir, but we are doing whatever it takes to make our country and our economy move forward safely with renewed confidence, and we hope for a better tomorrow.

Thank you.

The Deputy Speaker: Thank you very much, hon. Prime Minister. Hon. Minister of Finance!

(6.17 p.m.)

The Minister of Finance, Economic Planning and Development (Dr. R. Padayachy): M. le président, permettez-moi avant toute chose de faire part de mes remerciements au Premier ministre et mes collègues ministres pour leur prise de parole. Ils se sont exprimés tour à tour avec beaucoup de clarté et de pédagogie pour rendre compte des raisons ayant amené au vote de ce projet de loi.

Comme je l'ai mentionné plus tôt dans la journée, les dépenses totales pour l'exercice financier 2020-2021 ont été supérieures au montant total voté antérieurement par les membres de cette auguste Assemblée. En conséquence, et selon les dispositions de notre Constitution, le dépassement des dépenses à hauteur de R 23,6 milliards doit donc être approuvé.

M. le président, sur le volet économique, la crise de la COVID-19 la pire de toutes, a, je l'ai dit à maintes reprises, fondamentalement dénaturé l'économie mondiale, tout comme notre économie locale. C'est un choc auquel aucun d'entre nous n'était préparé. Aucune étude économique, tant au niveau local qu'international, n'avait été conduite jusqu'alors. C'est en se confrontant à la dureté de la réalité de la crise que nous avons appris et agi. Une contraction de l'activité économique de 14,9% en 2020 qui aurait pu être bien pire si nous n'avions pas agi avec détermination et proactivité.

En effet, pour faire face à ces bouleversements tout à fait imprévisibles et maintenir à niveau notre capacité de production, le gouvernement n'a pas lésiné sur les moyens. Action et résilience ont été les maitre-mots de cette stratégie dont nous apercevons déjà les fruits. Il s'agissait d'endiguer le risque d'un triple choc – défaut de paiement, faillites et chômage – qui aurait affaibli structurellement notre économie à jamais. Ou pour reprendre la formule d'Olivier Blanchard de « Protéger les entreprises qui n'ont pas de raison de faire faillite, quitte à sauver celles qui auraient fermé de toute façon. »

C'est dans ce cadre de pensée que -

- (a) nous avons, entre autres, financé la compensation salariale de R 375 par mois pour les employés des PME car elles ont été confrontées à des difficultés économiques importantes ;
- (b) nous avons aussi financé le salaire des employés et des travailleurs indépendants percevant jusqu'à R 50,000 par mois et opérant dans les secteurs d'activités économiques en dehors du tourisme pour faire du spectre des 100,000 chômeurs un mauvais souvenir ;
- (c) nous avons par ailleurs alloué une subvention unique de R 10,000 à tous les travailleurs indépendants pour les aider à passer cette période difficile, et
- (d) nous avons mis en place, au travers de l'*Economic Recovery Programme*, des projets d'envergure pour soutenir l'emploi et l'investissement à hauteur de R 4 milliards.

N'en déplaise à ceux qui, par ego et bassesse, préféreraient voir le pays sombrer dans un cataclysme social et économique, ce gouvernement est en train de faire sortir le pays de la crise. Et cela, sous le leadership de notre Premier ministre dont la prise de décision a toujours été dictée par la responsabilité et la justice économique et sociale.

M. le président, preuve s'il en est, pas plus tard que vendredi dernier, le 25 juin 2021, j'ai eu le plaisir de recevoir une correspondance de M. Aivo Andrianarivelo, Directeur Exécutif du Fonds Monétaire International représentant Maurice. Cette correspondance a d'ailleurs été rendue publique dans le dernier rapport de l'Article IV du FMI.

J'encourage le Leader de l'Opposition à lire la totalité des conclusions publiées à l'issue de l'Article IV et non pas de se concentrer sur ce qui l'arrange. Dans ce courrier, le Directeur Exécutif écrit, je cite -

« Following the staff's key policy recommendations to assist affected households and firms through fiscal, monetary and financial regulatory policies, I noted that the authorities swiftly deployed a series of measures to preserve economic and financial stability threatened by the crisis. »

Et de continuer en affirmant -

« In my closing statement, I reiterated that the reality of Mauritius – as a small, highly open island economy – is different from most states.

It is paramount to allow adequate time and flexibility for all measures taken by the authorities to yield expected results and put the economy back on a sustained growth trajectory.

Without such measures, the impact of the crisis would have been much severe. »

Le secteur privé mauricien abonde également dans ce sens. L'un de ses capitaines d'industrie a ainsi déclaré ce week-end dans la presse -

« Je pensais que la crise sociale aurait été plus profonde que cela, mais je pense que les aides du Gouvernement l'ont contenue. »

Le soutien témoigné par les institutions ainsi que le secteur privé envers la mobilisation du Gouvernement parle de lui-même. Un appui que nous accueillons bien entendu favorablement et que nous allons continuer à faire fructifier pour relancer durablement la machine économique.

M. le président, permettez-moi de me saisir de cette occasion pour rétablir quelques faits. Cela me paraît ironique de se prêter à un tel exercice pour le bénéfice du seul Leader de l'opposition mais croyez-moi, c'est une nécessité. Lui pourtant qui se définit comme un expert-comptable et qui a été Premier ministre adjoint ainsi que ministre des Finances, parle d'un « *Deficit of the balance sheet* » de la Banque de Maurice.

Aujourd'hui, il évoque un déficit de R 5 milliards dans le bilan de la Banque de Maurice. C'est une aberration et un abus de langage de sa part. Ce que le Leader de l'opposition semble avoir voulu dire – en tout cas je l'espère - c'est que dans le cas où les « *liabilities* » de la banque auraient été supérieures à ses « *assets* », alors ce sont les réserves de la Banque Centrale qui auraient été négatives. Mais cela n'est pas le cas pour la Banque de Maurice. Les réserves de la Banque de Maurice sont plus que positives. Il l'a fait dans le passé quand il était ministre des Finances, il ne faisait que critiquer la Banque de Maurice et le gouverneur d'alors, démontrant son manque de respect envers la principale institution des réglementations respectée de tous.

Entre cette fausse assertion ce matin et son calcul plus que douteux de la semaine dernière comme quoi R 28 milliards représenteraient 30% du PIB, je suis très circonspect.

(Interruptions)

The Deputy Speaker: Order!

Dr. Padayachy: Et cela m'incite à poser un diagnostic sur ses agissements. Le Leader de l'Opposition a clairement un problème avec les chiffres.

(Interruptions)

Et l'ancien Leader de l'Opposition, lui, il ne fait que bégayer sur les mêmes arguments. Il n'a fait aucune recherche sur le *Balance Sheet* de la *BOM*, démontrant son dilettantisme.

M. le président, je souhaiterais maintenant en venir au versement de R 4,6 milliards à la *State Trading Corporation*. Des dépenses ont récemment dû être engagées à la suite de la décision du Comité judiciaire du *Privy Council* dans l'affaire *Betamax Ltd* contre la *State Trading Corporation*.

Je tiens à rappeler que la décision de résilier le contrat avec *Betamax* n'a été guidée que par l'intérêt supérieur du pays. Certains membres de l'opposition étaient eux aussi du même avis. Ils feignent aujourd'hui ne rien avoir avec cette décision. Et là encore, le Leader

de l'opposition semble en effet être atteint d'une forme sévère d'amnésie sélective. Permettez-moi de lui rafraîchir la mémoire. Il oublie -

- Qu'il était le vice-Premier ministre du Gouvernement PTR/PMSD lors de la signature du contrat Betamax en 2009 ;
- Qu'il avait lui-même présidé le Comité ministériel qui s'était penché sur la conclusion du partenariat entre l'Etat et Betamax ;
- Qu'il était membre du gouvernement ...

(Interruptions)

Mr X. L. Duval: Mr Deputy Speaker, Sir, the Minister is misleading the House. I never chaired any committee to look at any conclusion. He is misleading ...

(Interruptions)

The Deputy Speaker: Order! One second. I will listen to you. You know I listen to everybody. So, you are making a point of order?

Dr. Boolell: He cannot make personal attack.

The Deputy Speaker: No, hon. Dr. Boolell!

(Interruptions)

No! Order everybody! Hon. Leader of the Opposition, was that a point of order?

Mr X. L. Duval: Mr Deputy Speaker, Sir, he is misleading the House.

Dr. Padayachy: Laissez-moi terminer, après on va voir si on *mislead the House*.

The Deputy Speaker: I cannot rule on the fact that he is misleading the House unless you give me evidence otherwise.

Mr X. L. Duval: Mr Deputy Speaker, Sir, the evidence will be at the Commission of Inquiry.

The Deputy Speaker: No. With all due respect, then we will wait for it. We will allow him to talk for now. Please!

Dr. Padayachy: Qu'il était membre du gouvernement lorsque la décision de résilier le contrat Betamax a été prise; ou encore qu'il avait été entendu par la *CCID* en 2015 sur cette même affaire.

Nous, de ce côté de la Chambre, nous sommes dans une démarche de transparence. C'est dans cette perspective que l'institution de la Commission d'enquête Betamax vient d'être avalisée par le Conseil des Ministres ce vendredi 25 Juin 2021.

La « grosse colère populaire » dont l'honorable Duval se gausse aujourd'hui pourrait lui revenir comme un effet boomerang. L'honorable Duval qui essaie par tous les moyens de se dédouaner en disant qu'il avait supplié ses collègues de reconsidérer la résiliation du contrat risque d'être rattrapé par les faits.

M. le président, un autre point sur lequel je souhaiterais m'attarder quelques instants est la demande de vote d'un crédit supplémentaire de R 2,3 milliards pour l'annulation de montants en capital impayés d'organismes publics.

Ce poste de dépenses additionnelles pour lequel nous demandons l'approbation de la Chambre fait partie de notre stratégie d'assainissement des comptes publics pour permettre encore plus d'efficacité.

Notre stratégie est en effet des plus pragmatiques. Il s'agit de restructurer pour donner un nouveau départ à ces entités qui jouent un rôle important dans notre société et notre économie.

Contrairement à la farouche volonté de l'opposition de réduire notre pays à néant, nous, de ce côté de la Chambre, sommes convaincus que restructuration vaut bien mieux que destruction. Nous donnons une seconde chance à ces organismes publics car, en tant que patriotes, nous croyons dans leur capacité d'adaptation et de transformation.

Je tiens à préciser que ces fonds seront uniquement utilisés pour effectuer les opérations comptables nécessaires dans les comptes du gouvernement. Cela n'entraînera donc aucun retrait de fonds du *Consolidated Fund*. En ce qui concerne les arriérés d'intérêts et de pénalités sur ces prêts, ils seront annulés en conséquence. De ces éléments transparaissent clairement notre volonté de bâtir une croissance robuste basée sur des fondements solides et sains.

M. le président, dans cette même perspective, et afin de faire repartir la croissance à la hausse, la campagne de vaccination contre la Covid-19 s'est révélée être une pièce maîtresse de notre stratégie de réouverture, et donc de relance économique.

En effet, ce gouvernement, ayant aussi bien à cœur la santé des Mauriciens que la reprise des activités économiques, a remué ciel et terre pour s'approvisionner en vaccins. Et

pour cela nous devons tous remercier le Premier ministre qui a fait tout ce qui était possible pour qu'on puisse avoir les vaccins et qu'aujourd'hui on a dépassé la barre des 500,000 vaccinés à Maurice.

C'est à ce titre qu'un budget supplémentaire de 1 milliard de roupies a été nécessaire et est soumis aujourd'hui au vote de l'Assemblée. Nous avons d'ores et déjà vacciné, comme je l'ai dit, en première dose plus de 500,000 Mauriciens. Au rythme actuel, nous atteindrons l'immunité collective d'ici le mois de septembre. Ce cordon sanitaire change la donne. Il est la clé de notre reprise économique, la lumière au bout du tunnel et ce n'est pas le FMI qui contredit cette démarche, bien au contraire.

M. le président, alors que les membres de l'opposition ne semblent n'avoir des yeux que pour le rapport du FMI concluant la récente mission de *l'Article IV*, je m'interroge. Ont-ils vraiment lu ce rapport ? Je me permets d'émettre de sérieux doutes à ce sujet et juge qu'il en est de la plus haute importance de rétablir les faits. Les conclusions de cet exercice de consultations avec le FMI, publiées le 28 juin 2021, sont pourtant claires et cela commence dès la toute première ligne du document qui stipule, je cite –

« While the pandemic has hit the Mauritian economy hard, the authorities have been successful in containing the virus and mitigating the economic impact of the crisis. »

Le rapport ne s'arrête pas là, la mission du FMI donne également raison au Gouvernement en ce qui concerne l'utilisation de la dette publique comme un outil indispensable pour contenir la crise. Le FMI indique ainsi que –

« The repeal of the debt limit was appropriate in the face of the pandemic. »

Sans ce levier d'action, Maurice et sa population seraient en profonde souffrance. Chômage, faillites, misère sociale aurait été notre triste réalité. Je le dis sans vergogne, la dette nous a permis de sauver le pays.

Cela ne veut bien évidemment pas dire que nous ne considérons pas la consolidation fiscale comme importante. Si les membres de l'opposition avaient pris la peine d'appréhender objectivement le Budget 2021-2022, ils auraient bien compris l'engagement du Gouvernement à ce sujet. Cela aurait évité de nombreuses tentatives démagogiques de leur part. Nous avons pourtant affiché notre but de façon limpide et claire. Je le répète donc pour ceux qui font la sourde oreille. Notre objectif est de ramener le ratio de la dette par rapport au PIB en deçà de 80 % du PIB d'ici fin juin 2025 et à 70 % d'ici fin juin 2030.

M. le président, alors que nous abordons le virage de sortie de crise avec résilience et optimisme, je voudrais, une fois pour toute, faire taire les mauvaises langues. A ceux qui veulent briser la confiance, je leur recommande de se pencher sur les prévisions du FMI pour le court et moyen termes. 5% de croissance en 2021, et même 6,7% en 2022. Un PIB qui se situera donc aux abords de la barre fatidique des 500 milliards de roupies pour l'année 2022 et adoptera un rythme de croisière soutenu au moyen terme.

Précisément, le FMI affirme donc, je cite, que –

«Mauritius' economic outlook is more positive. Real GDP growth is expected to rebound strongly to 5 per cent in 2021 and firm up at around 3 to 3.5 per cent in the medium-term, fueled by the construction sector and public investment, as well as a gradual recovery in the tourism industry. »

M. le président, sur ces considérations, je recommande à présent le projet de loi à l'Assemblée.

Question put and agreed to.

Bill read a second time and committed.

The Deputy Speaker: We will break off for 30 minutes before proceeding to Committee of Supply.

At 6.35 p.m., the Sitting was suspended.

On resuming at 7.21 p.m. with the Deputy Speaker in the Chair.

The Deputy Speaker: Thank you very much. Please, be seated!

COMMITTEE OF SUPPLY

(The Deputy Speaker in the Chair)

The Estimates of Supplementary Expenditure (2020-2021) (No. 2) of 2021 & the Supplementary Appropriation (2020-2021) (No. 2) Bill (No. X1 of 2021) were considered and agreed to.

The Deputy Speaker: Hon. Members, I have to report to the House that the Estimates of Supplementary Expenditure (2020-2021) (No. 2) of 2021 and the Supplementary Appropriation (2020-2021) (No. 2) Bill (No. X1 of 2021) have passed the Committee of Supply without amendment.

On the Assembly resuming with the Deputy Speaker in the Chair, the Deputy Speaker reported accordingly.

The Deputy Speaker: Hon. Members, may I just say that Mr Speaker shall take the floor.

At this stage, Mr Speaker took the Chair.

PUBLIC BILL

Second Reading

THE SECURITIES (AMENDMENT) BILL

(No. IX of 2021)

Order for Second Reading read.

(7.26 p.m.)

The Minister of Financial Services and Good Governance (Mr M. Seeruttun): Mr Speaker, Sir, I move that the Securities (Amendment) Bill (No. IX of 2021) be read a second time.

Mr Speaker, Sir, the Government has been coming up with a number of legislations with a view to enhancing the attractiveness, robustness and soundness of the Mauritius International Financial Centre and ensure that we remain competitive as a jurisdiction of choice and of repute among all the various IFCs in the world.

Last week, the Financial Action Task Force has announced that Mauritius has substantially completed its action plan at the technical level.

As a last step to exiting the FATF list of “jurisdictions under increased monitoring”, commonly known as the “Grey List”, the FATF will conduct an onsite visit at the earliest possible to verify that the implementation of Mauritius’ AML/CFT reforms have begun and are being sustained.

COVID-19 permitting, it is expected that the onsite visit would take place before the October 2021 Plenary.

Following this onsite assessment, the FATF will take a decision on Mauritius exiting the FATF grey list at its October 2021 Plenary.

Whilst this is a determining factor for our financial services sector, it is also a signal that we cannot sleep on our laurels.

Our Financial Services Sector, Mr Speaker, Sir, has reached a stage where we need to step up in the International league of IFCs and position ourselves to provide a business-friendly and conducive environment for investments whilst ensuring that we sustain our reputation as a trustworthy facilitator for investments.

It is, therefore, an opportune time to explore and focus on the key segments which can contribute in growing this sector.

Mr Speaker, Sir, against a fluid and rapidly-evolving global financial landscape, it has become a priority for us to take bold steps to liberalise the current capital market space to strengthen our position, our relevance and our competitiveness.

It is important to recall that one of the key recommendations of the Financial Sector Blueprint Report issued in 2018 was to further develop the Capital Market sector in Mauritius and to create a conducive environment for new exchanges to come and set up shops in Mauritius.

With this strategy in mind, it is imperative that we recast the existing legal framework and legislate so that we keep abreast with global best practices and remain up-to-date with cutting-edge developments in technology and business models.

Job creation and wealth creation for our people will be natural consequences of this innovative development agenda.

Mr Speaker, Sir, the Stock Exchange of Mauritius Ltd (SEM), was established in 1989 under the Stock Exchange Act of 1988.

The exchange is regulated by the Financial Services Commission. Fifteen years later, that is, in 2005, a Securities Act was passed.

Today, some 60 companies, with a market capitalization of 10 billion US Dollars are listed on the SEM and 41 companies, with a market capitalization 1.5 billion US Dollars are listed on the Development and Enterprise Market (DEM).

It is worth noting that over the years we have noticed the considerable evolution of the SEM Official Market which today holds more than 100,000 retail investors and has listed more than 200 securities since its inception. Although the Stock Exchange of Mauritius has performed very well, however, for the past 30 years, there has been only one exchange in

Mauritius until 2018, when the Financial Services Commission granted a licence to Afrinex Ltd to set up a new exchange in Mauritius.

Mr Speaker, Sir, our objective is to broaden the operation of approved exchanges in Mauritius in addition to the Stock Exchange of Mauritius Ltd and Afrinex Ltd and also to allow for other clearing and settlement facilities to provide services in Mauritius with respect to the deposit, clearing or settlement of securities transactions. These amendments will go a long way in promoting the participation of African and global intermediaries in Mauritius. Leading jurisdictions in the capital market space such as the London Stock Exchange, the Bombay Stock Exchange or Singapore Stock Exchange have lower level of regulation, especially in circumstances where investors are ‘sophisticated investors’. It is, therefore, very important for us to cater for different categories of investors and thereby adapt our regulatory framework accordingly.

This Bill, Mr Speaker, Sir, is bringing strategic amendments to the Securities Act so as to increase our competitiveness whilst at the same time we are -

- (i) protecting the investors;
- (ii) ensuring that the markets are fair, efficient and transparent, and
- (iii) reducing systemic risk.

Mr Speaker, Sir, I will now enumerate the salient amendments proposed in the Securities Bill and the impetus for bringing forward these changes.

Mr Speaker, Sir, a key change has been brought to the Securities Act by introducing in its definition part of the concept of “sophisticated investor” in comparison to “retail investors”. The Act introduces the concept of “retail investors”, being investors, other than sophisticated investors, as the Financial Services Commission may determine, and thereby recognising foreign funds whose securities are marketed to retail investors in or from Mauritius.

Several amendments were brought to Sections 23, 24, 25, 26, 27 and 28 of the Securities Act to replace references to Stock Exchange of Mauritius Ltd or SEM by any official exchange and to replace the Central Depository and Settlement Ltd by any clearing and settlement facility. This is a clear signal that the jurisdiction is open to welcome other players in the capital market sphere.

The amendment brought to Section 53 of the Act, to waive the requirements for foreign reporting issuers to be registered with the Financial Services Commission will also allow Foreign Investment Banks to offer non-broking, non-clearing capital market services to issuers who are listing their securities with securities exchanges without the need for licensing or authorisation or approval of any sort from the FSC or the Exchange. This will align Mauritius with other leading listing jurisdictions like London, Singapore, Luxembourg which do not have any licensing or recognition process for intermediaries who target professional and sophisticated investors.

The amendment brought by Clause 6 of the Bill to amend Section 70 of the Act will allow more Global Business entities to offer securities in a less cumbersome manner. This will allow more global players to domicile in Mauritius and thus make the market more vibrant and liquid. The amendment to Section 78 of the Securities Act will henceforth waive the requirement for publication in the Press by requiring that the advertisement be made on the website of the issuer and the appropriate securities exchange.

Mr Speaker, Sir, section 86 of the Act has also been amended to waive the requirement for foreign reporting issuers to be registered with the Financial Services Commission. This amendment in the Bill will encourage foreign funds to be listed on the securities exchange at lesser cost and enable major global players to be present in the jurisdiction. The cost factor, Mr Speaker, Sir, has been a matter of explicit focus for us as a competing market centre.

Mr Speaker, Sir, the licensing of new Securities Exchanges will encourage the growth of the securities market with additional issuers, both local and international, resulting in growth in the pool of investors and enhancement of liquidity in the financial markets. The recent changes in the Securities (Public Offer) Rules in terms of disclosure requirements in the prospectus for holding companies with subsidiaries, is another initiative to facilitate listing on the exchanges.

Mr Speaker, Sir, section 101 of Securities Act is being amended to allow for foreign funds listed on other securities exchanges to be automatically recognised by the Financial Services Commission on the basis of intimation provided by the exchange to the FSC. In particular, funds from leading fund jurisdictions will be allowed to list with securities exchanges in Mauritius without additional level of approval by the regulators. The recent liberalisation of the brokerage fees is expected to increase competition amongst investment

dealers and also attract foreign market players to seek an authorisation in our jurisdiction to further support the development of the jurisdiction as an investment destination.

As I mentioned earlier, Mr Speaker, Sir, this Bill aims at opening up the jurisdiction to new players. Consequently, the Bill introduces two new schedules to the Securities Act whereby the Second Schedule refers to the two Clearing Houses in Mauritius and the third schedule lists out the name of the two Exchanges.

Mr Speaker, Sir, to conclude, I would wish to say that capital markets are constantly changing, innovating and, accordingly, legislative and regulatory frameworks must also evolve to respond to changing market conditions. In this pursuit, Mr Speaker, Sir, Government has never lost sight of the need to keep raising our profile and ranking in terms of making it easy to do business in Mauritius.

The Bill before us today will help consolidate our legislation so that it merits the continued confidence of an investing public and attracts business and listings from across the world. Our aim, Mr Speaker, Sir, is to keep crafting effective laws and regulations for our jurisdiction to maintain a dominant position in the worldwide capital and investment arena and pursues its mission of being a magnet for investment into Africa.

By further constructing and improving our capital market, Mr Speaker, Sir, which is key to a modern economic system, we are placing ourselves in a much better position to serve high-quality economic and social development for the prosperity of our people.

Mr Speaker, Sir, I propose to move the following amendments at Committee Stage –

- (a) to delete the word “insurer” and replacing it by the word “issuer;” in clause 6 (a) (ii), in the proposed new paragraph (k);
- (b) with a view to harmonise our legislations and ensure that there is no restrictive provision, a new clause 16 be inserted after clause 15, to amend the National Payment Systems Act 2018 in subsection (1) (b) and subsection (2), by deleting the words “the Central Depository & Settlement Co. Ltd under the Securities (Central Depository, Clearing and Settlement) Act” and replacing them by the words “an Official Clearing and Settlement Facility under the Securities Act,” and
- (c) to renumber the existing clause 16 being as clause 17.

I now commend the Bill to the House, Mr Speaker, Sir.

Thank you, Mr Speaker, Sir.

The Deputy Prime Minister seconded.

(7:41 p.m.)

Mr Speaker: Hon. Uteem!

Mr R. Uteem (Second Member for Port Louis South & Port Louis Central): Mr Speaker, Sir, the main object of the Bill today before this House is to facilitate the operation of a new Stock Exchange namely, Afinex Ltd and also allowing the subsidiary of Afinex Ltd - Afrinex Clearing House Ltd to be set up as a Clearing and Settlement Facility.

With this Bill, the Stock Exchange of Mauritius will lose its monopolistic position and the Central Depository & Settlement Co. Ltd will no longer be the sole clearing house. Now, it is not the first time that an attempt has been made to allow a second Stock Exchange to operate in Mauritius but it is the first time that the law is being amended to suit the requirement of the new Stock Exchange.

I say it is not the first time that Government has licenced other Stock Exchange because we all remember Bourse Africa Ltd, formerly known as Global Board of Trade Ltd (GBOT), which was issued a Securities Exchange licence as far back as February 2008 to operate a Commodity Exchange in Mauritius. GBOT also had a subsidiary, Bourse Africa Clear Ltd, which was licensed as a Clearing and Settlement Facility. But what happened to Bourse Africa Ltd? It never started its operation. In 2014, its promoter, Mr Shah, was arrested for corruption charges and money laundering offences. In 2018, only four years later, it surrendered its licence and the FSC then decided to revoke the licence of Bourse Africa Clear Ltd. Yet, there were lots of hope and promises when GBOT was set up. I remember I attended the launching ceremony, at that time also we were talking about Africa; Mauritius being the gateway to invest in Africa and all the commodities of Africa would have been listed and traded on GBOT. Lots of promises, lots of hope but nothing materialised! Today, we are hearing the same rhetoric for Afinex Ltd, but the difference again between Afinex Ltd and Bourse Africa Ltd is that today we are amending the law to suit Afinex Ltd. We did not do that for Bourse Africa Ltd.

It already looks like the Stock Exchange of Mauritius does not seem too happy with the setting up of Afinex Ltd. In an article published in l'Express of 25 May 2021, the Chief Executive Officer of Stock Exchange of Mauritius is reported to have questioned the timing

and purpose of coming up with the proposed amendment to the Securities Act. I will just cite a paragraph –

« The Chief Executive Officer qui s'intéresse toutefois sur la pertinence d'une telle démarche. Perplexe, il ne comprend pas pourquoi introduire maintenant un amendement à la loi existante alors que celle-ci offre déjà cette possibilité, soit d'autoriser légalement l'opération d'autres bourses et des liquidateurs centraux de titre dans la juridiction mauricienne. »

The Stock Exchange of Mauritius also does not understand why we are coming with the proposed amendment and, in fact, the CEO also in the same article, reportedly criticised the Government for not going ahead with the merger, the partnership between Johannesburg Stock Exchange and the Stock Exchange of Mauritius. Their agreement was supposed to have been signed 12 years ago and 12 years later, the Stock Exchange of Mauritius is still not in partnership with Johannesburg Stock Exchange.

Having said that, Mr Speaker, Sir, I am the one who believe that in Mauritius, we need more than one Stock Exchange I firmly believe that this monopolistic situation of the Stock Exchange of Mauritius is not good for our capital market. It does not in any way encourage innovation, product development and we see even today, trading being done in a very archaic style at the Stock Exchange. If we look at the number of Listed Companies in Mauritius, it does not compare well to the ambition of Mauritius positioning itself as a capital market for Africa. If we look at the number, for example, of foreign companies that are listed in Mauritius, there are very few who are actually trading in Mauritius. Some of them are listed only for convenience sake because if you are listed on the Stock Exchange, you are able to attract certain type of investors, like Pension Funds, but we do not have the volume of trading.

If we look at the Stock Exchange of Mauritius, we see so much volatility, sometimes the price does not match at all the underlined value of the assets. There are so many speculations. Why? Because very few investors, by investing or divesting can have a disproportionate impact on the price of securities. So, definitely, I am in favour of allowing other operators in the Stock Exchange. I am all in favour of allowing Afinex Ltd or any other company for that matter, and I hope that it will work as a wake-up call to the Stock Exchange of Mauritius and force them to be more effective and more efficient.

However, Mr Speaker, Sir, allow me to say a word of caution about the proposed amendment to this Bill. In particular, I will start by Section 86 of the Securities Act, which is being amended to remove from the definition of ‘reporting issuer’ –

“an issuer whose securities are listed on the Securities Exchange in Mauritius.”

Now, today, any company whose shares are listed on the Stock Exchange *de facto* are reporting issuers. As reporting issuers, there are certain legal obligations on these companies under the Securities Act. The first obligation is one of disclosure. Whenever there is an event which has a significant influence on a listed company or on the value of its shares that are traded, the issuer has a duty to make a Press release and make full disclosure, unless of course, this disclosure would amount to a criminal offence. So, you can see every day on the newspaper, cautionary announcements by companies who are listed on the Stock Exchange, companies who are thinking about divesting their hotels outside of Mauritius or investing in other ventures in Mauritius. Why? Because at the end of the day, the investor who is going to invest into those shares need to have full information. There must be total openness, total transparency for all listed companies. And by removing the listed companies from the definition of reporting issuer, we are at the same time telling the reporting issuers, the listed companies, that they no longer have to make any disclosure of any event that may have a material adverse effect on the price. Now, the correlation to that is if the public does not know about it, then obviously there will be insider trading because some people will know about it. The people involved in the transaction will know about it and these people would have an unfair advantage over the public.

But more importantly, Mr Speaker, Sir, what is proposed to be done, does not fit well with the objective and principle of the Securities Regulation published by the International Organisation of Securities Commission. Now, the International Organisation of Securities Commission published a Report on Objectives and Principles of Securities Regulation and the Financial Services Commission is a member of the IOSCO and therefore, we are obliged to adhere to the principles of IOSCO. Now, what does Principle 14 state, I read it –

“There should be full, timely and accurate disclosure of financial results and other information that is material to investors’ decisions.”

Now, that is what IOSCO requires us. There need to be full-timely and accurate disclosure of financial results and other information, that is, material to investors decision

and, yet today, we are amending the law so that listed company do not have to disclose. They do not have to disclose any material event that can have an impact on the price of security.

Same thing for section 88 of the Securities Act. Under section 88 –

“Every reporting issuer shall file with the Financial Services Commission and make public comparative quarterly financial statements prepared in accordance with IFRS.”

So, today all listed companies have a legal obligation because there are sanctions, there are criminal sanctions, there are fines if a listed company does not comply with the Securities Act. So, now, as from today, listed companies will no longer have any requirement to file any financial statement with the Financial Services Commission. And these quarterly financial statements were available to the public and again by removing this requirement to file quarterly reports, we are in breach of Principle 14 of IOSCO. But you are also in breach of Principle 26 of IOSCO which provide and I read –

“There should be ongoing regulatory supervision of exchanges and trading systems which should aim to ensure that the integrity of trading is maintained through fair and equitable rules that strike an appropriate balance between the demands of different market participants.”

So, if a listed company is no longer required to file documents with the FSC, how can the FSC exercises its supervisory obligation over these listed companies? So, I do not know if the hon. Minister cleared those provisions with the Financial Services Commission beforehand but I think that this is sending the wrong signal to the International Organisation of Securities Commission and certainly it is not going to help investors who are to invest on the Stock Exchange.

There is another provision of the law, Mr Speaker, Sir, which I am not happy with and that is the Amendment that is being proposed to section 31. Now, section 31 of the Securities Act deals with solicitation and it presently reads as follows –

“No person other than the holder of a licence, referred to under section 29 or 30 - or his agent - shall solicit another person to enter in securities transactions.”

Which means that today, if anyone wants to ask someone to invest in shares, to invest in commodities, to invest in any security transaction, this person must be licenced. He must be licenced as an investment dealer or an investment adviser. So, his licence, it is a seal of approval of the Financial Services Commission to any investor telling him you know you can

deal with this person, we have done our due diligence, he is a fit and proper person, he can act as investment dealer, he can act as investment manager.

Now, this section 31 is being amended so that an investment dealer licence or investment adviser licence is only required if you are going to solicit a retail investor to enter into securities transaction. So, only if you are going to the general public, if you are not going to sophisticated investors, you require a licence. So, I take it from now on if a person wants to get a sophisticated investor, a bank, a person who holds more than \$1 m. in his account or a company which has more than \$5 m. in his account, this person does not need to be licenced at all. This is what section 31 is saying.

Now, what it means is that you are creating a category of people who will not be licenced at all and who would be dealing with people who have a lot of money. People who should have been licenced as investment manager, investment advisers who have no licence and they would be going out there in the market and getting money. Now, isn't that inviting another Ponzi scheme? Isn't that how you are going to protect investors even if they are sophisticated investors? Is it how you are going to protect them by not making the person dealing with them having any licence? And if they do not have any licence, not only are they not supervised by the Financial Services Commission but they also do not have any reporting responsibility under the Financial Intelligence and Anti-Money Laundering Act (FIAMLA).

Today, if you are an investment dealer, if you are dealing with a client, you need to know the beneficial owner of that client. So, you need to make sure that he is not a drug trafficker and that he is not fronting for anyone. You need to know the source of his fund. You need to know that the fund is not tainted with any sort of illegalities. It is not proceeds of crime, it is clean money.

And, if ever you have any suspicion about who is the beneficial owner or any suspicion as to the source of funds, you have an obligation to make a suspicious transaction report with the Financial Intelligence Unit. This is how you combat money laundering. This is how you comply with the requirement, the recommendation of the Financial Action Task Force. Earlier today, the hon. Minister did a very good Statement about the progress realised by Mauritius in an attempt to remove us from the Grey List of FATF. Now, I just ask him the question - how does what he is proposing to do sit with the FATF? Are we being better regulated when we say that those sophisticated investors do not need to get advice from someone who is regulated, someone who is duly licenced, someone who is under the

supervision of the FSC? Is it the right signal that we are sending to the FATF? Is it how we want to be seen that yes for retail investors, we are well regulated but for sophisticated investor, we don't need to have any licence for any investment dealer or any investment manager?

So, Mr Speaker, Sir, I will urge the hon. Minister to have a rethink about this law. I know that it has been announced that the whole Securities Act is being reviewed. In fact, I have a copy of an invitation for bid issued by The Financial Services Commission on the 31 May 2021. The Financial Services Commission is inviting local consultant to submit their proposal through the Government e-Procurement System for the consultancy services to review the Securities Act.

So, there is already going to be a consultant appointed to review the whole of the Securities Act. So, why come piecemeal today with only a section of the Securities Act which as I just pointed out will have no doubt a super consequence for Affinex and for anyone who wants to list their shares on Affinex, it would be a good standing point for Affinex, but which will not sit so well for the FSC with the International Organisation of Securities Commission and which will not sit so well with the Financial Action Task Force. So, I would urge the hon. Minister to have a rethink about the points that have been mentioned in this law.

Thank you.

Mr Teeluck: Mr Speaker, Sir, I move for the adjournment of the debate. Thank you.

Mr Seeruttun seconded.

Question put and agreed to.

Debate adjourned accordingly.

ADJOURNMENT

The Deputy Prime Minister, Minister of Housing and Land Use Planning, Minister of Tourism (Mr S. Obeegadoo): Mr Speaker, Sir, I beg to move that this Assembly do now adjourn to tomorrow Wednesday 30 June 2021 at 11.30 a.m.

The Minister of Financial Services and Good Governance (Mr M. Seeruttun) seconded.

Mr Speaker: The House stands adjourned.

Adjournment matters! Hon. David!

MATTERS RAISED**CRANE BARGE HONG BANG 6 – NOISE NUISANCE – ENVIRONMENTAL IMPACT**

Mr F. David (First Member for GRNW & Port Louis West): Merci, M. le président. Ma requête de ce soir s'adresse au ministre de l'Économie bleue, des Ressources marines, de la Pêche et de la Navigation, et concerne la présence et les opérations du bateau grue, Hong Bang 6 au large de la côte de Tamarin.

Au-delà du fait que le Hong Bang 6 ait jeté l'ancre depuis plusieurs semaines en dehors de nos limites portuaires, ce que je pensais ne pas être autorisé car cette situation échappe a priori au paiement des *anchorage dues*. Cette barge est la source de nuisance sonore et lumineuse la nuit et une photo aérienne prise le 14 juin 2021, que je souhaite déposer à la Chambre semble démontrer une nappe d'apparence huileuse qui s'échappe de la barge.

Puis-je demander au ministre d'éclairer la Chambre sur les raisons derrière la présence de ce bateau grue, la durée des travaux et le suivi des impacts sur l'environnement marin, côtiers et résidentiels de Tamarin.

Merci.

The Minister of Blue Economy, Marine Resources, Fisheries and Shipping (Mr S. Maudhoo): M. le président, je tiens à remercier l'honorable Fabrice David pour m'avoir informé en avance de son intention de poser cette question à l'ajournement des travaux parlementaires et cela m'a donné l'occasion de prendre des renseignements pour que je puisse répondre à la question.

M. le président, suite aux conditions météorologiques défavorables qui persistent à Pointe d'Esny depuis un mois maintenant, la barge Hong Bang 6 ne peut pas continuer ses travaux d'enlèvement de l'épave du MV Wakashio sur le dit site de travail comme prévu. La barge Hong Bang 6 a été remorquée par le HTS Mercury, le remorqueur de Pointe d'Esny le 31 mai et mouillât dans la baie de Tamarin le 01 juin.

Suite aux mauvaises conditions de la mer dans la baie de Tamarin, la barge Hong Bang 6 partit se mettre à l'abri en haute mer et retourna dans la baie de Tamarin le 08 juin 2021 en attendant que les conditions météorologiques s'améliorent sur le site de travail à Pointe d'Esny.

Brand Marine - le consultant a été informé qu'elle surveillait les prévisions météorologiques et que selon les informations disponibles actuellement, des améliorations météorologiques sur les chantiers ne sont pas attendues avant la semaine prochaine. M. le président, la décision de commencer ou d'arrêter les travaux d'enlèvement de l'épave du Wakashio revient à la personne en charge, c'est-à-dire, le *Salvage Master* des opérations d'enlèvement de la compagnie de Dali qui doit aussi s'assurer la sécurité du personnel, celle de la barge Hong Bang 6 et la sécurité sur les chantiers d'enlèvement de l'épave du MV Wakashio.

Brand Marine a informé qu'environ 2,000 tonnes d'acier ont été retirées à ce jour ; en terme de poids, il reste environ 70 à 75% de l'épave à retirer, c'est-à-dire, qu'il restait 18 jours, 24 heures de travaux pour compléter le chantier, bien sûr, dépendant des conditions météorologiques.

Merci.

Mr Speaker: Thank you. Hon. Ameer Meea!

MUSLIM FESTIVAL - BAKRA EID (QURBANI) – LIVE CATTLE – PRICE

Mr A. Ameer Meea (Third Member for Port Louis Maritime & Port Louis East):

Thank you, Mr Speaker, Sir. The issue I am raising tonight will be addressed to the Vice-Prime Minister, Dr. the hon. Husnoo because he is in charge, if I can say, of this dossier. It is in relation to the price of live cattle for the upcoming Muslim Festival of Bakra Eid, also known as Qurbani.

Mr Speaker, Sir, every year there is an increase...

Mr Speaker: It is a speech...

Mr Ameer Meea: No, but this is a very important issue, please bear with me.

Mr Speaker: I know!

Mr Ameer Meea: Every year, there is an increase which is a reasonable amount. If I can quickly give the figures: in 2018 it was Rs134; 2019: Rs132.50, 2020: Rs136.50, but this year it is Rs151, that is, there has been an increase of Rs14.50 per kg of live cattle. I think that this is an exaggerated price; we can understand that there are increases in the price of freight, the rate of the dollar and everything, but, for me, this 10% increase is a huge increase. I am sure other Members of the House, my colleagues, hon. Reza Uteem, hon. Osman

Mahomed and hon. Dr. Farhad Aumeer who are here, we associate ourselves to this request to the hon. Vice-Prime Minister, that he looks into the matter and a reasonable price is fixed.

Thank you.

Mr Speaker: Thank you!

The Vice-Prime Minister, Minister of Local Government and Disaster Risk Management (Dr. A. Husnoo): Thank you, Mr Speaker, Sir. Yes, I am chairing the meeting to look into the price of cattle for Eid Ul Adha Festival.

As we know, recently there has been an increase in the value of the Rand and the freight has increased as well. I know that the increase is significant this year compared to what it has been in the previous years. We have a Committee which has been looking into that, we have worked a figure and have communicated it to the importers as well, but there is still some difference. We hope to present it to the Government and come to a decision soon.

Mr Speaker: Hon. Dhunoo!

ABBE DE LA CAILLE, CUREPIPE – ABANDONNED CARS

Mr S. Dhunoo (Third Member for Curepipe & Midlands): Merci, M. le président. Ma requête ce soir s'adresse au ministre de l'Environnement, l'honorable Kavy Ramano, ça concerne les voitures abandonnées, plus précisément à Curepipe, où nous avons plusieurs voitures abandonnées dans plusieurs régions. Je voudrais attirer votre attention, plus précisément, à Abbé de La Caille, où il y a une voiture abandonnée sur la route depuis plus de trois 3 ans ; cela est confirmé pour les habitants de la région. Cela cause des inconvénients pour les automobilistes qui se servent de cette route et aussi pour les habitants de la région.

Je demanderais au ministre s'il peut voir avec la Police de l'Environnement pour faire prendre les actions nécessaires pour que les inconvénients soient réglés. Merci.

The Minister of Environment, Solid Waste Management and Climate Change (Mr K. Ramano) : Merci, M. le président. Effectivement la Police de l'Environnement est directement concernée avec le problème qui a été soulevé par l'honorable membre parce que nous considérons que l'abandon des véhicules est source de pas mal de nuisance. Donc, je demanderai à l'honorable membre de bien vouloir me donner la liste des rues qui sont concernées et le *survey* sera fait et, bien sûr, les actions immédiates seront prises. Merci.

Mr Speaker: Hon. Dr. Gungapersad!

BARACHOIS, MELVILLE – FOUL SMELL & NUISANCE

Dr. M. Gungapersad (Second Member for Grand’Baie & Poudre d’Or): Thank you, Mr Speaker, Sir. My request also is addressed to the Minister of Environment, hon. Ramano. I am referring the hon. Minister to the *barachois* found at Melville. There is a foul smell that creates a lot of nuisance to the inhabitants there.

If the hon. Minister can look into the matter, I am ready to provide him with further information regarding same. Thank you.

The Minister of Environment, Solid Waste Management and Climate Change (Mr K. Ramano): Je demanderais à l’honorable membre de me donner des renseignements précis et, bien sûr, les techniciens du ministère prendront les actions qui s’imposent.

Merci.

Mr Speaker: Hon. Ittoo!

SELF-EMPLOYED ASSISTANCE SCHEME - REIMBURSEMENT

Mr A. Ittoo (Third Member for Vacoas & Floreal): Merci, M. le président, ma requête concerne deux ministères ; la Sécurité sociale et les Finances.

Donc, je vais adresser ma question à l’honorable ministre des Finances. Cela concerne une dizaine de personnes qui m’ont contacté par rapport au *Self-Employed Assistance Scheme* qu’ils ont perçu pendant la deuxième vague de COVID. Ces personnes sont sur la liste du *Social Register of Mauritius (SRM)* et j’apprends que techniquement ils ne sont pas éligibles du moment qu’ils perçoivent, peu importe le quantum, un support du *SRM*. Mais pour des raisons techniques, bien sûr, ils ont eu ce montant, et là, ils se trouvent dans une situation de devoir retourner cet argent.

Je sais que l’honorable ministre des Finances est prêt à aider, donc, je demande son assistance sur ce dossier. Merci.

The Minister of Finance, Economic Planning and Development (Dr. R. Padayachy): M. le président, je suis au courant de ce dossier. On est en train de voir comment on peut procéder pour qu’il n’y ait pas de remboursement.

Merci.

Mr Speaker: Hon. Osman Mahomed!

(8.10 p.m.)

PORT LOUIS - MARKET FAIRS - CLEANING

Mr Osman Mahomed (First Member for Port Louis South & Port Louis Central): Thank you. I would like to address the Vice-Prime Minister, Minister of Local Government and Disaster Risk Management tonight, regarding the reopening of *les foires où travaillent les marchands ambulants* this 01 July 2021 based at Ruisseau du Pouce, Immigration and Rue Ingénieur, opposite the *Casernes Centrales* and all similar places in Mauritius; these places have remained closed for the last three and a half months, meaning since 10 March 2021.

My request to the hon. Vice-Prime Minister tonight is to have these places cleaned and flushed by the Government Fire Services or a similar service in the Government, and disinfected for the sake of public health for the clients and the hawkers themselves.

Thank you.

The Vice-Prime Minister, Minister of Local Government and Disaster Risk Management (Dr. A. Husnoo): Mr Speaker, Sir, prior to the opening of the market and market fair on 01 July 2021, I have given instructions to all the local authorities to clean the market and all the fairs as well. So, I am sure the work is being done but, anyway, as far as these particular ones where the *marchands ambulants* are working I will check with the Municipality of Port Louis to make sure that it is done.

Mr Speaker: Hon. Nuckcheddy!

(8.11 p.m.)

RÉSIDENCE HIBISCUS, CENTRAL FLACQ - ILLEGAL OCCUPATION & CONSTRUCTION

Mr S. Nuckcheddy (Third Member for Flacq & Bon Accueil): Thank you, Mr Speaker, Sir. My request tonight is addressed to the hon. Deputy Prime Minister, Minister of Housing and Land Use Planning, Minister of Tourism. It concerns the Résidence Hibiscus at Central Flacq where there are some illegal occupation and construction on green spaces and reserves, and these places are now being used as workshops, operating even at odd hours, and this is causing inconveniences to those inhabitants. I will just request the hon. Deputy Prime Minister to kindly look at it.

Thank you.

The Deputy Prime Minister, Minister of Housing and Land Use Planning, Minister of Tourism (Mr S. Obeegadoo): Mr Speaker, Sir, I take good note of the remarks of the hon. Gentleman. I would pray that he provides me with further details so that I may take effective action.

Mr Speaker: Hon. Dr. Aumeer!

(8.12 p.m.)

VALLÉE PITOT REGION – TRAFFIC LIGHTS

Dr. F. Aumeer (Third Member for Port Louis South & Port Louis Central): Thank you, Mr Speaker, Sir. My request is addressed to the Minister of Land Transport and Light Rail, Minister of Foreign Affairs, Regional Integration and International Trade, kindly if the message could be passed on to him. I have had representations from quite a number of inhabitants of Vallée Pitot and surroundings with regard to the traffic lights at junction La Paix Street, Alma Street and Boulevard Pitot. In view of the heavy traffic jam, particularly in the morning going southbound towards Champs de Mars and also considering that school will be reopening very soon, I, therefore, request the hon. Minister if Police presence during weekdays between the hours of 8.00 to 9.30 be there to ease the traffic, and also see if whether the traffic lights at that time could be frozen. Thank you.

The Minister of Finance, Economic Planning and Development (Dr. R. Padayachy): M. le président, je vais transmettre le message au ministre concerné, l'honorable Alan Ganoo.

Merci.

Mr Speaker: No further issue. The House stands adjourned.

At 8.13 p.m., the Assembly, was, on its rising, adjourned to Wednesday 30 June 2021 at 11.30 a.m.