



**SIXTH NATIONAL ASSEMBLY**

**PARLIAMENTARY  
DEBATES  
(HANSARD)**

**FIRST SESSION  
WEDNESDAY 15 APRIL 2015**

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Hon. Sir Anerood Jugnauth, GCSK, Prime Minister, Minister of Defence, Home Affairs, KCMG, QC	Minister for Rodrigues and National Development Unit
Hon. Charles Gaëtan Xavier-Luc Duval, GCSK	Deputy Prime Minister, Minister of Tourism and External Communications
Hon. Showkutally Soodhun, GCSK	Vice-Prime Minister, Minister of Housing and Lands
Hon. Ivan Leslie Collendavelloo, GCSK	Vice-Prime Minister, Minister of Energy and Public Utilities
Hon. Seetanah Lutchmeenaraidoo, GCSK	Minister of Finance and Economic Development
Hon. Pravind Kumar Jugnauth	Minister of Technology, Communication and Innovation
Hon. Yogida Sawmynaden	Minister of Youth and Sports
Hon. Nandcoomar Bodha	Minister of Public Infrastructure and Land Transport
Hon. Mrs Leela Devi Dookun-Luchoomun	Minister of Education and Human Resources, Tertiary Education and Scientific Research
Hon. Anil Kumarsingh Gayan	Minister of Health and Quality of Life
Dr. the Hon. Mohammad Anwar Husnoo	Minister of Local Government
Hon. Prithvirajsing Roopun	Minister of Social Integration and Economic Empowerment
Hon. Marie Joseph Noël Etienne Ghislain Sinatambou	Minister of Foreign Affairs, Regional Integration and International Trade
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Hon. Mrs Marie-Aurore Marie-Joyce Perraud	Minister of Gender Equality, Child Development and Family Welfare
Hon. Sudarshan Bhadain	Minister of Financial Services, Good Governance and Institutional Reforms
Hon. Soomilduth Bholah	Minister of Business, Enterprise and Cooperatives
Hon. Mrs Fazila Jeewa-Daureeawoo	Minister of Social Security, National Solidarity and Reform

## Institutions

Hon. Premdut Koonjoo	Minister of Ocean Economy, Marine Resources, Fisheries, Shipping and Outer Islands
Hon. Jayeshwur Raj Dayal, CSK, PDSM, QPM	Minister of Environment, Sustainable Development and Disaster and Beach Management
Hon. Marie Roland Alain Wong Yen Cheong, MSK	Minister of Civil Service and Administrative Reforms
Hon. Soodesh Satkam Callichurn	Minister of Labour, Industrial Relations, Employment and Training

**PRINCIPAL OFFICERS AND OFFICIALS**

Madam Speaker	Hanoomanjee, Hon. Mrs Santi Bai, GCSK
Deputy Speaker	Duval, Hon. Adrien Charles
Deputy Chairperson of Committees	Hurreeram, Hon. Mahendranuth Sharma
Clerk of the National Assembly	Lotun, Mrs Bibi Safeena
Deputy Clerk	Ramchurn, Ms Urmeelah Devi
Clerk Assistant	Gopall, Mr Navin (Temporary Transfer to RRA)
Hansard Editor	Jankee, Mrs Chitra
Sergeant-at-Arms	Pannoo, Mr Vinod

**MAURITIUS**

**Sixth National Assembly**

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**FIRST SESSION**

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**Debate No. 21 of 2015**

**Sitting of 15 April 2015**

**The Assembly met in the Assembly House, Port Louis, at 10.30 a.m.**

**The National Anthem was played**

*(Madam Speaker in the Chair)*

**PAPERS LAID**

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

**Ministry of Finance and Economic Development -**

- (a) The Land (Duties and Taxes) (Amendment of Schedule) Regulations 2015 (Government Notice No. 49 of 2015).
- (b) The Registration Duty (Amendment of Schedule) Regulations 2015 (Government Notice No. 50 of 2015).
- (c) The Stamp Duty (Amendment of Schedule) Regulations 2015 (Government Notice No. 51 of 2015).
- (d) The Transcription and Mortgage (Amendment of Schedule) Regulations 2015 (Government Notice No. 52 of 2015).

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

**The Prime Minister:** Madam Speaker, I move that all the business on today's Order Paper be exempted from the provisions of paragraph (2) of Standing Order 10.

**The Deputy Prime Minister rose and seconded.**

*Question put and agreed to.*

(10.37 a.m.)

**PUBLIC BILLS**

*Second Reading*

**THE APPROPRIATION (2015) BILL**

**(NO. III OF 2015)**

**&**

**THE APPROPRIATION (2015-2016) BILL**

**(NO. IV OF 2015)**

*Order read for resuming adjourned debate on the Second reading of the Appropriation (2015) Bill (No. III of 2015) and the Appropriation (2015-2016) Bill (No. IV of 2015).*

*Question again proposed.*

**The Deputy Prime Minister, Minister of Tourism and External Communications (Mr X. L. Duval):** Madam Speaker, when asked what was the best technological innovation of modern times, Mr Lee Kuan Yew, the father of Singapore, replied: the air conditioner. The air conditioner - because it allowed people in the tropics to be as productive and as efficient as people in the northern hemisphere. So, Singapore quickly became a First World country and, I must say, Madam Speaker, Mauritius as well has known tremendous progress since independence.

In 1968, when we became independent, the *per capita* income in Mauritius was US\$250. We went along like this, hobbling along until the 1980s, and in 1991, Madam Speaker, Mauritius became a middle-income country. So, it took us from 1968 - 23 years - to

1991 to become a middle-income country, and from 1991 to 2015 we have remained a middle-income country. We have gone up the scale, we have reached about 75% of our goal, and our goal is, of course, like any country in the world, to attain high-income status. So, we have done well, but we have, like many countries, stayed long as a middle-income country. You can even call it the middle-income trap. But, nowadays, with the anecdote of the air conditioning, with the global village - the world is much smaller, transport costs are relatively less than they used to be, the Internet, etc. - Mauritius has tremendous potential to reach the high-income status. Of course, Madam Speaker, we became a middle-income nation not by chance in 1991 but as a result of what is today known as the first economic miracle with the Rt. hon. Sir Anerood Jugnauth, hon. Seetanah Lutchmeenaraidoo and I must also say, the PMSD; PMSD was in Government, of course, during most of that time with Sir Gaëtan Duval playing, I think we all agree, a major role in the development of tourism, in the development of the export enterprise zone and in social integration as a whole, Madam Speaker. So, we played our role and we are very proud to have played our role in the first economic miracle, and we expect fully to play our role again with our friends from the MSM and the ML in the second economic miracle.

So, Madam Speaker, 24 years after becoming a middle-income nation, we now look forward to a second economic miracle to become a high-income nation. Why do we want to become a high-income nation? Because, we want better health services for our people, we want better education; in fact, we want better public services, and we want a better quality of life and more spending power for everyone. Now, some economists see us in a fairly long path to become a high-income nation. Some very well-known people have said that we will reach there in 2028, 13 years from now.

Others have said: "No, it is probably to be 2032." I see, therefore, that the main purpose of this Government is to enable a surge forward in growth; a surge forward in prosperity; a surge forward in income, so that we believe what these economists have said and reach a high-income status much quicker than these people have said. Of course, a condition to this is to reach high growth. Normally, people say 5%, more if we can get, but we do need to have that. On that score, Madam Speaker, I note that the growth in 2014, last year, was 3.5%, which, I must say, I consider to be reasonable: 2014 - 3.5%; 2013 - 3.2%; 2012 - 3.4%. These are the years, of course, where I presented the Budget. I consider them to be reasonable because I had a look at what the world was doing. The US in 2014 had a growth of 2.3%; Japan, once an economic powerhouse, 0.5%; Canada, great country, great mineral wealth, 2.3%; Britain, with all that the Conservative, Liberal Government has done, 3%; Germany,

1.4%; Singapore, I just mentioned, 3.1%; France, straggling along, 0.4%. 95% of the countries in the world did worse than Mauritius. I consider it could have been better, but it was reasonable and, of course, unemployment fell from 8% to 7.8%. Now, of course, together, this team, we are going to work to reach a 5% and more that is achievable for Mauritius. Things look better on the international front. The European recovery is there. It is fragile, but it is there. Later on, we will see the effect that it is having on tourism. US, obviously, has picked up strongly. China is doing well. India with a new Modi Government, we hope, will do very well.

Nevertheless, as the Budget has identified, there are factors that must be addressed for us to achieve greater prosperity. One, which is addressed completely by the Budget, is investment. What is investment? It is tools to enable the country to be more productive and achieve higher growth. Let me take the example of the Port. We have five cranes at the moment in the Port. We are investing in two additional cranes. What does that mean? Two additional cranes will cost us a lot of money, but it will be tools for our people in the Port to work and move containers around ships. It is going to be an additional tool to enable greater revenue, to enable greater wealth in the Port. So, it will help to generate income from trans-shipment. We are building new quays to service ships. We are building a fishing port. We are encouraging the construction of oil storage. All these, Madam Speaker, are investments that will generate wealth in the future.

So, investment is crucial in the creation of wealth and prosperity, and this Budget, Madam Speaker, is a very pro-investment Budget. The hon. Minister Finance has identified a large number of projects, and we know that he is personally committed to getting rid of all the bottlenecks that always will exist and need to be addressed proactively so that these investments come to light as quickly as possible and with the number of committees, etc, to ensure that the Government is fully hands-on in facilitating investment. So, this is very welcome in the way that this Budget is pro-investment.

Madam Speaker, other things that will need investment - it is something important - is adoption of new technologies. Each of us, Madam Speaker, the more that we can use the Internet, the more we are IT savvy, the more that we can use computers, the more productive we are. Just to take one example, we can go into farming, fish farming, animal rearing even sugarcane, whatever you like, the more that we have new technologies, the more that we are productive and the new Smart Cities, Madam Speaker, that will come up following the Budget will provide, we hope, the right *cadre*, the right framework for people to adopt new technologies, connected to the world with the latest intelligent buildings. We hope that we

will create a new mindset in Mauritius, a different mindset for the adoption of new technologies. I see also that we are continuing with the installation of fibre optic cable and we will get, by the end of this year, I hope, about 50,000 connections on fibre optic around Mauritius, which will also transform not only business accessibility to the Internet, but also households with the reduction in price that we have seen in the recent years in the Internet.

Madam Speaker, the Budget also addresses, to my mind, the need to adopt new technologies so that we create the productivity that is required. Of course, Madam Speaker, one issue that we have always in Mauritius is the mindset. People are not always keen to work. Sometimes it is just 9.00 to 4.00, 9.00 to 3.30, whatever it is, we get home as soon as possible and we do something that really interests us. This change in mindset, I think, is also welcome here. The way that this Government addresses discipline, productivity, the need for hard work is certainly different from the previous way that things were going.

Madam Speaker, I would like to talk quickly also on the need to increase innovation in Mauritius. We have a new Minister for innovation. Why innovation? I must say innovation and invention are not the same thing. Invention is that you are inventing new things, new gadgets, etc. Innovation is that you are adopting new methods. New methods to do what? New methods to provide services, to manufacture goods. Innovation is important. Innovation, you can copy from elsewhere, but the country as the economy itself needs to be constantly innovating to improve services, to improve the quality of the products and to improve the cost of manufacturing products. MSIRI, in the past, Madam Speaker, won global acclaim for its innovative techniques in sugarcane production. So, we can do it in Mauritius. Only yesterday, I visited one of the hotels. There was a conference. I visited one of the rooms and I was happy to see how it was innovating. It had an iPad in each room and the iPad allows the guests – there is no longer a phone, the iPad will know what is in the room - to order a room service menu. The guests can reserve the excursions. The guests can do everything and communicate with the hotel management and hotel services through the iPad.

So, that improves the quality of the stay of the tourists. That is innovation. We need to constantly encourage innovation in all our sectors and the Ministry of Innovation, I am sure, will be looking to that. When we talk about innovation, we don't forget invention. If, for instance, we could have invented a new textile fabric in Mauritius, we would be very far. We have not done yet. Let's hope that we will have innovation and invention, and we remember that Nokia is not the same as before. A small country like Finland, five to six million people, was known worldwide, Madam Speaker, for its innovation. We can do it in Mauritius, and I think we will do it with this new Ministry and with what is being planned.

Madam Speaker, when we talk about invention, innovation and creativity, we often mention SMEs. People often have ideas. They don't have money. They don't even have, maybe, management know-how to carry forward their ideas. So, SMEs will continue to be a major avenue to harness growth in Mauritius; growth entrepreneurship creativity. I am happy that the SME loan scheme, which I set up in 2013, which was partly or fully guaranteed by Government, has known an extraordinary success, Madam Speaker. To date, Rs4.5 billion have been given to SMEs. Of the Rs4.5 billion - involving something like 3,000 SMEs - R1 billion has been granted to micro-enterprises. These micro-enterprises had very little access to finance before, and this is done through partnership between Government guaranteeing and the private sector providing the fund. I must say that the cost to the Exchequer has been minimal - if at all anything - because if well regulated, loans to SMEs can be a profitable business for the SMEs and for the banks themselves. So, that has been a big success with, as we know, a reduced interest rate.

Madam Speaker, on the issue of the loans, I am also happy that – I think it was in 2014 – we set up something called the In Duplum Rule, which has been applied and which works very well. The In Duplum Rule says that whether it is a business, an SME, a big company, an individual or whoever borrows, he will never repay more than twice the amount that he borrows. So, if you borrow Rs100, the interests, cumulative over the years, will never go beyond a Rs100. I know someone who borrowed Rs800,000 and had to repay Rs12 m. because he was careless and over the years he did not repay. The bank let him go on, he was careless and he repaid Rs12 m. from Rs800,000. That was clearly unacceptable for all-round. The In Duplum Rule, which was set up in 2014 Budget, limits now the amount of claim that the bank can make. Once you double your capital, you stop there, you will not pay a single cent more than that and it is up to the bank then to see what it will do to recover its money. So, that has worked well.

Another thing that has worked well, Madam Speaker, and which is continuing, are the free websites that we offer to SMEs. The free websites had been taken up by about 9,000 individual companies, because today SMEs need to be regional, SMEs need to be global. We have Africa. We will talk about Africa in a moment, Madam Speaker, but it is important to give SMEs free-of-charge this window to the world. Of course, what is going to happen now is the ease of doing business with the new building dedicated to SMEs. One thing that people do not know - it is the same for the poor, it is the same for small companies - Madam Speaker, they do not have access to information. They do not have fancy accountants or lawyers and they do not know where to tap whatever Government offers. So, if you have it in

one building whether it is SMEDA for the advice or whether it is for a loan, etc., the likelihood is that the person will get the right advice and the right assistance when he most needs it. Madam Speaker, there is something else which we have introduced, the overseas missions; 512 SMEs benefitted from Rs12,000 in 2015 and these are the things that will continue.

Madam Speaker, coming now to education, which is an important issue in growth, I am happy to see that the budget this year compared with last year is much higher than inflation. Inflation is about 3% and the increase in Tertiary Education budget is about 7%, Madam Speaker. That is important. International norms on spending on education show that Mauritius is still a little under par in terms of global spending on education, but we are catching up year by year, we are catching up with what developing countries spend on education. But, of course, there remains the mismatch that exists in the education sector whereby what the economy requires is not what the schools and the universities provide, and it is so important, Madam Speaker, that we have a proper Careers Guidance Service in the universities and at the schools. People need to know what to study.

Few days ago, a girl came to see me looking for a job; she is doing business management. Now, we have so many graduates doing business management who are unemployed. But she did not know that. She has done a year's course already because she does not have the information, but the information exists. The information exists at the Youth Employment Program. The information is there around and we must provide our schoolchildren with this sort of information to avoid these errors. Because then, you are wasting a lot of money and three years' time in studying something that nobody in the economy requires. So, Careers Guidance Service, to my mind, needs to be beefed up and needs to make sure that we provide the appropriate information to our students.

Madam Speaker, I am happy to see that the huge *gâchis* that was happening in the Tertiary Education sector is now sorted out or being sorted out, and that we have to go for quality, for reputation, and we have to honour these foreign students and the Mauritian students that choose Mauritius as a base. I am happy that Médine, with its very upmarket education hub, is carrying forward.

On the youth issue, I mentioned just now the Youth Employment Program. I am happy to see - and that is continuing; it has been for two years - that 10,100 youth have been placed - not 1,000 or 2,000, but 10,100 - in enterprises by the Youth Employment Program.

Madam Speaker, the population growth in Mauritius can be seen to be worrying. The crude birth rate, which was about 27% in the 1970s, has fallen to just 10.4% these days. So,

when we look at how we are going to grow our country, it is like a factory, Madam Speaker. You have 100 workers; you can make so many suits a day. You have 200 workers, unless you have technology, etc, you can make twice as much. So, if the population is not growing, you have a constraint there that you have to deal with and there will be an issue in Mauritius about, firstly, how to increase the birth rate. It is very difficult to get people to make more babies if they do not want to, unless we can all have a go here, but that is difficult. And then, you have the issue of foreign labour. What to do with foreign labour? Should we encourage foreign labour? I, personally, think, yes, but in very definite sectors. The export sectors, for instance, where we need to be competitive, but certainly not in some other sectors where they have taken jobs from Mauritians and these foreigners have been exploited.

Madam Speaker, I would like to talk a little bit about FDI and the need to continue to increase FDI in Mauritius. The savings rate in Mauritius has fallen from about 25% historically to about 15% now. So, it has fallen! People like to save, maybe, now, in different ways. They like to save maybe in buildings, in houses, etc., rather than put the money in the bank. But in the absence of FDI, the savings rate, what you save is what you invest, because that is all you have. You have saved Rs100; that Rs100 is lent to somebody else who invests the Rs100. Whereas if you bring FDI, it means you are taking savings from overseas and you bring it to Mauritius to increase your investment. FDI continues to be imported. A lot of the FDI has been in property, obviously, but we need to continue to attract investment from overseas and I know that this is happening also with the Fast Track Committees that the Ministry of Finance and Economic Empowerment is setting up, because FDI not only brings money, but it also brings technology transfer.

Madam Speaker, I want to come to the thorny issue of institutions. We come all this way in Mauritius, in great part, because we have great institutions. Can you imagine having a developed country without an independent and efficient Judiciary? You would not imagine that would happen if this country was not *un État de droit* where you could enforce your rights! So, that was an institution that has served well. The Police are able to maintain law and order, not perfect, but they are able to do so. Let us take Kenya, Madam Speaker. In Kenya, terrorism is going up. Why? Because the army there cannot control terrorism! So, institutions maintaining law and order, independent Judiciary, the parliamentary democracy where I am speaking today, the free press, all these are important institutions in Mauritius that have taken us from a low-income to a middle-income, but now we need to go further to high income.

The question that we need to ask ourselves is whether these institutions need to be reformed and if they need to be reformed how they need to be reformed so that we move on to the high-income status, like maybe these institutions that exist in fully developed countries. Madam Speaker, I think our institutions, as demonstrated recently – I will talk about it in a moment, Financial Services. In my own area, tourism, Madam Speaker, we had two accidents in the sea recently where three people died. Was enforcement as good as it should have been? Probably not! I would say it was not! Coast Guards, my own Tourism Authority is not as good in enforcement of the rules that exist anyway. So, institutions can reduce the growth rate by not allowing you to benefit fully from the potential that we have and, I believe, Madam Speaker, the whole civil service, the whole institutional framework, has to be re-looked at for the 21<sup>st</sup> century so that we are able to surge ahead as a developed country.

The BAI/Bramer Bank crash, Madam Speaker, is, of course, of national proportions and I believe now there are two things to be done. One is to re-ensure that the conservators, liquidator, receivers and whoever will be dealing with all these companies preserve and achieve as much value to the various stakeholders as possible so that the deposit holders in Bramer Bank, the insurance policyholders in the British American Insurance, the creditors and everybody can retrieve as much of the debt as possible around the whole conglomerate. That is very important that we preserve as much as possible the value that exists. Even now, to take the Bramer Bank, Madam Speaker, it has 60,000 clients and that has a value. Someone was telling me that you could sell one account for Rs10,000. So, 60,000 accounts multiply by 10,000, that's a lot. I am not valuing Bramer Bank. I am just saying that there is value and we must also try, obviously, to reduce as much of the economic hardship that will happen, and we are doing that, so that we can create and preserve as much value in each of these companies, so that we realise a maximum for the various stakeholders that exist.

Of course, a second issue which is a double-edged sword - one is to preserve our reputation overseas as a safe financial centre. We have to communicate very strongly on this. The other side of the sword is we have to leverage also on the fact that decisions have been taken and will be taken so that we remain and become once again a fantastic financial services centre. So, we have to leverage on this new Government's determination to do so.

Madam Speaker, I had no intention to dwell too much on tourism, which I dealt with only a few weeks ago when I spoke on the President's Address. I mentioned quickly the investments in the Port. I will talk a little bit about the things happening in the airport in a moment. But, just on tourism, to say that, I think - touch wood, as we never know - barring any unexpected happenings, this should be a good year and we should be able to contribute

nicely to the growth that the Minister of Finance expects for this year. We have achieved up to now for the first three months a double-digit growth, 10.6 per cent, on the back of the new confidence that we are giving, but also on the back of economy picking up in Europe, etc. 10.6 per cent growth is fantastic!

I will give you some examples, Madam Speaker. In March last month, UK gave us a growth of 47.3 per cent; obviously, there was something to do with earlier Easter, but 47.3 per cent for UK in March and 30 per cent overall since the beginning of the year. So, we have a very strong recovery in the UK market because in UK the economy is doing well and Mauritius is popular once again. For Germany, Madam Speaker, it was 34.6 per cent in March and a cumulative of 18.2 per cent since January. For India, it was 27.3 per cent in March and 17.6 per cent since the beginning of the year. For Italy, it was 26 per cent in March and 13 per cent for the beginning of the year. These are just a few figures. France is still struggling, but everywhere else we see fantastic figures, and 10 per cent is conservative and I hope we do better. We do not know and we do not want to overpromise.

So, let us see how good we are, but it should be a good year for tourism. Whether it is for tourism or for any other sector in Mauritius, I think we should not forget the new potential that exists these days, thanks to our geographical positioning. The bunkering is happening these days not by accident; I myself took away a lot of charges in 2014 and it was not by accident. With the clogging up and congestion of the Suez Canal, it is getting bigger, but still the ships are now starting to use once again the Mauritian route through Cape up to Europe and everywhere else into Africa. So, we can be once again the star and key of the Indian Ocean and that is the new meaning of the geographical positioning of Mauritius insofar as development of the marine economy is concerned.

But let us not forget Africa next door. We should never forget the potential of Africa next door, in its own right, but also Mauritius, as a *trait-d'union* between Africa and India, Africa and China. I want to congratulate the Prime Minister for achieving a very strong statement from the new Government in India, the strongest statement as far as our financial services sector and the security of our double taxation agreement are concerned; the strongest statement that I have seen in a long time whereas Mr Modi was categorical in his support of Mauritius and in his support of our double taxation. Of course, we will see how this works out in practice, but, at least, we got there - much stronger statement than Mr Chidambaram, who did not like Mauritius, I think, and the other guys who were treating us. So, we have a different mind-set in India and that should help our financial services industry tremendously.

Now we see Mauritius as a *trait-d'union* between India, China and Africa. We made a third way with India. Africa, of course, unlike many countries, needs everything. Africa needs goods and services. We are talking about the diaspora coming back to Mauritius. They might come back to Mauritius and do a few things, but let us say they have tremendous opportunity in Africa. We have brilliant engineers. Say they have to construct a new bridge in Zambia or in Ghana or something like that, they have tremendous opportunity that Africa can provide for our professionals, but also, I believe, for foreign professionals who choose Mauritius as a Centre of Excellence. Just like you would go to Singapore, maybe not for the light railway, but you would tend to go to Singapore if you wanted expert advice. Mauritius must be the place that Africans come to when they need expert advice, and we must agree that we will not be able to give this advice all by ourselves. We will need the diaspora back and it will be good if they have the tax rates, but we will also need the foreigners to jump start this whole area of becoming the Centre of Excellence for Africa.

Madam Speaker, wherever you look at, if it is the medical hub, Africa needs medical services. If you look at the educational hub, Africa needs quality education hubs. For the airport hub, we can be a little bit like the Amsterdam airport for Africa, transforming goods for re-export, and that is happening with the airport city and, obviously, the Freeport at the same time. I am happy that we are going to invest in a regional maritime company that will provide the much-needed services to African ports and that we are extending the freight rebate scheme, Madam Speaker. But, also, Madam Speaker, there is a huge potential for tourism and we must tap that.

But there is something else and that is headquartering. Madam Speaker, the Jinfei project has not worked out because of connectivity. It is more expensive to ship a container from Mauritius to save one of the African ports than it is from China to that same African port. So, it would never work - an extended Freeport or even a headquartering - because of the lack of air services. You don't create a headquarters in Mauritius and then each time you travel you have to spend a night in Johannesburg. You might as well put your headquarters in Johannesburg or somewhere in Africa like Addis Ababa or Nairobi. So, that wouldn't work. But, Madam Speaker, I am pleased to say that that may change. It has taken some years, but that may change. Two weeks ago, I received the visit of the Director of Civil Aviation of China and I think - Government has to agree - that could be a major step forward, a game changer for Mauritius because at the moment our Chinese airlines can do up to 14 flights a week to Mauritius.

They want to double the potential from 14 to 20 flights a week and take these flights onwards to Mauritius and to Africa. That, by itself, Madam Speaker, will change *les données complètement*. This will change the whole connectivity issue of Mauritius. Imagine a flight to Maputo; imagine a flight to Addis Ababa; imagine a flight to Luanda. It would put Mauritius right back on to the African continent.

A continent, as I mentioned, needs our professionals. It needs our goods and services. It needs everything. Madam Speaker, this is something that has to be worked out and the request has to be firmed up. But it is in my view the greatest potential that Mauritius has because we do have this connectivity problem, whether it is regional maritime company - very good; and I hope others also will follow - but also with aircraft, with air services, and that would change Mauritius. That will make Mauritius into really this hub for the African continent, Madam Speaker. It will make our airport into a real transit airport. It will make the airport city come to life. It will give a tremendous boost to duty-free shopping, because we all know that the Chinese love these bags; Louis Vuitton bags, etc., and it will be a great boost to shopping in Mauritius. It would be a great boost to tourism in general and, as I have mentioned, it will make Mauritius truly part of Africa. It would make, Madam Speaker, all the Smart Cities also to come to life. This is the synergy that we have in Government and that will make Mauritius surge ahead.

Madam Speaker, let me finish by saying that getting to high-income status is going to be a tough job. Make no mistake, it is not going to be easy, especially in situational change, especially change of mind-set, of productivity, etc., and that needs commitment. The first economic miracle, Madam Speaker, took us from low-income to middle-income. Now, we are on the verge, I believe, Madam Speaker, of the second economic miracle that this Government will bring to life.

Madam Speaker, it is a road that Government has chosen to take at the crossroads, and we decided to take this road. It is now the duty, Madam Speaker, of all our citizens to participate actively in what we have described as a Mauritius of tomorrow. As the saying goes: '*La parole est l'ombre de l'action.*' The Budget, Madam Speaker, has shown a way forward. Let us not be bystanders as our country surges ahead to newfound prosperity and prosperity shared by each and every Mauritian irrespective of colour, creed, religion or ethnicity. Let us all work together, hand in hand, to achieve our destiny.

Thank you, Madam Speaker.

**Madam Speaker:** Hon. Leader of the Opposition!

(11.14 a.m.)

**The Leader of the Opposition (Mr P. Bérenger):** *Madam Speaker, my main criticism has been and is that the presentation of this Budget, three months after the last general elections, was the occasion de relancer l'économie, de prendre un nouveau départ, de donner un nouveau souffle à la croissance et à la création d'emploi. Mais, le nouveau gouvernement a fait le choix facile de sacrifier le Capital Budget du gouvernement et de ne pas tenir un langage de vérité à la population. Les chiffres du Capital Budget suffisent pour illustrer ce que je dis, Madame la présidente.*

Le *Capital Budget* du gouvernement - j'utilise là le terme technique *Acquisition of Non-Financial Assets*, en d'autres mots les dépenses du gouvernement sur les projets d'investissements publics - était de R 9.5 milliards en 2014, et va passer de R 9.5 milliards en 2014 à R 8.7 milliards en 2015-2016. Je crois que nous sommes tous d'accord de comparer l'année 2014 à l'année financière de 2015-2016 qui sera la prochaine possibilité de comparaison. Donc, le *Capital Budget* du gouvernement qui était de R 9.5 milliards en 2014 baisse à R 8.7 milliards en 2015-2016, alors que l'honorable Xavier-Luc Duval, qui était ministre des Finances, avait prévu qu'il passerait à R 12 milliards en 2015 et à R 14 milliards en 2016. Ce sont là les chiffres officiels. Les dépenses totales du gouvernement augmentent de 15 % en 2015-2016 par rapport à 2014, mais alors que les dépenses courantes vont augmenter par 18%, le *Capital Expenditure, including Special Funds*, va diminuer par 9 %. Encore une fois c'est la vérité des chiffres, et cela veut dire que le gouvernement a choisi, à cause du déficit budgétaire, de ne pas jouer son rôle dans la relance de l'économie et la création d'emploi. Et cela, Madame la présidente, je le dis avec tristesse.

Ayant choisi de ne pas jouer son rôle dans la relance de l'économie et la création d'emploi, le gouvernement a fait le choix de compter sur le secteur privé pour l'investissement. Mais, en diminuant drastiquement le *Capital Budget*, le gouvernement donne le mauvais exemple et envoie le mauvais signal à ce même secteur privé. De plus, Madame la présidente, les prévisions en termes d'investissements dans ce secteur privé ne tiennent pas la route. Malheureusement, les prévisions ne tiennent tout simplement pas la route. Alors que l'investissement dans le secteur privé a diminué chaque année au cours de ces trois dernières années, et que le *Capital Expenditure* du gouvernement va diminuer par 9 % en 2015-2016, il est prévu que le *National Investment Ratio*, l'*investment rate* dans le pays en général va augmenter de 5.2% de 2014 à 2015-2016. Il est prévu que les investissements dans l'économie en général - secteur public et secteur privé - vont passer de R 80 milliards en 2014-2015 à R 105 milliards en 2015-2016, soit une augmentation de R 25 milliards. Alors

que dans le secteur privé, ces trois dernières années, l'investissement a baissé. Donc, malheureusement, Madame la présidente, ces chiffres ne tiennent pas la route. Et en plus, il est inévitable que toute l'affaire Bramer/BAI ait un impact négatif sur l'investissement en général et sur le *Foreign Direct Investment (FDI)* en particulier.

Par ailleurs, Madame présidente, dans le budget, le gouvernement compte avant tout sur huit *mega projects* - ce qu'il décrit comme des *mega projects* - pour relancer la croissance. La vérité est que cinq de ces huit *mega projects* sont des projets du secteur privé déjà en cours ou déjà annoncés.

Il s'agit des projets d'Omnicane à Plaisance, de St. Félix dans le sud, de Médine dans l'ouest et de Azuri Phase 2 et Terra dans le nord. Dans le sixième cas, à Roches Noires, on sait maintenant qu'il s'agit d'un vieux projet d'*IRS* datant de 2007, en faillite et liquidation depuis 2011, et que le gouvernement demande maintenant à un nouvel investisseur de la Chine de transformer en projet *Smart City*, reste les projets Jin Fei et Highlands. Dans le cas de Jin Fei à Riche Terre, on sait maintenant que le projet initial a été abandonné et que l'investisseur de la Chine, Jin Fei, n'aura plus que 20 % dans un *management company* et que ce sera, donc, maintenant au gouvernement mauricien de trouver des investisseurs locaux et étrangers dans le cadre du développement du port.

Enfin, Madame la présidente, dans le huitième cas, Highlands, la vérité est que le *Public Sector Investment Programme* lui-même - document officiel - présente ce projet, le projet Highlands City, et c'est le gouvernement qui aurait à développer et l'infrastructure et les bâtiments, Mais, c'est présenté dans le *Public Sector Investment Programme* lui-même comme étant, je cite : '*at preparatory stage and for which financing is yet to be secured*'. En d'autres mots, très loin à l'horizon et c'est ce qui explique qu'aucune somme n'est prévue dans le budget 2015/2016, ni après d'ailleurs.

Enfin, *Madam Speaker*, si les prévisions du gouvernement, en termes d'investissements à venir dans le secteur privé ne tiennent pas la route, comme je l'ai démontré plus haut, ces prévisions en termes de *GDP growth* eux-aussi, malheureusement, ne tiennent pas la route. Le *GDP growth* a été de 3.5% en 2014. Le gouvernement prévoit maintenant qu'il sera de 4.1 % en 2015 et de 5.3% en 2015/2016, puis de 5.7% en 2016/2017. Or, la vérité, Madame la présidente, c'est que même si le *GDP growth* est de 4% cette année, un simple calcul montre que pour passer à 5.3 % en 2015/2016, il faudrait que le *GDP growth* soit de 6.5 % en 2016 alors qu'il était de 3.5 % en 2014. Si nous n'atteignons pas 4.1 % en 2015, alors le *GDP growth* en 2016 aura à augmenter de plus que 7 % pour arriver au chiffre de 5.3%.

*Madam Speaker*, avant de parler des dangers qui, d'après moi, nous menacent, je dirai quelques mots ici sur toute l'affaire Bramer-BAI. Bien évidemment, ce qui nous préoccupe avant tout, nous autres dans l'opposition, c'est le sort des employés de la Bramer Bank et de la BAI, le sort des *depositors* de la Bramer Bank, de même que le sort des 135,283 *ordinary pension policyholders* et des 24,175 *so-called Gold Scheme policyholders*. Nous estimons, quant à nous, que le gouvernement a *mishandled* toute l'affaire dès le début, avec zigzags après zigzags et tiraillements sans fin au sommet du gouvernement. En tout cas, il est noté, *Madam Speaker*, qu'à ce stade, le gouvernement a garanti tous les emplois à la Bramer Bank et à la BAI - *it's on record* - de même que tous les *deposits* à la Bramer Bank et aussi les 135,283 *ordinary pension policyholders*. Mais le problème des 24,175 *so-called Gold Scheme policyholders* reste entier et tout cela risque de coûter très cher aux contribuables.

Déjà 200 millions de roupies de fonds publics ont été dépensés pour lancer une nouvelle banque, la *National Commercial Bank*, après que la *SBM* ait déclinée d'absorber la Bramer Bank. Mais ce qu'il faut savoir maintenant, c'est combien cela va coûter aux contribuables pour que le gouvernement tienne parole concernant les *deposits* de la Bramer Bank que la *National Commercial Bank* a *taken over* et concernant les contributions des *pension policyholders* de la BAI, qu'une nouvelle entité est appelée à *take over*.

Je reviendrai, bien sûr, sur toute l'affaire Bramer-BAI par voie de *PNQ* et nous veillerons, quant à nous, sans relâche, à ce que le gouvernement tienne parole concernant les engagements pris. Mais nous veillerons aussi, Madame la présidente, à ce que les contribuables ne fassent pas les frais de tout cela comme cela fut le cas dans le scandale des *hedgings* à la *State Trading Corporation* et à *Air Mauritius* sous l'ancien gouvernement.

Vous me permettrez, Madame la présidente, de passer maintenant aux dangers qui, de mon point de vue, nous menacent. Le premier que l'honorable Lutchmeenaraidoo, le ministre des Finances, souligne lui-même dans son discours est celui d'un dérapage au niveau du *current account* de la dette publique et du déficit budgétaire. Dans le cas du *current account* de la balance des paiements, qui est, je crois, que nous pouvons tous l'admettre, le critère le plus *telling* quant à l'état de santé réelle de n'importe quelle économie, le ministre des finances lui-même souligne qu'il a dépassé 10 % du *GDP* en 2014, ce qu'il décrit lui-même dans son discours comme, *I quote* -

*"A precarious state that cannot be sustained."*

Cette situation déjà dangereuse pourrait se dégrader dramatiquement si le *FDI* arrivait à ralentir ou si les *capital flows* vers l'Inde, à travers notre *Financial Sector*, grâce à notre

*Double Taxation Avoidance Agreement* avec l'Inde, arrivaient à ralentir encore plus qu'ils ne l'auront malheureusement déjà fait au profit de Singapour et d'ailleurs.

Dans le cas du *public debt*, Madame la présidente, le ministre des Finances, souligne lui-même, qu'en 2014, il a atteint, *I quote* -

*"An alarming level of 61% of GDP."*

Dans le cas du *budget deficit*, il a été, selon mes calculs - sans parti pris - de 4.2 % en 2014, calculé à la FMI, c'est-à-dire, en incluant les *special funds* comme le fait la FMI. Donc, après avoir été de 4.2 % en 2014, le ministre des Finances prévoit qu'il passe à 3.6 % en 2015/2016 et à 1.4 % en 2017/2018.

*Madam Speaker*, en 2015/2016 on a vu que c'est avant tout le *capital budget* qui a été sacrifié pour empêcher le déficit budgétaire de déraper après l'augmentation des pensions et des salaires. Et on sait, par ailleurs, que chaque année, dorénavant, le gouvernement va encaisser R 1.3 milliards de *hidden tax* additionnelle sur le diesel et l'essence. Mais même cela n'a pas empêché les prévisions du ministre lui-même à l'effet que le *budget deficit* calculé à la FMI passera à 4.6% pour les premiers six mois de 2015. 4.6% pour les premiers six mois de 2015! Pour faire baisser le *budget deficit* à partir de 2016, les chiffres du budget montrent que le gouvernement compte le faire en serrant les ceintures, côté augmentation de salaires et PRB. Ainsi, alors que l'*Employee Compensation*, la masse salariale va augmenter de 12% en 2015-2016 - à cause du dernier PRB et des augmentations de pension de vieillesse et de salaires déjà accordés - le budget prévoit qu'il y aura seulement une augmentation de 4% en 2016-2017 de la masse salariale et de 2.5% en 2017-2018 malgré les compensations salariales annuelles à venir et malgré le PRB, déjà annoncé et prévu, et alors que la dépréciation en cours de la roupie fouette déjà les prix. Cela veut dire ce que cela veut dire.

Donc, l'intention du gouvernement telle qu'annoncée par les chiffres, mais pas en paroles, c'est de faire baisser le déficit budgétaire, en serrant les ceintures du côté des salaires et du PRB. Cela veut dire ce que cela veut dire, et explique peut-être pourquoi pas un mot n'est dit dans le budget sur un salaire minimum national pourtant promis à maintes reprises.

Par contre, *Madam Speaker*, à la page 13 du discours du budget, il est dit ceci –

*"Madam Speaker, an appropriate wage policy is an essential component of a favourable investment climate for attracting FDI. So, Government is carrying out a study of the labour market and the wage policy (...)."*

Et la petite phrase-clé –

*"(...) to bring it in line with the need to boost investment."*

Il n'est pas difficile de deviner ce que le gouvernement a en tête quand il utilise cette petite phrase.

Dans le cas des *Special Funds*, *Madam Speaker* – les *Special Funds* de Rama Sithanen - tant décriés dans le passé, le ministre des finances annonce à la page 42 que, et je cite –

*“(...) all Special Funds will be closed by end June 2015 except the National Resilience Fund and the Build Mauritius Fund which will be phased out gradually.”*

*And very gradually at that when we look at figures in the Budget !* Mais en même temps qu'il annonce - une déclaration d'intention de *doing away* enfin avec les *Special Funds* qui non seulement manquent totalement de transparence mais en plus faussent les chiffres du déficit budgétaire qui sont corrigés par le FMI - la fin des *Special Funds* à l'horizon, le ministre de finances annonce un nouveau *Special Fund*, le *Legacy Sovereign Fund*, qui recevra chaque année *1% of total Government revenue*, soit près de R 1 milliard, alors que rien n'est dit sur les *long term investments* à être faits par ce nouveau *Special Fund* et qu'en fait ces *long term investments* annoncés devraient, en fait, être faits, à travers le *Capital Budget* lui-même.

*Madam Speaker*, par ailleurs, si pas un mot n'est dit par le ministre de finances concernant un *Gold Fund* annoncé, à maintes reprises, dans le passé, dans les *Explanatory Notes* pas un mot n'est dit, mais je crois qu'on a oublié de retirer une référence dans les *Explanatory Notes*, attachés au discours du budget puisqu'alors que le *Gold Fund* a disparu complètement, dans les *Explanatory Notes* –

*“A main provision to be included in the Finance Bill (...).”*

Il est dit donc que -

*“The Bank of Mauritius Act will be amended to:*

*(a) enable the Bank to:*

*(i) participate in the launching of the Gold Fund;” »*

*‘The Gold Fund’* qu'on ne trouve aucune part dans le budget ! Mais je crois que nous avons droit à au moins une explication concernant beaucoup de points que je soulève ici, *Madam Speaker*.

Le deuxième danger qui nous menace, d'après moi, est celui d'un écroulement de l'industrie sucrière à cause de la baisse dramatique du prix auquel nous vendons notre sucre. *Of course, it is nobody's fault, but it is staring us in the face.* On sait, *Madam Speaker*, que le nombre d'employés et de planteurs dans l'industrie sucrière est passé de 13,803 et 26,257 en 2005 à 8,000 et 14,662 planteurs en 2015. C'est dramatique les chiffres confirmés par le ministre de l'agriculture en réponse à une *PNQ* l'autre jour. En même temps que les terres

sous cannes sont passées de 67,407 hectares en 2015 - une diminution de 20,000 - à 47,791 hectares en 2014.

*Madam Speaker*, c'est rien de moins qu'une menace de mort qui plane sur l'industrie sucrière et cela exige un véritable *Master Plan* pour la suivie même de l'industrie sucrière. En attendant, je trouve déplorable que le nouveau gouvernement discute toujours - après la réponse du ministre de l'agriculture - d'un *premium waiver*. C'est-à-dire que les petits planteurs paient moins. Non seulement qu'ils reçoivent une aide financière, mais qu'ils paient moins au *Sugar Pension Fund* comme contribution. Je trouve déplorable que, comme le ministre de l'Agriculture nous a dit, le gouvernement est en train de toujours discuter entre l'agriculture et les finances d'un *premium waiver* pour les planteurs et autres comme recommandé dans le dernier *Actuarial Review* d'octobre 2014, mais que l'ancien gouvernement avait refusé de mettre en pratique.

Le troisième danger qui nous menace, d'après moi, *Madam Speaker*, est celui d'une crise dans la fourniture d'électricité avec des *rolling blackouts* comme actuellement en Afrique du Sud ou au Ghana. *Rolling blackouts* qui auraient un impact terrible sur la vie de tous les jours, mais aussi sur l'économie et sur l'image du pays. *Madam Speaker*, le risque de *rolling blackouts* à partir fin 2015 est malheureusement bien réel. C'est pourquoi il est urgent que les 4 x 15 megawatt nouveau *engines* soient commandés et entrent en opération dès que possible et qu'une décision soit prise dès que possible, et que tout soit enclenché concernant les 50 à 100 megawatt de *base load electricity* dont nous aurons besoin – tout le monde est d'accord sur ces chiffres-là – à partir de 2017-2018.

*Madam Speaker*, *après avoir parlé des dangers qui nous menacent*, I will comment on a few other issues. SMEs – Small and Medium Enterprises. The Minister, himself, has described, I quote –

“(...) making the SME sector the backbone of our economy.”

I quote again –

“(...) the most ambitious goal of this Government”.

The Budget has provided for the launching of a new SME Bank – Small and Medium Enterprises Bank. But then, *Madam Speaker*, we want to know when is that bank going to be set up and we would wish to know what is going to happen to the Development Bank of Mauritius. There have been contradictory statements from Ministers and the SMEs are directly concerned by the fate of the Development Bank of Mauritius. So, what is going to

happen to the Development Bank of Mauritius, but also to the Mauritius Post Office and Cooperative Bank which was meant - when we put it on track - to be *la banque des petites et moyennes entreprises et des petits planteurs? Mais qui, sous l'ancien gouvernement, est devenue la banque des petits copains et copines!* What is going to happen to the Mauritius Post Office and Cooperative Bank? And we all would wish to know the details of the State Bank of Mauritius, of how the State Bank of Mauritius is going to provide working capital to young entrepreneurs in any new way, as announced by the Minister of Finance and Economic Empowerment.

Madam Speaker, in the case of Port Louis harbour which this Government wishes to transform, I quote –

“From a Destination Port to a Regional Hub”.

I agree fully with that, as with many other things. With the Port Authority coming up with the new Master Plan for the whole Port area, the hard fact remains - and I listened to the hon. Xavier-Luc Duval, because I thought maybe he would provide figures - Madam Speaker, that the number of containers going through the harbour, which was supposed to reach two million containers in 2030, has, in fact, according to my figures - I would wish to be corrected - gone down from 440,000 in 2011 to 370,000 in 2014. If that is true, there is a very serious problem, Madam Speaker.

Concerning the harbour, the Government has avoided clarifying whether it is going ahead with a strategic partner for the Cargo Handling Corporation. It is good that the point be clarified because the unions want to know, everybody wants to know.

Concerning our national carrier, Air Mauritius, Madam Speaker, which is already in trouble, the Minister of Finance has announced in the Budget Speech, I quote –

“Government is taking a more liberal approach to open air access.”

to the benefit of the tourism industry, but without giving any details.

Madam Speaker, we all know that we have to be very careful here and to find the right balance between the interest of the tourism industry – vital interest – but also the interest of Air Mauritius which serves the country as a whole and the other sectors of the economy. That is why, Madam Speaker - of course, nothing personal meant - I would have preferred to have Air Mauritius stay with the Prime Minister’s Office and not be handed over to the Minister responsible for the tourism industry who thus becomes judge and party. But, I have

no doubt that the hon. Prime Minister, through the Chairperson appointed by him, will keep a very close – we all want the development of the tourism industry, we want more air traffic, but I do not think anybody wants Air Mauritius to come crashing down.

Madam Speaker, in the case of the fight against poverty, *nous sommes restés sur notre faim* concerning the so-called Anti-Poverty Marshall Plan announced by the Prime Minister. According to the Minister of Finance, that will get rid of the problem altogether.

In the meantime, Madam Speaker, the decision by the Minister of Finance to remove all existing CSR guidelines and to make, I quote -

“Companies, thereon, will be free to allocate the 2 per cent of CSR according to their own set of priorities.”

That decision announced by the Minister of Finance *est contestée au sein même du gouvernement. Après que le ministre des Finances ait dit dans son discours –*

“Immediately after the Budget, I will start meeting with major companies to participate in this national initiative.”

The national initiative that we are talking about is getting the big firms to adopt, to *parrainer*, one of the 38 pockets of poverty identified in the Budget Speech. Well, I hope when he sums up, he will tell us what progress has been achieved, which are the big companies that have come forward, that he has already met. But I think the country also needs to know how were these 38 pockets of poverty identified whereas there were 229 pockets of poverty identified only three years ago in 2011 by the National Empowerment Foundation.

*Pour sa part, le ministre en charge de ce secteur, l'honorable Roopun, avouait spontanément dans une interview dans ‘Le Défi Plus’ du 28 mars, I quote -*

« ne pas savoir quels paramètres ont été utilisés pour identifier ces 38 pockets of poverty. »

I hope that the Minister of Finance *éclairera notre lanterne à tous, y compris le ministre, à l'occasion de son summing-up.*

Dans ce contexte, Madame la présidente, il est déplorable que pas un mot n'ait été dit dans le budget sur la mise en application des recommandations du *Truth and Justice Commission*. Et pourtant, répondant à une question parlementaire il y a 15 jours, le 31 mars dernier, et après avoir dit dans sa réponse que, je cite –

“(… ) the implementation of the *Truth and Justice Commission* would require an enormous budget.”

Hon. Xavier-Luc Duval said - et il avait informé la Chambre par la même occasion, donc, le 31 mars dernier - qu'un nouveau ministerial committee avec lui-même comme Chairperson venait d'être nommé le 02 février dernier to implement the recommendations of the Truth and Justice Commission...

Madam Speaker, in the case of cancer, Government has confirmed that the MedPoint Clinic will be transformed into a modern cancer centre with the purchase of a new linear accelerator, that is, a new radiotherapy apparatus. I am, of course, in full agreement with that decision. However, it seems that what will be purchased will be a conventional type of radiotherapy apparatus costing some Rs100 m., which is a lot of money, whereas I am advised by the specialist concerned that what should be installed is the latest generation so-called Intensity-Modulated Radiotherapy Apparatus. According to the expert advice that I have received, such a new generation so-called Intensity-Modulated Radiotherapy would cost some Rs300 m. The choice of that apparatus will make all the difference, Madam Speaker, to patients in terms of results and of side effect like burns, in particular. I, therefore, make a special appeal to Government and the Minister of Finance to make that extra financial effort. If it is confirmed that there is need to make an extra financial effort to buy this new generation state-of-the-art apparatus, I make therefore a special appeal to Government and the Minister of Finance to make that extra financial effort which would alleviate immensely the sufferings of all the patients concerned.

Madam Speaker, let me end by going back to fundamentals. Madam Speaker, I am sure that we have all been following attentively what has been happening in Greece, France, Italy, in the context of globalisation and of the international economic and financial crisis, including in the Eurozone. I am sure also that we have all been watching as Ghana, presented only a few years back as a showcase economic success, has had recently to turn to the IMF for help. Madam Speaker, taking into consideration, according to my assessment, of course –

- (i) the prospects for GDP growth, investment and employment creation in the months and years ahead;
- (ii) the current account, public debt and budgetary situation;
- (iii) the Bramer Bank/BAI crisis;
- (iv) the prospects for the sugar industry;
- (v) the looming electricity crisis, and

(vi) the political situation in general,

it is, Madam Speaker, my considered view that Mauritius is in deep trouble. I hope I will be proved wrong. Mais en tout cas, Madame la présidente, mon intime conviction c'est que le pays ne s'en sortira qu'avec un gouvernement qui parle un langage de vérité économique à la population à la Mendès France. Un gouvernement qui parle un langage de vérité à la population et qui prenne avec lucidité et courage et dans autant de consensus que possible des décisions parfois difficiles qu'il faut prendre, mais indispensable pour permettre au pays de prendre un nouveau départ et de donner un nouveau souffle à la croissance et à la création d'emplois.

Thank you, Madam Speaker.

**Madam Speaker:** Hon. Prime Minister!

(11.56 a.m.)

**The Prime Minister:** Madam Speaker, let me first of all congratulate the hon. Minister of Finance for the excellent first Budget of the '*L'Alliance Lepèp*' Government. For me, it is more than just a Budget; it is a well-thought out, long-awaited *projet de société*. It indicates our firm commitment to translate into reality the new model of development proposed by my Government.

Madam Speaker, our country was badly in need of a new *projet de société*. During the electoral campaign we have seen misery, unhappiness and discontent like we have never seen before in this country. The hon. Leader of the Opposition just mentioned, the country is in big trouble, but this is the inheritance left by the previous Government and with which the hon. Leader of the Opposition did not hesitate to associate himself.

The nation had lost its moral bearing and the Mauritian people were lost with no sense of direction and no hope. The Mauritian people in general were unhappy because of high unemployment and low economic growth. They were unhappy because of increasing poverty and widening inequality. The housing situation was only getting worse every year for the past ten years. Our population was unhappy because of the deteriorating state of law and order.

Our institutions were fast decaying, and corruption was at its peak and fast eating up the fabric of our society. Week after week, we were hearing of the most odious crimes, especially against vulnerable senior citizens. And today we know that blue-collar crimes, fraud and corruption in our corporate sector were being tolerated, even supported at very high levels. Our people were unhappy because social ills and social evils were infiltrating every

strata of our society and all aspects of life. The drug problem had spread even to our schools. We had also become a '*nation zougadère*'. Over-indebtedness weighed dramatically on thousands of families.

As pointed out in the Budget, the interest charge on hire purchase was equivalent to what can be called daylight robbery – in some countries they would call it highway robbery. Our elders, in particular pensioners, could hardly make ends meet. The entire nation was totally unhappy about the water situation. I need hardly to delve on this, as the whole nation is too aware of the kind of indifference the previous Government has shown to the plight of people who could not get supply of clean tap water. I cannot imagine that the water situation could have been left to deteriorate so much, in spite of the millions and billions that were spent in that sector. It is same for electricity, for public transport and for our road infrastructure.

The cracks and *crevasses* on the newly constructed Ring Road and the Terre Rouge-Verdun roads speak volumes of how public money was dished out irresponsibly.

And we also know what kind of drainage system we have in this country. Every year, hundreds of families have to suffer from floods that destroy their foodstuff, furniture, residence and even threaten their lives.

In fact, the entire country was going down the drain. Clearly, the nation was in dire need of a new *projet de société*.

As the House knows, Madam Speaker, we started work on that new *projet de société* immediately after the elections. We did not waste time. We started by honouring our promise to raise the pension of our elderly to Rs5,000 per month.

In fact, we raised the Basic Retirement Pension by between 38% to 63%. We raised the basic pensions for widows and invalids by 53%. These actions are today benefiting some 240,000 men, women and children in our country. They have more money in hand to meet their family obligations at the end of every month.

To improve the income of workers, particularly, in the lower income brackets, we have provided an across-the-board salary compensation of Rs600 per month. The Leader of the Opposition just now criticised us that we have not been putting into practice the minimum wage. But, he must not forget that everything cannot be done in the very first Budget. We have another four years to go and I can give him the assurance that we are going to put into practice what we have promised.

What I have just mentioned, Madam Speaker, this amount is almost the double of the compensation proposed by the former Government for all those employees earning a mostly

salary of up to Rs15,000. These two measures alone have put Rs9 billion in the pockets of low and middle-income families as rightly pointed out by hon. Minister Pravind Jugnauth. This is a colossal and unprecedented effort by my Government in favour of our fellow countrymen. These, Madam Speaker, were only the beginning of our actions to address the problems of poverty and inequality.

The Budget contains numerous measures to further relieve the financial burden of the population and increase their purchasing power. These include –

- free water supply up to 6 m<sup>3</sup>;
- 100% subsidies on School Certificate and HSC examination fees;
- full income tax deductions of interest on housing loans;
- increase of grant for casting of slabs;
- reskilling grants to unemployed graduates, and
- compensation to small planters.

Just now, the hon. Leader of the Opposition said that the sugar industry is going to die and that we are not doing anything. But he must not forget...

*(Interruptions)*

Well, this is what I understood. Sorry, if I am wrong, I withdraw what I have said.

*(Interruptions)*

But, in fact, as I have just mentioned, we are giving compensation to small planters. I think they need our help most than others who are in the sugar industry. And significant reduction of interests charged on hire purchase transactions, amongst others.

Madam Speaker, I am saddened to see that Members of the Opposition, especially the Leader of Opposition, have tried to side-line these unprecedented measures. They have been demagogical to the point of being ridiculous. I am sure the people out there have taken good note of their unwarranted criticisms. And I must remind the Members of the Opposition that it was the same *chanson*. Every budget that we were bringing from 1983 to 1995, telling the people that we were misleading them, we're not going to achieve what we had promised and we all know the result; the first economic miracle, the prosperity of this country first brought after the Labour Party reigned from the time of independence.

Madam Speaker, some Members of Opposition have tried to accuse Government of shirking its responsibilities as regards the fight against poverty. The far-reaching measures that I have highlighted alone prove them wrong. Never before has any Government allocated

so many billions of rupees in one single budget to the poorer sections of the population as my Government has done.

The flexibility provided to the Corporate Social Responsibility mechanism aims at giving latitude to those who generate wealth to share it with the less privileged in order to motivate them to build a brighter future for themselves.

I can assure Members and the population that the implementation of this measure will be closely monitored and in case it does not yield expected results, it will be subject to review, of course.

Madam Speaker, besides the actions to support our more vulnerable citizens, we have also been taking actions to clean up our society. Well, I must tell the House, that we will keep going until we are fully satisfied that we have flushed out all the social ills and evils that have been besetting our country for so many years.

From Betamax to Neotown, going through Jinfei and the State lands saga, we have been cleaning and cleaning indiscriminately. There is no communal bashing or whatsoever. Nobody, no lobby and no force can stop my Government from fulfilling its clean up mission.

As we go along, we are more than ever determined to expose the ill-doings of those politicians of the previous regime and their *chamchas* who have been looting this country to fill their own coffers. We will find those coffers wherever they are found, be it in Switzerland, in Bahamas, in Malta, Gibraltar or elsewhere. Not later than two weeks ago, Madam Speaker, my Government has had the courage to unveil the biggest Ponzi scheme this country has ever witnessed. With not less than R 10 billion of public money siphoned through a complex well thought and pre-planned structure to the benefit of BAI's ultimate beneficial owner, his family and friends. What is more shocking is that this scandal also extends to overseas jurisdictions.

Madam Speaker, some Members of Opposition abundantly questioned whether BAI was running any Ponzi Scheme. The money flow speaks for itself. It is shameful that the Opposition is now using the escape door in the name of political vendetta to cover for their friends of the BAI. I strongly maintain and reaffirm that BAI fits in all the objective definitions of a Ponzi, as defined by the US Securities and Exchange Commission. Policyholders' money, instead of being invested to generate future returns, as promised under the different investment schemes at BAI, had been instead fraudulently siphoned for -

- (i) the construction of Diplomat Gardens for the benefit of Mrs Soornack and relatives of Mr Rawat;

- (ii) providing security for the disbursement of a loan for the purchase of a bungalow at Roches Noires by the former Prime Minister and for which no capital has been repaid until now;
- (iii) the transfer of - although coffers were full! And if you know how much he has deposited in the local banks you will be surprised...

*(Interruptions)*

...transfer of up to Rs6 billion to BA Investment whose ultimate beneficial owner is Dawood Rawat.

- (iv) the purchase of a Baronial Castle outside of Rome for some Rs400 m., which has suffered a loss of some Rs120 m. and which brings no tangible returns to policyholders.
- (v) purchase of properties in Romania, London and the United States for the personal use of Dawood Rawat, family and friends.

*(Interruptions)*

*Malheureux pé plorer, pé rode boire poison aster!*

- (vi) payment of unsubstantiated management fees of up to Rs1 billion prior to 2011 and not less than Rs1 billion between 2011 and 2015.

Need I say more, Madam Speaker! But one thing I will say for sure: all those responsible for this financial massacre will be held accountable and will face the consequences of their terrible act which could have brought down our whole financial system.

Madam Speaker, today the headwinds blowing over our country are indeed strong gales that could have had devastating consequences on our social fabric as well as our economy, had we not taken decisively surgical and timely actions.

This is why my Government will stay on its toes, wary of anything that may still be hidden under the rug. We have assumed our responsibility as a caring Government to protect the interests of depositors and policyholders. This amply proves our good faith. We will spare no effort to bring to justice those who have embezzled funds entrusted to them, or stealthily grown rich on the back of our hard-working people.

Madam Speaker, contrary to the hollow statements of some hon. Members of the Opposition claiming that the Budget is one of missed opportunities, I can tell them they have missed an opportunity to dissociate themselves from the crimes committed by the former Prime Minister and the former Government.

Instead of throwing their filth at me and at my Government, they should have acted as true patriots, as the cleaning process we are pursuing is in the superior interest of our country. The hon. Leader of the Opposition has no credibility at all to try and play smart with the population because he himself said that in his alliance with Navin Ramgoolam he is looking ahead, not backwards. What does that mean? It means that had the MMM/Labour Alliance won the elections, there would have been cover-ups everywhere and the crimes committed by the former Prime Minister and his Government against the country and the people would have stayed unrevealed and unpunished.

Madam Speaker, I have a mission, and I have been given a clear mandate to fulfil that mission. No demagogery or filth can alter the course of action of my Government. That is why I must say, Madam Speaker, that I am very satisfied that the Budget gives more concrete shape to our *projet de société*. On the economic front, it looks at transforming our country into a *vaste chantier de développement* - not because we want more buildings all around our country. This project is about creating jobs, so as to solve the problem of high unemployment which has been eroding the confidence of our youth for so long.

We said that we will create a second economic miracle - well, this Budget has set the foundations for this second miracle. Mauritius is entering its next logical phase of development - where innovation will drive growth and development. That is why I have decided to set up a Ministry dedicated to technology, communication and innovation. The new *projet de société* is also about ensuring a round-the-clock supply of clean tap water to the whole population. We will modernise our infrastructure, and I can assure the House that there will no longer be unthinkable, unimaginable cost overruns in infrastructure projects like we have seen in the past. We will clean up the mess.

Going forward, it is no secret that higher growth will require increased investments and structural reforms to improve productivity. It is with this at heart that my Government has mapped out its economic plan. The 2015-2016 Budget lays the foundation for boosting quality investment in traditional, emerging, as well as new economic sectors.

Madam Speaker, I must also add here that it is not correct to say that the Capital Budget has been sacrificed and that it amounts to only Rs12.5 billion. In fact, public sector investment for the period January to June 2015, when we add the Budget estimates to the investment that will be made through the Public Sector Investment Plan, amounts to Rs10.4 billion, which is an increase of 5.2% over the amount for the corresponding period last year. And for the fiscal year 2015-2016, total public sector investment is estimated at Rs27.1 billion, which is an annual increase of 6.2%. Thus, Madam Speaker, total public sector

investment will be higher not only in nominal terms but in real terms as well, for we are expecting inflation to remain subdued. In fact, the Bank of Mauritius just announced, following its Monetary Policy Committee Meeting, that it is expecting a rate of inflation of around 3% for the year.

This Government is also being accused of relying too much on the private sector for investment in the economy. Well, I think we have been very clear in setting the direction we want to go as a country. Economic growth will have to be led by the private sector, and yes, we do rely on the private sector for increasing its investment and not only in private ventures but also in public infrastructure. Moreover, we are also opening up opportunities for private investment in public infrastructure.

Madam Speaker, we have had this experience before, from 1983 to 1995. The amount that we need to invest in public infrastructure will be huge. And the House knows very well that with the kind of public sector debt we have inherited and the legal requirement to bring it down to below 50% by 2018, it will be an extremely challenging task for the Government to invest in public infrastructure without seeking private participation.

Madam Speaker, my Government's energy, resources and time are being spent on two fronts, the vanguard and the rear simultaneously. The vanguard, because we have a commitment to leave a sound legacy to the next generation, a legacy that all Mauritians will be proud of. And the rear guard, because we cannot build a new model on the rotten past bequeathed to us by the former regime.

It is in this very spirit that the 2015/2016 Budget has been drafted. We have embarked on a new journey to re-energise development. Our aim is to put our economy back on track and achieve growth rates much superior to the 5 per cent.

Madam Speaker, in addition to ensuring social coherence and inclusion, the revamping of our economic engine is a key component of this Budget. To this end, due consideration has been given on catalytic forces that will boost development and progress across our economic sectors.

Our incentives for the development of Smart Cities are designed precisely for the creation of self-sustained cities dedicated mainly to knowledge-based industries in which employees can flourish, businesses can succeed and local communities can prosper.

Together with the techno-parks, we are looking at the development of thirteen employment-rich mega projects which would create the ambit for new and higher investment threshold for Mauritius and bring about a new wave of development with the utilisation of 7,000 *arpents* of land. We are here talking about the creation of thousands of new jobs, the

development of a whole new value chain with respect to Smart Cities and techno-parks and, of course, unprecedented levels of investments. Most importantly, these 13 Mega projects will rekindle our construction industry.

Moreover, Madam Speaker, my Government is not limiting development to those 13 projects. There are numerous other projects involving billions of investments that have been blocked for unexplained reasons during these recent years at different Ministerial or Departmental levels. In order to address the problem of bureaucratic bottlenecks, I have set up a High-Powered Committee under the aegis of my Office to expedite the process so that these projects could be materialised to the benefit of the country. I will personally chair the High-Powered Committee. The first meeting will be held soon.

Madam Speaker, along with the High-Powered Committee, I am setting up a National Advisory Council under the chairmanship of the Secretary to Cabinet to act as a think-tank. It will provide strategic oversight to our socio-economic agenda and assist in elaborating a VISION 2030 Blueprint within the next six months. The National Advisory Council will comprise resource persons and experts from both the public and private sectors.

Madam Speaker, the economic success of a country is closely linked to its ease-of-doing-business environment. For the first time in Mauritius, we have taken the courageous decision to streamline procedures by drastically abolishing 70 cumbersome permits. At the same time, we are ensuring that the renewal process for the remaining ones be rationalised to facilitate the launching of business initiatives.

Madam Speaker, no model of sustainable economic development can exist without a dynamic and strong SME sector. This is why my Government has put in all necessary efforts in devising a strategy for enhancing an entrepreneurial culture in Mauritius. This will not only lead to further wealth and job creation, but will contribute largely in creating a more balanced and equitable society, where all have a fair chance. We are, in fact, unleashing a new chapter in the democratisation process of our economy.

The setting-up of a one-stop-shop to meet the needs of SMEs and along with this, an 8-year tax holiday is unprecedented. This truly is a first in our country.

Furthermore, the creation of an SME Bank with a capital of Rs10 billion to support entrepreneurs is a demonstration of our trust in hard working fellow countrymen.

Madam Speaker, the ICT sector remains one of crucial importance in which we see enormous potential. The announcement by the Prime Minister Sri Narendra Modi reaffirming India's commitment to join hands with my Government in developing a second cyber city in Mauritius cannot go unnoticed.

In the early 2000s, under my leadership, we created the Ebène cyber city. We are now embarking on a second phase of the development of our ICT industry. Measures that have been announced will, no doubt, allow Mauritius to be transformed into a new generation and high value-added smart and digitally enabled island.

Innovation is part and parcel of everything we do today, across any sector or field of activity. The unflinching determination of my Government in graduating Mauritius into an innovation-driven economy is indeed reflected in most, if not all, measures announced in this Budget.

Our exclusive waters equally hold a lot of potential and can become a major catalyst in determining our economic evolution. It is that one sector that regroups a whole range of activities from shipping and seafood processing to renewable energy and seabed exploration.

It is in this respect that we are looking at furthering the development of the ocean economy through the establishment of relevant and dedicated institutions.

Another important policy direction relates to the transformation of Port Louis harbour into a regional Port with thousands of vessels dropping anchor in our region every year. The project will necessitate high investments over the next five years and extend the Port area from Grand River North West to Baie du Tombeau.

Madam Speaker, Mauritius enjoys a reputation as a preferred tourism destination. But one of the recurrent criticisms is the poor connectivity to the island, especially from our main markets, both traditional and emerging.

My Government is, therefore, working on establishing increased connectivity with countries like Austria, Germany and Australia in the first instance. This will be followed by further air connections with Eastern Europe and Central Asia and other destinations within the framework of a new air access policy.

At the same time, Mauritius is also being increasingly recognised as a key development and investment partner in mainland Africa.

Our aim is to enhance our role as a key regional player as well as a trusted financial platform to further encourage investors, both local and global, to expand their footprint across the continent.

In view of broadening our economic spaces, my Government is also focusing on bettering the investment environment in Rodrigues through extensive infrastructural developments.

Madam Speaker, my Government is fully committed to supporting the development of Rodrigues as an integral part of the Republic of Mauritius. The budget for the Rodrigues Regional Assembly has increased from Rs1.97 billion in year 2014 to Rs2.4 billion in year 2015, that is, a total increase of Rs511 m., representing a 26% increase, which is unprecedented.

*(Interruptions)*

Air and sea connectivity with Mauritius will be improved. The runway of the Sir Gaëtan Duval Airport in Rodrigues will be extended to accommodate A319 aircraft serving regional routes.

*(Interruptions)*

Direct flights between Reunion Island and Rodrigues will very soon become a reality, thereby opening new opportunities for tourism activities in Rodrigues.

In regard to sea connectivity, action has already been initiated for the acquisition of a new vessel for merchandise and passenger transport in replacement of the Mauritius Pride. In the meantime, another vessel has been chartered for an initial period of six months to mitigate the problem. In the longer-term, the Master Plan 2009 will be reviewed with a view to developing the Port Mathurin port area.

Madam Speaker, the support provided for the social and economic development of Rodrigues will be consolidated with the promotion of an enhanced business climate and boosting up development in the field of agriculture, more specifically organic farming, apiculture as well as fisheries and artisanal products. To this end, there will be a closer collaboration between the Agricultural Marketing Board and the planters in Rodrigues.

The water problem in Rodrigues will be addressed with the construction of new reservoirs for irrigation at Graviers, Montagne Goyaves and Baie Malgache. In addition, about Rs120 m. will be provided for the desalination of sea water.

Madam Speaker, the well-being and security of every Mauritian remains a key priority of my Government. This explains our plans to reinforce the Police Department. Accordingly, a total sum of Rs7.88 billion is being allocated to the Police Department.

Government is determined to modernise the Police Force by putting in place the appropriate infrastructure and providing the necessary tools and equipment and training to the personnel. Provisions have been made in the budget to start the construction of new Police

stations at St. Pierre, Cent Galettes, Moka, Camp Diable, Pamplemousses, Trou Fanfaron and L'Escalier as well as a Police District Headquarters at Abercrombie and one Regional Detention Centre at Piton.

We will invest massively in the acquisition of modern equipment and tools so as to enhance the operational efficiency of the Police and enable it to tackle cross border crimes, including maritime piracy. To do so, we need adequate manpower. In this regard, some 660 new recruits have joined the Police Force some three weeks ago and it is envisaged to recruit another batch of around 500 Police Officers during the course of this year, itself.

Madam Speaker, my Government reckons that drug is an acute problem, especially among youngsters. The fight against drugs requires a multi-pronged approach since actions must be geared towards demand, supply, consumption, rehabilitation and prevention. More and more synthetic drugs are being introduced in the market.

The Police alone cannot fight the drug scourge. Other Ministries, departments, NGOs and the community at large must pool efforts together to successfully counter this issue of drugs.

We are currently finalising the procedures for the setting-up of a Commission of Inquiry which will address the problems of drugs in a more holistic manner and help to dismantle the drug barons.

Madam Speaker, my Government has taken a strong commitment to tackle the problematic issue of *nation zougadère*, especially as it relates to addressing illegal activities and the widespread concerns of corruption linked to horse racing in Mauritius.

As I stated in the House recently, in line with the bold measures announced in the Budget, the GRA will issue guidelines and conditions to operators with the objective of cracking down on malpractices. Thereafter, taking into account the recommendations of the Commission of Inquiry on Horse Racing and Government's own assessment of the situation prevailing in the gambling industry, I will come forward with necessary amendments to the Gambling Regulatory Act in order to leave no loophole for the gambling mafia to pursue its illegal activities.

Madam Speaker, let me come now to the Legacy Sovereign Fund. It is the first time in the history of our country that a Government has seriously had at heart what it will leave to the future generation.

The Legacy Sovereign Fund announced will ensure that proceeds from sale of Government's assets are invested in secure long-term and low-risk portfolios. This will guarantee durable benefits and returns on the country's existing assets.

Madam Speaker, the key enabling factor for the success of our strategies and actions proposed is our human resources and talent pool.

We cannot envisage achieving the second national economic transformation if we do not have a qualified, well-trained and employable pool of highly educated individuals.

We are emphasising on training and immediate employability to respond to market demands. Specialised polytechnics for middle management, ICT and ICT-related fields, tourism and hotel management, including cruise tourism and the healthcare and medical sectors are being promoted.

We are also working on special programmes for the economic fields with high-employment potential. And these courses will be fully financed by Government up to Rs80,000 per student per year.

A *Chambre des Métiers* will also be set up with a view to giving greater recognition to the skills and competencies of trade persons and other technicians. We are also reviewing the regulatory and institutional set-up for our education system, especially with the aim of positioning Mauritius as a knowledge hub.

We are confident that these measures will better prepare our workforce in line with the economic trajectory that my Government has set up for the future of Mauritius.

Finally, Madam Speaker, it is in this same spirit that we have taken yet another landmark decision in view of encouraging our professional and highly capable fellow countrymen who are living and working outside Mauritius to consider returning back home. We have proposed a highly incentivised scheme for homecoming of our professional diaspora. I wish to convey a personal message to tell them that the country is in need of their experience, professionalism and expertise, come back home and together let us build a prosperous Mauritius for all.

Madam Speaker, the 2015-2016 Budget has unveiled a series of measures charting out the right actions to shape a more sustainable future and achieve our desired targets. The seeds have been sown for the growth of a Mauritius that is based on the promise of inclusive

development, quality investments resulting in job creation, equity, social justice, transparency and good governance.

Madam Speaker, I am confident that, within the next eighteen months, Mauritius will be sharing more encouraging and more positive comments about the management of business, public affairs and the way the country is administered. More importantly, they will be reaping the first fruits of our collective efforts for the advancement of the nation.

I will end, Madam Speaker, by quoting George W. Bush, I quote –

“I would like to be remembered as a guy who had a set of priorities, and was willing to live by those priorities. In terms of accomplishments, my biggest accomplishment is that I kept the country safe amidst a real danger.”

Madam Speaker, history will recall that I have saved this country from real dangers and chaos in 1982, 2000 and, more recently, in 2014 from serious catastrophes of unimaginable consequences. These are part of my major achievements as a politician and Prime Minister.

I thank you for your kind attention.

**Madam Speaker:** Hon. Minister of Finance, do you think you will have for long?

**Mr Lutchmeenaraidoo:** Madam Speaker, may I sum up after lunch?

**Madam Speaker:** Okay then, I suspend the sitting for one and a half hours for lunch.

*At 12.41 p.m. the sitting was suspended.*

*On resuming at 2.20 p.m. with Madam Speaker in the Chair*

**The Minister of Finance and Economic Development (Mr S. Lutchmeenaraidoo):**

Madam Speaker, the pleasure is now for me to sum up this Budget. I will be brief because I think that the message has gone through. I will be brief also because the Rt. hon. Prime Minister, just before me, has taken up the main contentions that were taken up by Members in the Opposition. So, I would just like to thank all Members who have participated in the debates. There have been criticisms, there have been suggestions and the House can rest assured that the suggestions are being looked into and would be taken care of for implementation.

As far as criticism is concerned, it is not really criticism; it is very often more through misconception. I do think that when the Rt. hon. Prime Minister speaks of a *projet de société*, I think the crux of the budget is there. When we said that we are at the crossroad - not a crossroad - it was for us a matter of make it or break it. It was a matter of fundamental importance for the survival of our society, the people and the economy also. Why? Because we were right to think before the election that the system was so rotten in our country, institutions were so polluted that we could not continue on a business as usual basis.

This Government would never have survived if hon. Sir Anerood Jugnauth had said: okay, we take power and then we sit back and relax. We were very conscious that we were at the crossroad and we were chosen for the mission to put order in the House. Put order, but also, to ensure long-term sustainable development. Therefore, the philosophy of this Budget, *ce projet de société* is more about knowing what we want. Maybe here, I would like to point out one thing. I have been trained as a militant since 1975 altogether and we have been trained at times where it became very excessive because we were living in a dual world of good and bad, white and black, there was no in-between. I remember, in 1975 probably, Mrs Sheila Bappoo came up with a project to nationalise the 14 big families ruling the country. And that was great. In fact, we really were looking for justice and equity. We were not joking. That was a real *combat*. And then, we took power in 1982 and then realised that, finally, those people we want to kill, destroy, take their lands and what they have ...

*(Interruptions)*

Kill financially, I mean! Our guns were arguments, not physical guns!

In 1982, we realised one simple, basic thing. We had to face reality. Reality was unemployment. Reality was lack of growth. Reality was that we couldn't survive politically if we do not bring a solution to those we want to protect. Who did we want to protect? Well, since always we wanted to protect the most fragile, those who needed the most protection.

*(Interruptions)*

The most vulnerable, thank you! And this is where we had to decide. We said: okay, we have unemployment, we need employment for our people and to help employment we need investment. But then, in 1982, who will bring the investment? Those same families we want to destroy. So, overnight people could not understand hon. Bérenger at that time nor the MMM because we were taking decisions which were contrary to what was promised. That was mostly done due to obligation. There was no way out of it. So, this is the first time when we had to say: my God, we need to know how to protect our people, that probably we are all one. This was the time when we started speaking the language of *nou lors même bateau*. *Si le*

*bateau coule, tout le monde coule avec. Si le bateau flotte, tout le monde flotte avec.* We were no longer in the dualistic mode, they are the bad and we are the good. We said: okay, we need all.

After the crisis of March 1983, hon. Sir Anerood Jugnauth personally went on television to tell people: look here, we like you, we want to help you, we have 100,000 unemployed, but the only way out is to get investments going in the country. It is just pure history to explain why we are here today. So, that was a time when we became more pragmatic, more realistic and more human also because we said: the white man is not that bad because we need him also. So, this concept of *nou tout lors même bateau* has become today a reality.

When we speak of this new society we want to create, we no longer say that there are the goods and the bad, the evils, the wrongdoers and the good ones. No, we say we are all on the same boat. At the Chamber of Commerce dinner - last month, I think - I told the parterre there: 'Look, here we are on the same boat. If we survive, we survive together.' I opened the way for a strong corporation with what we call the conglomerates of the private sector. Some cannot understand that we are a Government that is asking the private sector to invest. This is why I am telling you about history, some parts of history. Maybe some friends there are too young to remember it. We are speaking of the 70s, so as to understand how we evolved politically. People will then understand why today we say we have no shame in understanding that development growth is a process at national level. This is why the Budget has two aspects –

- (i) the 13 megaprojects which are mostly driven by the private sector. This is true, and
- (ii) the other one is the future backbone of the economy, the SMEs.

And we are investing in both.

Now, my second problem was very obvious to everyone. You know the former Government has indebted the nation to the maximum it can indebted a nation. We reached 61% of GDP, in terms of public sector debt. 61%, we are being asked to stay below 60% and Sir Anerood Jugnauth just pointed out, we had a legal commitment to reduce national debt as a percentage of GDP from 61% to 50% in 2018 and we are a Government, we are here to govern, we are here to decide, we are here to respect also our commitments. I have very little leeway for investment because we are totally indebted. I can't go beyond the ceiling of 60%. This is one of the reasons why you will find in the Budget *un appel du pied au secteur privé*,

because then to really reach the situation where we can invest, create employment, we need to rely more and more on two things: the private sector and FDI. And that is what we are doing. But it is not true to say also that the Capital Budget has gone down. Sir Anerood Jugnauth has explained it already. In fact, when you take it in the global PSIP, the Public Sector Investment Programme, you will see that the Capital Budget, in fact, has gone up. So, we are on an uptrend, but we are limited by the debt servicing. I needed to explain this for people to understand why we have said that we have a *projet de société pour l'île Maurice de demain*. Because it is a real *projet de société*.

The second aspect which everyone will understand more and more now, is that we had to put order in the house. Many of us here would never have dreamt, in their wildest dream, that we could discover coffers full of money in the ex-Prime Minister's house, and indeed it was there. It shocked the whole nation. The BAI saga which just exploded in our face as Government can kill a Government. Hon. Bérenger is right to say that it is an earthquake event, and if we had not moved fast enough at the beginning of the crisis we would not be seated here today. I am saying it bluntly; we would have inherited one of the gravest social crises in the country, with 220,000 Mauritians' money in the bank or their money in insurance policies. So, we took the right decisions and we were very lucky. At times, you know, I become superstitious. I say: My God! How did we manage to do it? I lived it. We spent nights. We went to bed at 5.00 in the morning, Thursday, Friday, Saturday, Sunday, because we had to save the country. That was the issue. The issue was not to save us as politicians, but to save the nation, to save the country and to bring peace at a moment of great turmoil. This is why Sir Anerood Jugnauth was totally right to ask me. He said 'go ahead, put order now, because it would be too late later'. Now we are saying that, in fact, he was totally right. The Ponzi scheme has screamed out of the country; financial system and people's money - Rs21.6 billion. Those figures are so big that people just can't imagine what it is. I can tell you today that if this scheme had lasted more than a few months more, it would have been Rs30 billion and the social crisis would have been still bigger. So, we took the right decision, and we avoided a major social crisis.

I return back to the question of putting order in the house. I really feel that we have been given a broom to clean. The elections results have given this Government a broom to clean and believe me, at times, I get the impression that the shit is all over. But we are doing it. We are doing it because there is no way out for our children, for the future. This is, in fact, the mission, our mission today, and more specially Sir Anerood Jugnauth and I. We are a transition. I am not here to stay, he is not here to stay, we are here only to ensure a transition

for the youth coming after us who can take over a cleaner country and Sir Anerood Jugnauth said it, he wanted to leave a legacy of which the nation would be proud. This is our ambition, this is our mission: transparency. Without transparency, there will be no survival for the society.

This concept, which has developed through the years, that life is a jackpot is not in our tradition; Opposition or Government. Our forefathers never came here to teach us that life is a jackpot, if you know how to play it, you win. We have been sent here to work hard and to earn what we have. So, people will understand that the cleansing process is also putting order in this '*mentalité zougadère*' that developed in the country because some people made a lot of money giving licences. Who gave those licences? Me? Sir Anerood Jugnauth? Who was the Minister of Finance who dished out gaming licences that within one year ensured that the whole country was inundated with the gaming houses? Not this Government. That happened in 2007 and 2008 and it is all a question of who pays the most - mafia, prostitution, drug and game, betting - and those who got those licences paid a lot for this. To whom? I don't know. But I can only become suspicious when I realise that those people took decisions which were detrimental to the culture of this country. We never gave even once in between 1983 and 1990! We never gave even one licence to people who wanted to open casinos and gaming houses because we knew that this was contrary to a culture of work. We are very coherent.

Now we are saying, we are telling people we want to do away with this culture of '*zougadère*' because this is not compatible with development, long term growth. We want work, discipline, investment and effort. And this is the new society we are proposing to our children; a better Mauritius, a cleaner Mauritius, a place where it is safe to live. This is *ce projet de société* that we introduced. It was made up of, number one, '*nou tous lor même bateau*', we are all Mauritians, one nation, one family, and I still believe that we all belong to the same nation, the same country, the same God, that we have the same right, the same responsibility in this country, and I practise it every day. We are all one. This is number one.

Number two: a fair chance for all. A fair chance for all is the SMEs project. We bring in the money; we take the risk as Government to ensure that young people who have ideas can go ahead with their projects. We have also ensured that we protect the most vulnerable. Sir Anerood Jugnauth spoke about it. Would you think it is a pleasure for a Prime Minister, a Minister of Finance, to come and just dish out Rs7 billion? The former Government was right to put the question: where will we find this money? We all remember when we said that the gap between the rich and the poor has grown to an extent where social peace is threatened, and we said that we are going to increase the pensions of those who are the most vulnerable,

240,000, and the quantum of increase ranging from 38% to 53% was something that is very hard to digest financially. This is why, at that time, Government said 'Impossible, they will never pay it, they are bluffing around' and that we will have to increase VAT if we have to pay this type of money.

Madam Speaker, we did it. *Parole donnée, parole sacrée*. On the very next day of the results, we ensured that before New Year *les 240,000 pensionnés* got their *treizième mois* at the new rate. This is something that people think it is easy, but it meant that the Social Security people, the postal system, had to work overtime all through Christmas. But we did it. *Parole donnée, parole sacrée*. We gave a compensation where the Rs600 went to those who most needed it, those who have to buy rice and flour and oil. We did it. Rs7 billion! And we came with a no tax budget on top of this. At times, we might say, "My God! How did they do it?" We did it, and I am telling Members today that we are going to stick to the figures we have mentioned as far as budget deficit is concerned. We will do it. So, this is the background to a new way of living. On one side, putting order in the house; on the other side, creating the right environment for long-term growth.

There have been some questions, I think, which need explanation - the depreciation of the rupee. I understand that laymen might confuse depreciation of the rupee and appreciation of the US dollar. But when economists come and speak of the depreciation of the rupee when, in fact, it is the US dollar going up, then we are fooling around and misguiding people.

What has happened is that, since a few months, the US dollar, which was in a bear market, suddenly moved into a bull market and just moved up nearly 20%. And on the cross rates - forget the Mauritian rupee, we are nothing - when the US dollar appreciates, other currencies depreciate; it's a balance. So, what has happened is that the euro went down tremendously as a counteraction of the appreciation of dollar. This is what we witnessed here. We have witnessed the Mauritian rupee moving according to this balancing process of one currency going up and the other going down. Do we have a control on this? Can the Bank of Mauritius, the Government have any impact on the exchange rate of the US dollar and the euro? We don't have it! Not even central banks have it, because there are market forces which are so powerful that no one can fiddle and play with it. So, we should not confuse appreciation of the US dollar with the accompanying depreciation of the euro or other currencies and the Mauritian rupee inclusive.

Now, does the exchange rate of the rupee today the right one? No! I have the report of the IMF here - the latest one - which says that, according to their model, the Mauritian rupee is over evaluated by 7% on average. 7%! The former Government has claimed to have

a strong rupee. Well, the strong rupee has led to this report from the IMF saying that now, today, the Mauritian rupee is overvalued by 7%. Now people come and say as if we are depreciating, we are devaluating the money, that prices will go up in the country, people will suffer, that what we have given with one hand we will take with another. It's all shit! Excuse me the word! It is not true at all, Madam Speaker. We have not fiddled with the Mauritian rupee and we can't fiddle with it also. But, on the other side, if we want proof of it, let us look at the rate of inflation.

If the rupee is depreciated, it must reflect on the price of products. It must reflect on the inflation rate. There is no way out of it. This is depreciation. The Rt. hon. Prime Minister just said that inflation rate, as calculated by the CSO for 2015, will not go beyond 3%. 3%, *c'est de l'enfantillage!* I have lived through periods of 15, 13, 12% of inflation, and in Mauritius the average rate of inflation inbuilt in the system is between 6% and 7%. This is the inbuilt rate of inflation in our country since independence, and today it is down at 3%. So, I can tell the House if inflation rate by the end 2015 moves to 6-7%, then I will have to come back to this Assembly and say: "Sorry, I did a mistake."

But I can tell you one thing. There has been no depreciation. Therefore, we will not see any rise in inflation during the forthcoming months. As long as we are within the band of 3 to 4%, I am comfortable with it. It is not a lesson I want to give. I just want to be fair. I want to be honest on this issue. We should stop speaking about depreciation of the rupee as if the Government is fiddling with our currency and trying to pull it down. This is not true. Anyway, the Central Bank has only one means of intervention now. If the Central Bank wants to intervene, it is by injection of forex when there is *pénurie* of forex, and we are not doing it because when we do it, what happens, our reserve goes down. Intervention is good. Russia did it a few months back, and Russia now is paying the price. All its forex has gone in intervention to protect the currency. So I wanted to make it clear. On this issue which has been taken up quite often and related to inflation, I wish to tell the House that this is not the truth, and that on top of this the IMF - and I trust their figure - said that the Mauritian rupee is over evaluated by 7%. That's how it is.

There are other issues which I would love to take, but most of them have been taken up by the Rt. hon. Prime Minister himself. The question relating to *parrainage* is: have we surrendered our responsibility as a Government at the social level? Have we given away our power to help the poor? Because with the *parrainage*, what we are saying is that we are inviting those big companies which have a big CSR Fund to use part of their funds pour *devenir des parrains, prendre en charge des poches de pauvreté*. Now, does this mean that

we are surrendering our right? How can we? How can a Government surrender its right to the poor when this Government just increased massively pensions; approved a compensation which is quite high? And I need to say that some companies in the private sector had problems paying those Rs600. So, no one can come and say that we are not fair. My colleague, the hon. Minister of Education, has approved and is going ahead with the full payment of school fees; university fees, school fees for SC and HSC are being taken care of 100% by this Government.

No one will ever be able to prove that we have been unfair towards the poor. At times people might think that we are too caring. People use to tell me: "Your social programme is too ambitious." But we have done it! So, the question of *parrainage* goes far beyond what you see.

You know, the moment that the huge conglomerate goes down to the *cités*, mix with those people, live with them, help them, I can tell you one thing; at psychological level, at social level, society will evolve. The rich man will understand that he has got to share. This is what we are doing with this project. *Parrainage* means I am *le parrain* of a child, *l'enfant n'a pas d'argent pour aller à l'école*, I pay for it. This is *le parrain*. Donc, *le parrainage* in this case is something that goes well beyond the money. It goes towards a new relationship between the rich and the poor; reducing the psychological gap between those who have and the have-nots. In ten years, you will find a much better relationship between those two extreme classes because the rich would have learnt that there are poor people in this country that need protection. And they will do it!

The hon. Leader of the Opposition put the question whether there are companies which have come ahead to *parrainer*. You will be surprised! We haven't worked for it recently, but just two days after the Budget, we already had eight companies which have come and are very excited. You will be surprised. The CSR, as it was, was looking like an obligation put on the private sector. You do this because I want it this way! This is not the way to do when it comes to solidarity, to charity. Let the person himself decide what is his own priority.

So, when we said CSR will no longer give guidelines and we spoke of *parrainage*, you will be surprised. One group - probably the second most important group in Mauritius - came and said they will take not one but four *poches de pauvreté*, and they are so mathematical, scientific in their mind, they are working out a programme now to ensure that this programme is copied by others, where the private sector can intervene in a scientific way to improve quality of life in those *poches de pauvreté*. I love this project! I love this project because

those who will do it love to do it. I have met them and they are very excited, and those who will benefit from it will also be very happy down the road. It is a beautiful project, a beautiful experience on humanity; we are all one. So, I had to explain this question of *parrainage* just to remove the concept that, maybe, we are relinquishing our responsibility as a Government.

I now come to the question of global situation. Since 2007, before the first financial crisis, and as Chairman *de la Commission économique*, I came out each week with only one thing, I said “We are in a deep financial crisis.” In 2014, I said “The crisis is not over.” Because no country has managed to kick-start the economy! They have injected billions, trillions of dollars. All central banks: Bank of Japan, the European Central Bank, the Reserve Bank of America have injected the maximum money you can put to kick-start it. It did not work. The reality is that the world economy is exactly at the same place as it was in 2008. The only difference is that now the world is more indebted. Global debt has doubled because so much money has been used. So, when someone tells me that bright days are coming, I say ‘Let’s pray. I wish also that it be this way!’ But at times, you know in life, as Minister of Finance, I have to plan for the worst and hope for the best, not the contrary. I cannot promise the best and then have to face the worst. So, I had to tell the nation that the world economy has not come out of the blues, has not come out of the woods, that if we had in Mauritius this black swan event - I talked of black swan event in the Budget. Well, the BAI Ponzi scheme is a black swan event. No one could expect that if it would just explode like this; it happened and tested the capacity of this Government to stand to it and we are doing it. We also appreciate that there are people who are suffering. Yes, when people suffer, we suffer also. We are politicians, left, right; we are all! When we find suffering, we all suffer. Put it this way!

So, I cannot change my views on the trend the world economy is going. I say we had to prepare ourselves for the worst. This means that any black swan event which happened in Europe, in Japan, anywhere, and black swan events are incredible and impossible to predict. The world first huge depression of 1929 started in Austria. A small bank collapsed in Austria and the chain reaction was that the world banking sector nearly collapsed. Therefore, let us not think that things are easy. We are living in a world which has gone to extremes in terms of financial management. I prefer to prepare for the worst. If you find me working for food security, I do it because I think we have to prepare for the worst. When I say that we have to increase regional cooperation to the maximum now, it is because I feel that probably further down the road we might need it. If I am wrong, that’s okay. But then, what’s wrong if we

have better relations with our neighbours? Nothing wrong! If we have better food, better bio-food! My friend and colleague, the Minister of Agro-Industry is going on a vast project of bio-food. Self-sufficiency! Depending less on the external world for survival is also one way of governing. I prepare for the worst, I do not prepare for the best.

People say that I dream, well, my dreams also are limited in scope! Magic - there is no magic, except hard work. People say how we managed to pay the pensions, the wage compensation, no tax-budget, we did it! It is just sheer hard work and imagination, that's all and then a Government that is committed. If you find this Government here, it is a Government that is committed and it is one.

When the BAI Ponzi burst last week, the Rt. hon. Prime Minister himself was the first to go *sur le front* and said that this is a Ponzi scheme where the nation will lose Rs25 billion at least. The very same day, the whole Cabinet stood behind the Rt. hon. Prime Minister, and the next day all the MPs came and they were all behind the Rt. hon. Prime Minister. So, we are very unified on these issues; we are really one team; one team looking in one direction. So, I do not fear the future, because I think we can deal with it. But we understand suffering. We cannot promise anything.

I know of friends, of family members, of people who have put money in this bloody scheme. Gold '*machin truc*', what they call! One person died in Roches Noires last night and we attribute it to the fact that this old lady had put all her money in the scheme. So, the criminals who are behind this project, and I say it again, this has been masterminded, there is no accident there! A sprint plan robbery! Nothing less than this! I can tell this officially that this company, that Mr Rawat drained his own companies. People should know about this. People should know that in the last weeks, when people were buying those famous policies, you give one million, you are happy, you sign the papers. The chap takes the one million, puts it in the bank. The money disappeared the same day! The same day the bank debited the account and transferred it elsewhere! There is not one penny left of this Rs21.6 billion! This is criminal! High treason! It is pre-planned, masterminded by crooks and the game is not over. We have seen the tip of the iceberg only. Mr Dawood Rawat would never have been able to do what he has done without accomplices at the top of Government. I won't give names, but you all know of whom I am speaking here. There has been *complot* in this whole business. It will come out! If institutions could not work at times, it is because institutions were forced to take decisions from further up. So, we suffer with the suffering of people.

But how can we deal with it? We are not magicians. Rs21.6 billion, that's a lot of money! So, the Government, even being good hearted, being compassionate, we cannot say we will refund, we do not have this money. So, we are in a situation which is difficult. I have to say, it is a difficult situation. For the country, it is a trauma. I was telling the Rt. hon. Prime Minister well before that, that this event will be traumatic on the social structure. And we are very lucky. In Trinidad and Tobago, in the Caribbean countries, it has destroyed the economy for years to come, destroyed the investment appetite of people. Even now! Trinidadians are even now living under the trauma of BAI Ponzi scheme in 2009. In Trinidad, same thing! Those people, masterminded, copied what has been done in Trinidad, did it in Mauritius in the same way, same scheme. They are doing the same scheme now in Malta; Malta will explode also. They are doing the same thing in Kenya. They are international crooks. That's what they are! Using poor people's money for all their follies and all their ego, buying castles, buying incredible apartments everywhere and thinking that they are at the top of the world. Criminals!

*(Interruptions)*

So, my message today - and the Prime Minister said it also - is that we are here to manage. We are Government and we are here to govern and manage. But I need to tell the nation that this is a difficult time for us. The nation should also realise one thing. Had we not moved as fast as we moved within 48 hours - not one week - if we had not moved as quickly as we did on Thursday last, I am telling you, today, there would have been bloodshed in this country! You can't take the money of 220,000 people, confiscate their money and expect them to stay at home! So, we saved this country. This Government saved this country of an incredible social crisis and we are all proud we did it!

*(Interruptions)*

But now we have to manage with a difficult transition. We only hope to come with laws for the down the road. That will prevent such horrible things to happen because I would not like my children one day to suffer from what those victims today are suffering through a very small fault of theirs. They have been stolen of all their reserves and all their savings. I am looking at them. I will probably give this afterwards. I have looked at the breakdown of the 24,000 plus something of people who have lost the Rs21.6 billion. There are VRS people. VRS are poor people, VRS are old people who spent their life working in sugarcane fields and chose VRS to get a lump sum; 5,000 have lost totally their money! *Retraités*, probably, I must check the figure. There are more than 7,000 *retraités* who have depended on this

investment for their own survival. They are now totally at a loss! This is criminal! What has been done by those people is high treason for them and I weigh my words. High treason means high treason, working against national interest. That is what they have done. So, we have a deep feeling for those who have lost their money. At the same time, I am just saying that we are dealing with drama of huge proportion. Very few governments have dealt with things like this and I say it because I believe in it, we are blessed. This nation is blessed. It is only a blessed nation which could have come out of this crisis in the way we did. We are all seated here; we have ensured social peace in the country. The word 'blessed' means totally what it means. I think that the nation *méritait un gouvernement qui trouverait la solution d'une crise aussi profonde.*

So, I have gone a little out of the Budget, but this is what I had to say. I would like also to reassure my friends on both sides of the House that we have taken note of all their suggestions. Their criticisms are not criticisms. I take them as proposals. So, we are looking into them for the best of our country, for the best of Mauritius.

Madam Speaker, I thank you.

*Question put and agreed to.*

*Bill read a second time and committed.*

## ANNOUNCEMENT

### COMMITTEE OF SUPPLY - CONSIDERATION OF VOTE ITEMS

**Madam Speaker:** Hon. Members, I have to make an announcement for the guidance of hon. Members for the proceedings of the Committee of Supply.

I wish at the outset to remind hon. Members that in accordance with Standing Order 73 (3), discussions at the Committee of Supply are confined to the details of the Estimates and cannot refer to the general principles of Government policy and administration.

We will consider the Vote items of the schedule to the Appropriation (2015) Bill (No. III of 2015) and the Estimates 2015, that is, for the first six months in the first instance for one Ministry and we will continue with the same Ministry and consider the Vote items of the schedule to the Appropriation (2015-2016) Bill (No. IV of 2015) and the Estimates for the one year 2015-2016.

Hon. Members, I have to inform the House that I have under Standing Order 73 (4) had consultations with the Chief Government Whip and the Opposition Whip, and I have decided to allot 10 minutes per Vote item for each Ministry for the consideration of the

schedule to the Appropriation (2015) Bill (No. III of 2015) and the Estimates 2015 for the first six months and 20 minutes for the consideration of Vote items of the schedule to the Appropriation (2015 -2016) Bill (No. IV of 2015) and the Estimates for the one year (2015-2016). Of course, I will be flexible where the need arises.

I thank you.

### **COMMITTEE OF SUPPLY**

*(Madam Speaker in the Chair)*

*Vote 1-1 Office of the President (Rs24,200,000) (January-June 2015) was called and agreed to.*

*Vote 1-2 Office of the Vice-President (Rs6,900,000) was called.*

**Mr Uteem:** I just wanted to have a clarification on item 22030 - *Rent* under the Vote *Office of the Vice-President*. I just wanted to have an indication where...

**The Chairperson:** Which page is the hon. Member referring to?

**Mr Uteem:** Page 2.

**The Chairperson:** Yes.

**Mr Uteem:** Under item 22030 - *Rent*, I just wanted to have an indication from the hon. Prime Minister what does that relate to. Where is the Office of the Vice-President?

**The Prime Minister:** According to information that I have, it is provision made for payment of rent of Rs70,000 per month for the Office of the Vice-President situated at Avenue Farquhar in Quatre Bornes to the landlord, Mr D. Ramful.

*(Interruptions)*

**The Chairperson:** Hon. Ameer Meea!

**Mr Ameer Meea:** Thank you, Madam Chairperson. On the same Vote, the last item 22900 - *Other Goods and Services*, there is an amount of Rs300,000 that is budgeted. May we know the details?

**The Prime Minister:** The provision represents uniforms, personal secretariat of the retired Vice-President, payment of monthly allowance of one Clerk and one Typist and one Office Attendant employed by the retired Vice-President, hospitality and ceremony, expenses in connection with all hospitality and functions held by the office of the Vice-President.

**Mr Hurreeram:** On page 2, under *item 22030*, can we know since when this building is being rented and whether tender procedures have been followed?

**The Chairperson:** We have gone back to *item 22030 – rent!*

**The Prime Minister:** Well, the first contract was signed for a period of three years with effect from 03 January 2009 and was subsequently renewed from January 2012 to December 2014. The contract has again been renewed from January 2015 to December 2015.

*Vote 1-2 Office of the Vice-President (Rs6,900,000) (January-June 2015) was, on question put, agreed to.*

*Vote 1-3 National Assembly was called.*

**Mr Bhagwan:** Madam Chairperson, on page 3, *Capital Expenditure, item 31112(421) - Upgrading and Refurbishment of Old Government House.* This is the present building. I see that there is a vote of Rs1.5 m. Can I make a request to the Rt. hon. Prime Minister, if his Government can open an enquiry on the whole procedure for the refurbishment of the old Government House? If a list can be provided with details - later on - of the whole project, how much has been spent, whether there was a resident engineer, and if he is still in office. This building is leaking everywhere because of the quality of work and even in the Committee room of the Public Accounts Committee we have a lot of problems. *Ti bizin servi seau.* We had to use all sorts of containers to keep water. Can I make a request to the Rt. hon. Prime Minister, at least, to have an official enquiry being done into the whole project and give us the information?

**The Prime Minister:** Well, it is again a contract where somebody from BAI is involved. We will certainly have an enquiry.

**Mr Ameer Meea:** Yes, on the same expenditure, that is, under *item 22900 - Other Goods and Services*, there is an amount of Rs4,285,000 which is budgeted. Can we know the breakdown of this figure?

**The Prime Minister:** It is provision for uniforms which is Rs35,000; catering Rs 4 m. and hospitality and ceremony Rs260,000.

**Mr Uteem:** Under *item 22100 – Publications and Stationery*. I note that the amount budgeted is pro rata to last year. So may I know from the Rt. hon. Prime Minister whether there is any reduction in the cost of printing now that we are using iPad and everything is communicated paperless. We are supposed to move towards paperless. Has there been any amount of reduction to take into account that we are not getting all the printed copies now?

**The Prime Minister:** Well, it is provision for printing and stationery Rs750,000; publication Rs175,000. This is all I have.

**Mr Ameer Meea:** On the last item on *Capital Expenditure*, under *item 31132(401) e-Parliament Project*. We see that there is no amount budgeted this year. Maybe we have to

understand that this project of e-Parliament Project has been fully implemented and that it is now fully operational?

**The Prime Minister:** Well, the information that I have here is that provision has been made for implementation of Parliamentary Documentation Management System Phase II in the estimates for 2015/2016. The project is completed.

*Vote 1-3 National Assembly (Rs94,800,000) (January-June 2015) was, on question put, agreed to.*

*Vote 1-4 Electoral Supervisory Commission and Electoral Boundaries Commission was called.*

**Mr Uteem:** Under *item 22040 - Office Equipment and Furniture*, may I know from the Rt. hon. Prime Minister whether the Electoral Supervisory Commission has an office and, if they don't, why are we paying for equipment and furniture?

**The Prime Minister:** The information that I have here is for office equipment and furniture. The provision for purchase of office equipment, purchase of one photocopier, office furniture, office tables and chairs. It is found in the Max City Tower.

**Mr Uteem:** Since they are in Max City Tower, may I know from the Rt. hon. Prime Minister why there is no provision for rent. Are they staying free of charge there?

**The Prime Minister:** Maybe free of charge.

*Vote 1-4 Electoral Supervisory Commission and Electoral Boundaries Commission (Rs1,200,000) (January-June 2015) was, on question put, agreed to.*

*Vote 1-5 Office of the Electoral Commissioner was called.*

**Mr Bhagwan:** Madam Chairperson, on page 5, under *item 22120.016 – fees icw Elections*, Rs10 m. is earmarked. Can we have some details whether this is the whole amount earmarked for the Municipal elections or is it a part of the expenditure to be incurred?

**The Prime Minister:** Provision is for the training of staff, fees in connection with the registration of electors and fees in connection with elections.

**Mr Ameer Meea:** Under *item 22030 - Rent*, there is an amount of Rs5.4 m. May we know for which building and where is it? Is it rented and to whom is it paid?

**The Prime Minister:** It is for rental of Max City building - for office premises at 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup> and 9<sup>th</sup> floors; for FV Property Management Ltd and the amount payable is Rs71,490 per month for 25,952 square feet at Rs29.83 cents per square foot inclusive of service charge of Rs4.02 cents per square foot and Fatima Building is especially for the storage of ballot boxes. The owner is Sunni Cutchi Maiman Society, the Jummah Mosque,

and the amount payable is Rs97,538 per month for 3,896 square feet at Rs25.03 per square feet inclusive of service charge of 0.88 cents per square feet.

*Vote 1-5 Office of the Electoral Commissioner (Rs45,400,000) (January-June 2015) was, on question put, agreed to.*

*Vote 1-6 The Judiciary was called.*

**The Chairperson:** Yes, hon. Uteem!

**Mr Uteem:** Thank you, Madam Chairperson. I refer to item 28211 - *Transfers to Non-Profit institutions, Council of Legal Education*. I see that there is an amount earmarked of Rs900,000. It was Rs1,696,000, it is now down to Rs900,000. Is there any provision made in the Budget for hardship cases for people who are sitting for the exams head by the Council of Legal Education or does that relate only to the operation expenses of Council of Legal Education?

**The Prime Minister:** I am sorry, I don't have the information. There is no mention of hardship case here.

**Mr Uteem:** On page 7, item 31112.415 *Non-Residential Buildings - Upgrading of Courts*, there is an item (a) *Supreme Court*, there is an amount of Rs3 m. earmarked for upgrading of Supreme Court. So, may I know from the hon. Prime Minister what was the total contract value of the improvement? Because I see there is Rs7,933,000 already spent in 2014 and now, there is Rs3 m. budgeted for the six months. Can I know the total contract value?

**The Prime Minister:** I don't have that information here. All that I have is according to Government Programme 2015-2019. All court premises will be renewed and upgraded to ensure better services to all stakeholders. An amount of Rs3 m. has been allocated for the initial phase of the project in relation to the Supreme Court project. There is a New Court House and other courts also for which provision has been made in the estimates.

**The Chairperson:** Hon. Ameer Meea!

**Mr Ameer Meea:** Thank you, Madam Chairperson. I refer to item 22060 - *Maintenance*, on page 6. Last year, the actual figure for the whole year was Rs16,837,000 and for the six months this year an amount of Rs13,004,000 has been budgeted. That is, if you roll it for the whole year, it would be Rs26 m. May I ask the hon. Prime Minister why there is this increase in maintenance, if we can have the breakdown, and what is being maintained?

**The Prime Minister:** Well, I see the heading is provision for maintenance of buildings, provision is made for the maintenance of all District Courts in respect of minor works, purchase of materials, payment for treatment against rodents, termites and other pests at Supreme Court and all District Courts.

**The Chairperson:** Yes, hon. Uteem!

**Mr Uteem:** At page 7, last item, *Upgrading of ICT Infrastructure – e-Judiciary Project - Phase 1*. There is an amount of Rs10.8 m. scheduled for the coming six months. May I know whether this e-Judiciary Project relates only to the Supreme Court or is that going to be extended to other courts?

**The Prime Minister:** From the information that I have, for Upgrading of ICT Infrastructure ...

(*Interruptions*)

**Mr Uteem:** Which court are we talking here, is it limited to the Supreme Court or extended to other courts?

**The Prime Minister:** The Supreme Court.

*Vote 1- 6 The Judiciary (Rs255,000,000) (January-June 2015) was, on question put, agreed to.*

*The following Votes (January-June 2015) were called and agreed to -*

*Vote 1-7 Public and Disciplined Forces Service Commissions (Rs29,600,000)*

*Vote 1-8 Public Bodies Appeal Tribunal (Rs5,900,000)*

*Vote 1-9 Office of Ombudsman (Rs5,800,000)*

*Vote 1-10 National Audit Office was called.*

**Mr Uteem:** Madam Chairperson, at page 11, item 22180 - *Overseas Travel (Mission and Capacity Building)*. Being given that in the past questions have been raised in this House, may I know from the hon. Prime Minister who now determines who will be going on overseas mission for the National Audit Office?

**The Prime Minister:** Well, this is for travel, mission and capacity building. I wonder whether we can question that.

**The Chairperson:** The question is who can determine.

(*Interruptions*)

**Mr Ameer Meea:** Thank you, Madam Chairperson. On item 22120 - *Fees*, there is an amount of Rs1,655,000 budgeted. May we have the details and breakdown of these fees?

**The Prime Minister:** Provision includes rent, fees for training, for local workshops and training of the audit staff for their growth and development in connection with new approaches and methodologies. Fees to consultant for consultancy services required in connection with testing of slabs and other materials taken during the audit onsite. Subscription fees to professional bodies, subscription fees paid by technical staff, inspection and audit fees. The financial account of the National Audit Office is independently audited by KPMG to demonstrate transparency and good governance of the state of the financial affairs of the office.

*(Interruptions)*

*Vote 1-10 National Audit Office (Rs66,600,000) (January-June 2015) was, on question put, agreed to.*

*Vote 1-11 Employment Relations Tribunal (Rs11,100,000) (January-June 2015) was called and agreed to.*

*Vote 1-12 Local Government Service Commission (Rs12,700,000) (January-June 2015) was called and agreed to.*

*Vote 1-13 Independent Commission Against Corruption was called.*

**The Chairperson:** Yes, hon. Uteem!

**Mr Uteem:** Thank you, Madam Chairperson. Under item 26313.026 - *ICAC of which Staff Costs*, Rs67,500,000, may I know from the Rt. hon. Prime Minister whether there has been any reduction in staff cost from what used to be the staffing costs of ICAC?

**The Chairperson:** It is on page 14. I will ask the hon. Members to say which page is it when asking they are asking questions, please. Page 14, item 26313.026 - *ICAC Staff Costs*.

**The Prime Minister:** I have been told it is not the practice to reply to questions regarding ICAC. However, the sum of Rs36 m. provided is to pay for construction cost of new ICAC Headquarters at Réduit, acquisition of furniture and other machinery and equipment.

**Mr Ameer Meea:** On page 14, item 26323.026 - *ICAC (a) New ICAC Headquarters (Reduit)*. Last year there has been an amount of Rs138 m. that has been spent and this year for the six months, another amount of Rs22 m. is budgeted. May we know what would be the total cost of the ICAC Headquarters? Is this Rs20 m. amount the full amount that has been

budgeted or there will be more amount to be budgeted for this Headquarters in the coming years?

**The Prime Minister:** According to the figure I have here is Rs36 m.

**Mr Uteem:** On the same item, may I know from the Rt. hon. Prime Minister whether this new building will be used exclusively by ICAC or for other purposes?

**The Prime Minister:** From what I know it is for ICAC. I don't know of any other users.

**Mr Ameer Meea:** If I may come back to my previous question, that is, Rs36 m. budgeted for the six months. Is this a last payment, the amount that is being budgeted or this building will have further costs that we will be budgeting?

**The Prime Minister:** I hope it is the last one.

*Vote 1-13 Independent Commission Against Corruption (Rs123,000,000) (January-June 2015) was, on question put, agreed to.*

*Vote 1-14 National Human Rights Commission (Rs9,100,000) (January-June 2015) was called and agreed to.*

*Vote 1-15 Office of the Ombudsman for Children (Rs4,600,000) (January-June 2015) was called and agreed to.*

*Vote 2-1 Prime Minister's Office was called.*

**The Chairperson:** Yes, hon. Uteem!

**Mr Uteem:** Thank you, Madam Chairperson. On page 18, item 22030 - *Rent*. The actual amount spent is Rs1.8 m. for 2014 and now there is no amount budgeted. May I know from the Rt. hon. Prime Minister this rent is related to what office?

**The Prime Minister:** Provisions were made for payment of rental of office space occupied by the Commission for Democratisation of the Economy and Drug Assets Forfeiture Office at Ken Lee building for a total amount of Rs1,805,000. No provision has been made as from January 2015 because the Drug Assets Forfeiture Office has been transferred to the Emmanuel Anquetil building which is a government building. Moreover, the Commission for the Democratisation of the Economy has been disbanded and no longer exists. Nita!

**The Chairperson:** Yes, hon. Bhagwan!

**Mr Bhagwan:** Madam Chairperson, on page 20, under the same vote, the National Security Services ..

**The Chairperson:** Which vote item, please?

**Mr Bhagwan:** Last vote, item 22090.002 - *National Security Services*.

**The Chairperson:** It is the *Recurrent Expenditure, item 22090.002*.

**Mr Bhagwan:** *Sub-head 2-104*. We have been asked to vote ....

**The Chairperson:** Page 20.

**Mr Bhagwan:** On page 20, item *22090.002 - National Security Services*. Madam Chairperson, are we going item by item or sub- head?

**The Chairperson:** No, because it is the same vote.

**Mr Bhagwan:** Can I ask the Rt. hon. Prime Minister whether it would still be the duty of the NSS - since the coming of this Government, at least, to cease these bad habits of following political opponents? Even in front of my office daily they are standing there. I have to feed certain of them. I am not saying it in a very bad manner, but these people are harassing us, unfortunately.

**The Prime Minister:** I will see to it that it is no longer so.

**The Chairperson:** Yes, hon. Uteem!

**Mr Uteem:** Thank you, Madam Chairperson. At page 19, under *Sub-head 2-102*, the last item *22900 - Other Goods and Services .901 National Day Celebration*.

**The Chairperson:** Which item are you referring to?

**Mr Uteem:** Item *22900*, the last line.

**The Chairperson:** *Item 22900*.

**Mr Uteem:** Item *22900.901 - National Day Celebration*, Rs26m. May I know from the hon. Rt. Prime Minister a breakdown of what this Rs26 m. refers to and who were awarded the contract?

**The Prime Minister:** I have no details.

**The Chairperson:** The National Day Celebration.

**The Prime Minister:** I don't have the breakdown.

**The Chairperson:** Yes, Hon. Ameer Meea!

**Mr Ameer Meea:** Thank you, Madam Chairperson. On page 18, item *22180 - Overseas Travel (Mission and Capacity Building)*. Last year there was an amount of Rs37 m. and this year there is an amount of Rs15 m. which has been...

(*Interruptions*)

**The Chairperson:** Page 18!

**Mr Ameer Meea:** I said it!

(*Interruptions*)

**The Chairperson:** It is page 18, *item 22180*.

**Mr Ameer Meea:** On page 18, *Overseas Travel*, there is an amount Rs15 m. which has been budgeted this year. May we know the details of this overseas travel?

**The Prime Minister:** It is such a long list. I will table it.

(*Interruptions*)

**The Chairperson:** Hon. Ameer Meea, please do not make comments. Allow the Rt. hon. Prime Minister to reply. Hon. Bhagwan!

**Mr Bhagwan:** One last question. On page 19, *item 22900.901 - National Day Celebration*, a sum of Rs26 m. is being earmarked.

Madam Speaker, I am not challenging this Rs26 m. What I am telling the Rt. hon. Prime Minister is the way MPs were treated during the last ceremony at the Champ de Mars. It is a shame. We are being asked to vote Rs26 m. *Je me fais le porte-parole de tous les membres de l'Assemblée nationale ; je pense aux députés* and even the Leader of the Opposition. The way we were treated at that particular function is a shame for us as Members of Parliament; even Ministers. So, can I make a request to the Rt. hon. Prime Minister to make sure that he gives instructions to the Minister concerned – perhaps he is new, *il n'est pas habitué* – and the officers, so that for the next celebration, Members of Parliament, even the Leader of the Opposition and Ministers are treated in a most respectful manner and according to established protocol?

**The Prime Minister:** We will look into that.

**Mr Uteem:** On page 20, *item 26313 – Extra-Budgetary Units – .020 Gambling Regulatory Authority*. I see that there is a budget of Rs11,800 m. earmarked. So, may I know from the Rt. hon. Prime Minister whether this takes into account the recommendations of the Commission of Inquiry that was set up to look into horse betting and other things; whether the recommendations have been factored in when reaching that figure?

**The Prime Minister:** No, I do not think so. All that I have here is a completely different matter; not that.

**Mr Ameer Ameea:** On page 19, item 22900.909 – *Expenses related to Counter Terrorism Unit*. May we know the number of staff in this Unit and who heads this Unit?

**The Prime Minister:** Well, I do not have the number of staff. Apparently there are about 13.

**Mr Uteem:** On page 19, one but last line, item 22900.929 – *Equal Opportunities Tribunal*. We are voting an amount of Rs200,000 and last year it was Rs376,000. May I know from the Rt. hon. Prime Minister how many cases have been heard by the Equal Opportunities Tribunal so far?

**The Prime Minister:** Well, I do not have that information.

**Mr Bhagwan:** On page 22, *Government Information Service*, item 26313.048 – *MediaTrust Fund*, Rs1 m. We have heard recently there have been elections at the Media Trust. Can I know from the Rt. hon. Prime Minister whether Government has appointed its representative and whether the Chairperson has been appointed - the name of the Chairperson - and whether this Media Trust is now operational?

**The Prime Minister:** I think the hon. Member must come to the House with a specific question. I do not have the information.

**The Chairperson:** Time is over on this question!

*Vote 2-1 Prime Minister's Office (Rs1,540,000) (January-June 2015) was, on question put, agreed to.*

*Vote 2-2 National Development Unit was called.*

**The Chairperson:** Hon. Uteem!

**Mr Uteem:** On page 26, item 22120.008 – *Fees to Consultants icw Studies and Project Preparation*. May I know from the Rt. hon. Prime Minister to which study the sum of Rs2.5 m. relates?

**The Prime Minister:** Here, I have provision for fees to Chairperson and members of the Board and Committee; provision for the payment of fees to Chairperson and members of Departmental Bid and Bid Evaluation Committees, fees for training, provision for training of officers in ICT and other short courses, fees to consultants in connection with studies and

project preparation, provision for fees payable to consultants for project preparation, monitoring and supervision, refund of subscription fees to professional bodies.

**Mr Uteem:** On page 27, item *31113 – Other Structures*, there is a series of breakdown of works to be carried out, budgets for different works by NDU. May I ask the Rt. hon. Prime Minister whether he is prepared to lay a copy in respect to each of these items, whether it is construction of roads, construction of drains, construction of cemeteries, and what are the areas that will be affected by these items of expenditure?

**The Prime Minister:** We will have to see it in due course, because we do not have all the final items.

**Mr Ameer Meea:** On page 27, item *31113*, there is a series of sub-items, including upgrading of roads, upgrading of sports facilities, maintenance and cleaning of drains, and upgrading of cremation grounds and cemeteries. Compared to last year, where there has been an amount of Rs250 m. that was spent, in this six-month Budget, there is only an amount of Rs20 m. which is budgeted. May I ask the Rt. hon. Prime Minister why this drastic decrease in the amount that has been budgeted for drains, roads and repairs?

**The Prime Minister:** There are projects which have not been completed and payment will be made in the future.

**Mr Bhagwan:** On page 27, NDU – *Capital Expenditure - 022 – Construction of Cremation Grounds/Cemeteries*. Can I know from the Rt. hon. Prime Minister whether, from that vote of Rs4 m., there are ongoing works with regard to the construction of incinerators and whether incinerators still fall under the jurisdiction of the NDU?

**The Chairperson:** On page 27 - *Construction of Cremation Grounds/Cemeteries*.

**The Prime Minister:** Yes, what I see is provision required for the payment of contractors for the construction of cremation grounds and the ceremonies undertaken in the previous year.

**The Chairperson:** Yes, hon. Uteem!

**Mr Uteem:** On the same page, same item *31113.403 - Upgrading of Roads*. Last year, there was Rs168 m. and for the six months, the sum of Rs168 m. has gone down to Rs10 m. So, even if we had half of it, it would still be around Rs80 m. and not Rs10 m. May I know from the Rt. hon. Prime Minister why is there such a drastic fall in the upgrading of roads?

**The Prime Minister:** This is provision required for the payment of contractors for the upgrading of roads undertaken in previous years and which are still ongoing.

**The Chairperson:** Yes, hon. Ameer Meea!

**Mr Ameer Meea:** Thank you, Madam Chairperson. On page 27, item *31113.015 - Construction of Drains*, where last year there has been an amount of Rs412 m. spent and this year there is an amount of Rs250 m. which has been budgeted. May we have a breakdown, a list where those drains will be built? If the Rt. hon. Prime Minister does not have it, he can circulate it.

**The Prime Minister:** I will try to get the information and circulate it.

*Vote 2-2 National Development Unit (Rs388,000,000) (January-June 2015) was, on question put, agreed to.*

*Vote 2-3 Police Service was called.*

**Mr Ameer Meea:** On page 29, under item *22030.007 – Rental of Lines for CCTV and other Security Network Systems* there is an amount of Rs34 m. May we have some details as to which company this amount is being paid and whether there have been any tender procedures?

**The Prime Minister:** They are Mauritius Telecom, MCML, CEB in connection with CCTV (closed-circuit television) and digital radio communication system.

**The Chairperson:** Yes, hon. Uteem!

**Mr Uteem:** Thank you, Madam Chairperson. On page 30, item *31132.401 – e-Government projects (b) Crime Occurrence Tracking System (COTS) - Phases I and II*. Last year, the amount spent was Rs106 m. and this year the amount budgeted is Rs30 m. May I know from the Rt. hon. Prime Minister to what the Crime Occurrence Tracking System relates to and whether it is operational?

**The Prime Minister:** The implementation of e-Business Plan for the Traffic Branch. The first phase of the implementation of the business for Traffic Branch which consists of the Penalty Point Management System is already implemented.

The contract of the implementation of the Penalty Point Management System was awarded to Leal Communications and Informatics Ltd. for the amount of Rs8,744,877 on 04 September 2012. The system is operational.

**Mr Uteem:** I am sorry, hon. Prime Minister, but that was not the question. The question was in relation to item (b) and not (a). Item (b) relates to *Crime Occurrence Tracking System*.

**The Chairperson:** *Crime Occurrence Tracking System!*

**The Prime Minister:** *Crime Occurrence Tracking System, Phases I and II?*

**The Chairperson:** Phases I and II, yes.

**The Prime Minister:** The first phase was completed in December 2012 and the system is operational. Well, the second phase started in 2014 with the project value of Rs191 m.; the contract for the second phase was awarded to FIL in 2014. The amount provided is for payment to be made by 30 June 2015.

**Mr Uteem:** On page 30, *Capital Expenditure*, item 31112.012 - *Non-Residential Buildings - Construction of Police Stations*. May I know from the Rt. hon. Prime Minister - because I cannot see it - whether any provision has been made for the construction of a Police Station in *Vallée Pitot*?

**The Prime Minister:** There is no mention of that.

*Vote 2-3 Police Service (Rs4,276,000,000) (January-June 2015) was, on question put, agreed to.*

*Vote 2-4 Government Printing (Rs62,600,000) (January-June 2015) was called and agreed to.*

*Vote 2-5 Meteorological Services was called.*

**Mr Bhagwan:** On page 37, item 21110 - *Personal Emoluments*. Since we are talking about the Meteorology Department, can I know from the Rt. hon. Prime Minister what is the situation regarding the radar which was to come from Japan, which was to be installed? Can we be informed of the situation?

**The Prime Minister:** There is no mention of it.

**The Chairperson:** The Rt. hon. Prime Minister does not have it.

*Vote 2-5 Meteorological Services (Rs38,900,000) (January-June 2015) was, on question put, agreed to.*

*Vote 2-6 Prison Service was called.*

**Mr Uteem:** On page 38, item 31112.011 - *Construction of Prisons*, I see that no amount is budgeted for the construction of prisons. Do I take it from the Rt. hon. Prime Minister that the three prisons have already been completed and delivered to satisfaction?

**The Prime Minister:** There is no mention of it; no construction.

*Vote 2-6 Prison Service (Rs353,000,000) (January-June 2015) was, on question put, agreed to.*

**The Chairperson:** We will now take the 2015-2016 Budget!

*Vote 1-1 Office of the President was called.*

**Mr Uteem:** I have one question at page 2 regarding item 22180 - *Overseas Travel (Mission and Capacity Building)*. I see that there is no amount budgeted. I know that for the other Ministers, there is Central Government.

**The Prime Minister:** It is centralised.

**Mr Uteem:** Even the President will have now to go to the Ministry of Finance to get the approval.

*Vote 1-1 Office of the President (Rs60,600,000) was, on question put, agreed to.*

*Vote 1-2 Office of the Vice-President (Rs14,100,000) was called and agreed to.*

*Vote 1-3 National Assembly was called.*

**Mr Bhagwan:** Madam Chairperson, on page 5, I would like to talk under item *Speaker* itself. Madam Chairperson, for years we have been asking for an office for the Leader of the Opposition. We were told that when this building will be refurbished, there would be a good space in the refurbished building to be used by the Leader of the Opposition. Just to inform the Rt. hon. Prime Minister that even the Chairperson of the Public Accounts Committee has an office. I think it is right time now that the Leader of the Opposition has an office. He has to work and receive Members of the Opposition. Can I know from the Rt. hon. Prime Minister if provision can be made now within the refurbished building for an office for the Leader of the Opposition?

**The Prime Minister:** I think it is a good question. We will look into that.

**Mr Ameer Meea:** On page 5, under the first item 21110 - *Personal Emoluments*, my question is that, compared to 2014, all the posts, that is, Speaker, Deputy Speaker, Leader of the Opposition, there has been an increase. From 2014 to Estimates 2015/16, that is, on the amount that has been budgeted, only for the post of the Leader of the Opposition the amount has remained the same. Even for the Chief Government Whip, it has increased. He is very lucky; for the Opposition Whip as well. My question is: why for all these posts, the budget that has been budgeted for next year has increased, but only for the post of the Leader of the Opposition it has remained the same?

*(Interruptions)*

**The Prime Minister:** The information that I have just been given is because it is a flat salary.

*Vote 1-3 National Assembly (Rs170,000,000) was, on question put, agreed to.*

*Vote 1-4 Electoral Supervisory Commission and Electoral Boundaries Commission was called.*

**Mr Bhagwan:** On page 9 item 21110 - *Personal Emoluments of the Electoral Supervisory Commission*. The last report of the Electoral Boundaries Commission was made by that Commission and it was not applied. Can I know from the Rt. hon. Prime Minister whether the Commission is working on a new Boundaries Commission? From what I understand, it is every five years. Can I know from the Rt. hon. Prime Minister whether there would be a new report?

**The Prime Minister:** I have no answer because it is a policy matter.

*Vote 1-4 Electoral Supervisory Commission and Electoral Boundaries Commission (Rs2,200,000) was, on question put, agreed to.*

*Vote 1-5 Office of the Electoral Commissioner (Rs64,700,000) was called and agreed to.*

*Vote 1-6 The Judiciary was called.*

**Mr Uteem:** On page 13, under item 21110 - *Personal Emoluments*, I see that there is only a marginal increase in the emoluments from 2014 onwards. May I know from the Rt. hon. Prime Minister whether any amount has been budgeted for persons who would be employed by the Court of Appeal that has been announced in the Government Programme?

**The Chairperson:** Item 21110 - *Personal Emoluments*.

**The Prime Minister:** In the context of the implementation of the judicial reforms, five new posts of Justices of Appeal have been created for the Court of Appeal, which will be the highest Appellate Court sitting permanently in Mauritius with the Judicial Committee of the Privy Council remaining as the last Court of Appeal.

**Mr Uteem:** On page 15, under item 27 - *Social Benefits*, sub-item 27210.010, *Legal Assistance in “in forma pauperis”*, I see for 2015/2016 there is only a marginal increase in the amount of “*in forma pauperis*”, whereas the previous Government had announced that there would be actually a substantial increase. I think up to Rs5 m. was announced in one of the budgets for increase of “*in forma pauperis*”. So, may I know whether this has been taken into consideration and there is a reduction now in the amount that is going to be voted?

*(Interruptions)*

**The Prime Minister:** This is according to previous claims made in the previous year.

*Vote 1-6 The Judiciary (Rs600,000,000) was, on question put, agreed to.*

*The following votes were called and agreed to -*

1-7     *Public and Disciplined Forces Service Commissions (Rs85,500,000)*

1-8     *Public Bodies Appeal Tribunal (Rs12,300,000)*

1-9     *Office of Ombudsman (Rs10,700,000)*

- 1-10 *National Audit Office (Rs142,800,000)*
- 1-11 *Employment Relations Tribunal (Rs23,200,000)*
- 1-12 *Local Government Service Commission (Rs31,000,000)*
- 1-13 *Independent Commission Against Corruption (Rs201,000,000)*
- 1-14 *National Human Rights Commission (Rs34,300,000)*
- 1-15 *Office of Ombudsperson for Children (Rs10,400,000)*

*Vote 2-1 Prime Minister's Office was called.*

**The Chairperson:** Hon. Uteem!

**Mr Uteem:** Thank you, Madam Chairperson. It is in relation to the Information Department. I am just going to...

**The Chairperson:** Yes, but which page, please?

**Mr Uteem:** At page 54.

**The Chairperson:** Yes, page 54, which item?

**Mr Uteem:** It's actually on page 55.

**The Chairperson:** Page 55.

**Mr Uteem:** Item 22100 - *Publications and Stationery*. May I know from the hon. Prime Minister what is the criterion that is now being used by the Prime Minister's Office to allocate publication of official public notices in different newspapers? Because I understand in the past there were some newspaper groups which complained about being discriminated against.

**The Prime Minister:** Well, we have had no time to look into that yet.

**The Chairperson:** Yes, hon. Bhagwan!

**Mr Bhagwan:** I come to page 55, Media Trust Fund.

**The Chairperson:** Which item?

**Mr Bhagwan:** item 26313.048 - *Extra Budgetary Units, Media Trust Fund*, Rs2,700,000. For the first six months, I asked the hon. Prime Minister whether the Chairperson has been appointed; the hon. Prime Minister asked me to come with a PQ. I think we can have an answer from the officers, whether we had election from the journalists,

whether Government has appointed its representative and the Chairperson must be appointed by Government.

**The Prime Minister:** Not yet.

**The Chairperson:** Yes, hon. Uteem!

**Mr Uteem:** On page 59, item 28211.015 - *Transfers to Non-Profit Institutions, Muslim Family Council*. May I know from the hon. Prime Minister whether he has received any request to increase the budget allocation to the Muslim Family Council?

**The Chairperson:** On page 59, item 28211.015 - *Transfers to Non-Profit Institutions, Muslim Family Council*.

**The Prime Minister:** We are looking into all this.

**The Chairperson:** Yes, hon. Ameer Meea!

**Mr Ameer Meea:** On page 50, Capital Expenditure, item 31121.801 - *Transport Equipment, Acquisition of Vehicles*, there is an amount of Rs20,500,000 which has been budgeted. May we have details of this amount?

**The Chairperson:** On page 50, item 31121.

**The Prime Minister:** Defence and Home Affairs - Rs1,500,000; Security Division - Rs12 m.; National Security Service - Rs7 m.

*Vote 2-1 Prime Minister's Office (Rs3,587,200,000) was, on question put, agreed to.*

*Vote 2-2 National Development Unit was called.*

**Mr Ameer Meea:** On page 65, there is *Construction of Drains*, and an amount of Rs300 m. has been budgeted.

**The Chairperson:** On page 65.

**Mr Ameer Meea:** On page 65, item 31113.015 - *Construction of Drains...*

*(Interruptions)*

**The Chairperson:** On page 65, item 31113.015 - *Construction of Drains*.

**Mr Ameer Meea:** May we have the breakdown of this Rs300 m, a list where those drains will be constructed?

**The Prime Minister:** Unfortunately, I don't have the details.

**The Chairperson:** Yes, hon. Bhagwan!

**Mr Bhagwan:** At page 65, NDU, I will take the whole vote, starting from Construction of Roads. We have a total amount which is earmarked for several sub-items, but each constituency will have its share unlike it was before. Before, there were certain constituencies - I won't mention names, No. 9 and others – which were having the lion share of all the votes with regard to each items, be it cemetery, be it lighting, be it roads. So, can I make a request the Rt. hon. Prime Minister, under this item, that each and every constituency will be on the same footing?

**The Prime Minister:** We will try to be as fair as possible.

**The Chairperson:** Yes, hon. Uteem!

**Mr Uteem:** Thank you, Madam Chairperson. On page 65, I have a specific question in regard to item 31113.006 - *Other Structures, Construction of Sports Facilities*. May I know from the Rt. hon. Prime Minister whether any amount has been budgeted for the construction of a football playground in Tranquebar? Because land had been acquired for this purpose. So, is any sum budgeted in 2015/2016 for the construction of the playground in Tranquebar area?

**The Prime Minister:** Well, from the information that I have here, this provision is required for the payment of contractors for on-going construction of sports facilities undertaken by the NDU in previous years.

**Mr Ameer Meea:** On page 65, item 31113.415 - *Other Structures, Maintenance and Cleaning of Drains*, there is an amount of Rs20 m. which is budgeted for maintenance of drains. As the Rt. hon. Prime Minister is well aware, in my constituency there is the problem. Canal Anglais is leaking and is causing much havoc. May I ask the Rt. hon. Prime Minister whether an amount has been budgeted to repair this Canal?

**The Prime Minister:** Well, I don't have that information.

*(Interruptions)*

I have been told that Tranquebar has been completed, and Canal Anglais is for the future.

*Vote 2-2 National Development Unit (Rs945,000,000) was, on question put, agreed to.*

*Vote 2-3 Police Service was called.*

**The Chairperson:** Yes, hon. Bhagwan!

**Mr Bhagwan:** Madam Chairperson, on page 68, item 21110.001 - *Commissioner of Police*. Can I take it upon this vote to ask a question which I have been asking over the years? *Je veux faire le porte-parole de tous ces motards de la police. Durant ces dernières*

*années* - motorcycles, *la selle en bas, guidon la haut* - all these poor Police Officers and traffic officers are having kidney problems and back pain. Can I make a request to the Rt. hon. Prime Minister to make a formal directive to the Commissioner of Police, so that, firstly, all these police officers could have medical treatment and check-up and, secondly, to replace all these motorcycles' boards from China ?

**The Prime Minister:** Well, we will try to do our best.

**The Chairperson:** Yes, hon. Uteem!

**Mr Uteem:** Madam Chairperson, I am not sure whether I am reading it correctly. Under page 68, item *21110 - Trainee Police Constable*, there is nothing budgeted. Yet, *In Post 2014 – 1,627, Funded 2015/16 - 1,300*, and then there is no sum allocated. I just wanted to understand that.

**The Prime Minister:** Well, they have already been appointed as Constables.

**The Chairperson:** Hon. Ameer Meea!

**Mr Ameer Meea:** On page 73, item *31112.012 - Construction of Police Stations*, there is an amount of Rs8.5 m. budgeted. May I ask the Rt. hon. Prime Minister whether this sum includes the construction of a new Police Station at Trou Fanfaron?

**The Prime Minister:** Yes. I had mentioned it in my speech. It is there.

*Vote 2-3 Police Service (Rs7,881,000,000) was, on question put, agreed to.*

*The following votes were called and agreed to -*

*2-4 Government Printing (132,400,000)*

*2-5 Meteorological Services (Rs360,500,000)*

*Vote 2-6 Prison Service was called.*

**The Chairperson:** Yes, hon. Bhagwan!

**Mr Bhagwan:** Madam Chairperson, on page 90, item *21110.001 - Commissioner of Prisons*, can I know from the Rt. hon. Prime Minister whether the Melrose Prison is fully operational and whether there will be a modification to send a few of the VVIPs who have been named in the Police cell there?

*(Interruptions)*

**The Prime Minister:** I would have waited for the inauguration, but the answer is yes.

**The Chairperson:** Yes, hon. Uteem!

**Mr Uteem:** Under the same item, on page 93, *(a) New Prison at Melrose*, the Rt. hon. Prime Minister told us that all the prisons had already been completed, but I see that there is

an additional amount of Rs47 m. earmarked for the New Prisons at Melrose. May I know from the Rt. hon. Prime Minister what this Rs47 m. relates to?

**The Prime Minister:** Based on the Construction Price Index (CPI) issued by Mauritius Statistical Office, provisions for fluctuations are made for the Eastern High Security Prison Project at Melrose. Out of the Rs47 m. earmarked for the EHSP, Rs35.5 m. are meant for the payment of the remaining balance pertaining to fluctuations in cost of materials based on the CPI. The remaining Rs11.5 m. would cater for preliminaries and general cost for one-month extension period, additional works, including plumbing, enhancement of the Hindu and Tamil temples, signage for security management system, and fibre optics.

**Mr Ameer Meea:** On page 92, under item 22900 - *Other Goods and Services* Rs93,200,000, may we know the details and breakdown of this sum?

**The Prime Minister:** Well, it is provisions for uniforms, catering, sports equipment and materials, medals, prizes and rewards, to cater for clothing and bedding, enhanced earning for detainees, animal feed and miscellaneous.

*Vote 2-6 Prison Service (Rs825,500,000) was, on question put, agreed to.*

**The Chairperson:** I suspend the sitting for half an hour for tea.

*At 4.27 p.m the sitting was suspended.*

*On resuming at 5.04 p.m. with Madam Speaker in the Chair.*

*Vote 3-1 Deputy Prime Minister's Office & Ministry of Tourism and External Communications was called.*

**The Chairperson:** Yes, hon. Bhagwan!

**Mr Bhagwan:** External Communications, Madam Chairperson, page 40.

*(Interruptions)*

Yes, but I will be asking question on page 40. Item 26313.047 - *Mauritius Tourism Promotion Authority – MTPA*.

*(Interruptions)*

**The Chairperson:** Which page hon. Bhagwan?

**Mr Bhagwan:** Page 20, Item 26313.047 - *Mauritius Tourism Promotion Authority – Operating Costs*. First of all, can I know from the hon. Deputy Prime Minister whether, in the

amount budgeted for the coming year, there is a vote for the rebranding again of the MTPA? I have heard somewhere that that is the case.

Secondly, concerning the representative in UK, whether in that vote we can know who is the representative in UK representing the MPTA. What is his salary?

Thirdly, the *Mauritius Golf open*, a sum of Rs12,500. Can we know when the activities are scheduled, whether it will cover only one golf course and whether it will be held in several official golf courses?

I ask, on the same item, a last question - *26313.089 Tourism Authority*. There again, I think, according to my opinion, that that Unit was doing quite a good job some time back when the hon. Deputy Prime Minister first initiated that project. Can we know whether there will be a rebranding of that Unit? When I say rebranding, I mean, if you look after all the lorries and vans of the Unit, I think it's for the purpose of the environment. They are responsible for the environmental matters concerning tourism sector. I think there is urgent need for the rebranding and relooking of the status of all the vehicles, even the uniforms of that Unit. Can we know whether this sum of Rs35 m. is earmarked for such expenses, as I mentioned?

**The Deputy Prime Minister:** Madam Chairperson, our representative in UK is Mrs Hills Balfour. I do not have the amount for them. The golf this year will be at Bel Ombre and next year somewhere else, but this year it is at Bel Ombre. There is no amount for rebranding, but we may tweak the existing branding exercise that had been done. As far as the Tourism Authority is concerned and the Cleaning Unit, they have new T-shirts and stuff, and certainly we can make sure that the vehicles are cleaned, painted and repaired.

**The Chairperson Hon. Uteem!**

**Mr Uteem:** On page 40, item 22900 - *Other Goods and Services of which Implementation of Blue Flag Programme*. May I know from the Deputy Prime Minister what is the Blue Flag Programme?

**The Deputy Prime Minister:** The Blue Flag is a programme that aims at upgrading and maintenance of beaches, in particular water quality, but I understand it includes 33 items that have to be up to standard so that the beach gets a Blue Flag. We have taken consultants for that, and they are preparing the report. There are three beaches to start with, and the analysis of their needs will be done. There will be the maintenance and upgrading of the

beaches and then an NGO will look after the beaches, so that they maintain their quality - 30 beaches.

**Mr Bhagwan:** On the same page 40, Madam, *Capital Expenditure* vote 31, *Acquisition of Non-Financial Assets*, item 31113.016 - *Construction of Touristic and Leisure Infrastructure - Tourism Signage*. We are being asked to vote Rs600m. Can the Deputy Prime Minister inform the House whether a survey has been made ...

**The Deputy Prime Minister:** I wish it were Rs600m!

**Mr Bhagwan:** Rs600,000. Can the Deputy Prime Minister inform the House whether a list of where the signage will be placed has been made and also where the construction of infrastructure has been done? With regard to item 31113.431 - *Zoning of Lagoons*, can we know whether the area on which we shall be spending this Rs1,300,000 has been identified? Can we be provided with a list of all places where this zoning has been effected?

**The Deputy Prime Minister:** I understand that, for the signage, routes 1 to 7 have been done, and now it is route 8 which is basically linking up all the other routes. So, these routes 1 to 7 have already been done.

As far as the other question relating to the zoning of lagoons is concerned, I will circulate the list of the lagoons that have been zoned (swimming, mooring, speed limit, ski lanes, snorkelling, etc.) to the Members.

**Mr Ameer Meea:** Item number 22120 – *Fees*, there is an amount of...

**The Chairperson:** Which page?

**Mr Ameer Meea:** There is only one page; page 40. Item 22120 – *Fees*, there is an amount of Rs530,000. May we have a breakdown of these fees, their purpose, and to whom it is being paid?

**The Deputy Prime Minister:** It's fees in connection with staff proceeding on training overseas. The payment of fees to the members of the Department Bid Committee is Rs30,000, short training courses for staff up to June 2015 is Rs500,000.

**The Chairperson:** Hon. Mohamed!

**Mr Mohamed:** Thank you very much, Madam Chairperson. With regard to the *Zoning of Lagoons* again, item 31113.431, could the hon. Deputy Prime Minister inform us whether with regard to the money that is earmarked - I have not seen the document yet - there is any provision made for a place where boats or small boats will moor instead of mooring everywhere?

**The Deputy Prime Minister:** Not yet, but this is something that we must look into. I would like to inform the House, Madam Chairperson, that at present for all licenses that are

delivered for private crafts, people are not supposed to moor in the sea now. They are supposed to take it. But that is not always respected obviously. Commercial crafts are moored in the sea. But we are looking at, maybe, marinas and stuff like that.

**The Chairperson:** Yes, hon. Uteem!

**Mr Uteem:** Under *Personal Emoluments*, item 21110, is there any provision made under that item for the monitoring of the zoning of lagoons? Is there any staff dedicated to ensure this?

**The Deputy Prime Minister:** We have an issue with monitoring and enforcement, as I mentioned in my speech earlier. I believe it is the Tourism Authority which does that. We only have four enforcement officers, and that is far insufficient. So, we will be recruiting new enforcement officers. We can actually pass a law and regulation, but if we don't enforce it, it is pointless.

*Vote 3-1 Tourism (Rs286,500,000) (January-June 2015) was, on question put, agreed to.*

*Vote 3-2 External Communications was called.*

**The Chairperson:** Yes, hon. Ameer Meea!

**Mr Ameer Meea:** Item number 22030 – *Rent*.

**The Chairperson:** Which page?

**Mr Ameer Meea:** There is only one page, Madam, for External Communications; page 41.

**The Chairperson:** Yes, but please, for the benefit of the Deputy Prime Minister.

**Mr Ameer Meea:** Page 41, for *Rent*, there is an amount of Rs1.8 m. May we have some details to whom this rent is being paid, what is being rented, and the area rented?

**The Deputy Prime Minister:** I have all this information. The rent is payable to BELEM Ltd. for office space of 6,225 square feet at Rs40 each, at first floor, Newton Tower.

**The Chairperson:** Yes, hon. Uteem!

**Mr Uteem:** Thank you. Under *Personal Emoluments*, item 21110, may I know from the hon. Deputy Prime Minister whether in the budgeted amount, fees payable to officers to sit on public companies like Air Mauritius Ltd and other parastatals which fall under the aegis of that Ministry are also provided?

**The Deputy Prime Minister:** No, if there is a Board or parastatal, the fees to the Board members are paid by that organisation and not by the Ministry.

*Vote 3-2 External Communications (Rs8,000,000) (January-June 2015) was, on question put, agreed to.*

*Vote 3-3 Civil Aviation was called.*

**Mr Ameer Meea:** On page 42, item 22060 – *Maintenance*. For last year, 2014, there has been an amount of Rs36 m., and for January to June, that is, for half of a year, there is an amount of Rs31 m. There has been, therefore, a substantial increase in the amount of maintenance. May we know what is the reason for such an increase?

**The Deputy Prime Minister:** I think, firstly, maintenance is not regular; it can occur at intervals. Provision is made for maintenance of DCA buildings, Rs700,000; maintenance agreements for equipment used for provision of air navigation services, Rs24 m.; maintenance agreements for radio and electronic equipment, Rs4.6 m., and repairs and spare parts for 18 vehicles, Rs255,000.

**The Chairperson:** Yes, hon. Dr. Sorefan!

**Mr Sorefan:** Thank you, Madam Chairperson. On page 42, item 28217.001 - *Insurance*, may we know from the hon. Deputy Prime Minister to whom the insurance is paid and what objects are being insured?

**The Deputy Prime Minister:** It is paid to SICOM Ltd, I am told. The insurance covers the Department of Civil Aviation providing air traffic services - 52.5% of the payment. It also covers the operations of the CAA at AML and in Rodrigues. It covers legal liabilities also for body injury and property damage and aviation liabilities.

**The Chairperson:** Yes, hon. Uteem!

**Mr Uteem:** Thank you, Madam Chairperson. On page 42, under item 21110 - *Personal Emoluments*, may I know from the hon. Deputy Prime Minister who is the Director of the Civil Aviation at the moment?

**The Deputy Prime Minister:** The post is vacant. We have declared the post vacant to the PSC, and we expect it to be filled any time now. But there is obviously an acting person.

*Vote 3-3 Civil Aviation (Rs139,100,000) (January-June 2015) was, on question put, agreed to.*

**The Chairperson:** We'll take Budget for 2015-2016.

*The Deputy Prime Minister's Office, Ministry of Tourism and External Communications.*

*Vote 3-1 Tourism was called.*

**Mr Quirin:** Madam Chairperson, on page 97, under item 26313.089 - *Tourism Authority of which (b) Green Hotels and Eco-Tourism*, there is a sum of Rs10 m. earmarked

for *Green Hotels and Eco-Tourism*. Can the hon. Deputy Prime Minister give us some details concerning this project?

**The Deputy Prime Minister:** The Tourism Authority (TA) has, with the financial assistance of *MID*, developed a scheme to support tourism businesses to implement eco-project at the level of their enterprises. The scheme provides matching grants equivalent to 50% of certification cost. 13 applications have been received so far by the TA and are being examined. So, we are paying 50% of the certification costs for green tourism.

**Mr Bhagwan:** On page 97, Tourism Authority again, under *item 26313,089, (c) Tourism Sites Cleaning and Embellishment Programme*. When we are talking about tourism sites, there are also gardens, for example, the Balfour Garden which is within the *trajet* of the operators and the Marie Reine de la Paix. Can I make a request to the hon. Deputy Prime Minister that, whilst preparing the list for the coming year for the uplifting of the tourism sites, places like Balfour Garden and Marie Reine de la Paix site be included and to have a fresh look of the inception itself with professionals, so that these sites can be upgraded in the national interest?

**The Deputy Prime Minister:** Madam Chairperson, firstly, I must say that all the people are out on the coast. Now people are not at Curepipe; everybody is out on the coast. Secondly, we mustn't do work that, supposedly, somebody else has been contracted to do. We find that there are lots of places like the beaches, etc., which already have contractors. So, what we have done, we spoke to all the contractors of the public beaches, and we have been very strict with them as to their responsibilities. Thirdly, we are also helping in some areas where we feel that, maybe, Municipalities do not have enough staff and we can provide. For instance, we are helping in Pamplemousses Gardens at the moment. But I will also look at the Balfour Garden and see what can be done.

**Mr Uteem:** Madam Chairperson, on the very same item. The hon. Deputy Prime Minister has answered 'partially'. I just wanted to know from the hon. Deputy Prime Minister - there is a grant of Rs17 m. budgeted - how the coordination is done with the NDU, with the Ministry of Environment and how do you identify and prioritise where to put that money?

**The Deputy Prime Minister:** As I have mentioned, the first thing is to see whether there is a private contractor that has been assigned the area for cleaning and he is not doing it. Obviously, we would not do it; we would go back to the private contractor and ensure that he does it. There are other works that we can do. There are sites where it has been allocated to local government staff and the Municipalities maybe. If the work is not done properly, they complain that they do not have enough staff or they don't have enough means, so we help

out. So, these are our priorities. Obviously, the Ministry of Environment does its work; we meet regularly. I met regularly with my colleague, the Minister of Environment, to see where we can help. We obviously avoid the double counting of work, and we do not do the same work.

**Mr Ameer Meea:** On page 97, under item *26313.047 - Extra Budgetary Units - Mauritius Tourism Promotion Authority, (b) Promotion and Destination Support*, there has been a substantial increase of Rs175 m. compared to last year. May we have some details as to why there is such an increase and whether there are new markets that are being targeted?

**The Deputy Prime Minister:** I can't see any increase. In fact, what the hon. Member should understand is that, previously, some of the amounts were paid directly from the National Resident Fund (NRF), etc. For instance, on China, a lot of money was paid directly from the NRF. Now, it is all back to the Ministry and, in fact, it is the Ministry which makes the payment. In fact, there is no substantial increase.

**Mr Bhagwan:** One last question on Tourism Authority. Can I ask the hon. Deputy Prime Minister whether, in that particular vote, he can give consideration for employees recruited by the Tourism Authority who were doing a good job? On two occasions, they have been laid off for political reasons; one for political reason and the other one when there was a *remaniement* or whatever. There are some poor people who have been working in that Authority as labourers, painters, etc. Some are actually still on contracts and some have been laid off. Can the hon. Deputy Prime Minister give consideration, within this financial year, to put some order, at least, on humanitarian grounds?

**The Deputy Prime Minister:** Madam Chairperson, I have given instructions so that the older employees are taken on a full-time basis. The hon. Member is right. They can't stay on a contract for five years; it is not fair. So, we have now to put the employees, provided that they perform well, on a full-time basis. Obviously, priority will be given to ancestry.

**Mr Bhagwan:** But what about those who have been laid off completely?

**The Deputy Prime Minister:** We will look at that.

**Mr Uteem:** Page 98, item *31113.416 - Upgrading of Touristic and Leisure Infrastructure*. Can the hon. Deputy Prime Minister lay a copy of the tourist infrastructure place that has been identified for upgrading and tell us if that includes La Citadelle?

**The Deputy Prime Minister:** I'll circulate it. We want to convert La Citadelle, with the collaboration of my colleague, the Minister of Arts and Culture, into a *Centre Culturel* for artists, painters, etc.; a bit like Covent Garden, like Quai de la Seine. We are trying to turn it into something more attractive for the people in Port Louis.

**Mr Mohamed:** Again, at page 97, with regard to *item 26313.089 – Tourism Authority*. Could the hon. Deputy Prime Minister tell us whether the funds that have been allocated will take into account the people – according to my information – who have had their contracts for employment terminated on the reasons that they were appointed after August 2014? If the hon. Deputy Prime Minister could give us an explanation as to how this has been taken into account in the provision of this budget and why those people have had their contracts terminated. What is the logic?

**The Deputy Prime Minister:** It is a good question. It is Government policy. Madam Chairperson, you did mention that we would not deal with policy issues.

**Mr Mohamed:** Is this also a policy issue with regard to the one month notice to be given to them? This one month had not been given to them in contractual provisions and, financially, that has to be looked into. Has provision been made with regard to that possibility? That is not a policy issue.

**The Deputy Prime Minister:** I am sure that everything has been done strictly according to law.

*Vote 3-1 Tourism (Rs746,000,000) was, on question put, agreed to.*

*Vote 3-2 External Communications was called.*

**Mr Uteem:** Madam Chairperson, on page 100, under *item 32145.120 – Loan to Cargo Handling Corporation Ltd*, may I know from the hon. Deputy Prime Minister what the amount of this loan relates to and what are the terms?

**The Deputy Prime Minister:** Acquisition of state-of-the-art equipment by Cargo Handling Corporation Ltd in line with the Mauritius Ports Authority Extension Project to the tune of Rs1.4 billion, which will be financed by the *Agence Française de Développement* through Government, and partial funding of two ship-to-shore cranes and six rubber tyre gantries.

**Mr Uteem:** What are the terms?

**The Deputy Prime Minister:** It is a complicated term. The hon. Member can ask a specific question, I will provide him.

**The Chairperson:** Hon. Mohamed!

**Mr Mohamed:** Once again, not to try to take the hon. Deputy Prime Minister away from what he has just been answering with regard to the Cargo Handling Corporation Ltd, could he tell us what is being done of the equipment that we are talking about? First of all, productivity at the Cargo Handling Corporation Ltd. As far as the number of containers that are *manutentionnés*, handled has gone down drastically and thereby affecting the productivity

of the company, what exactly could be done - budgetary wise not policy wise - in order to encourage productivity and make us a competitive destination?

**The Deputy Prime Minister:** I must firstly say that, on productivity issue, strategic partners are no longer on the table. It's not happening. Second thing, productivity reached about 20 cranes moves per hour - 20 to 21. It has been severely affected by the works that are being done at the moment at the port and that is why the productivity is down. Obviously, we want to increase it back to 25 or something like in Reunion Island, etc. So, once the equipment is there, the dredging has been done and everything is back to normal, we will ensure - because that is essential - that productivity goes to 25 or more.

*Vote 3-2 External Communications (Rs182,200,000) was, on question put, agreed to.*

*Vote 3-3 Civil Aviation (Rs322,700,000) was called and agreed to.*

*Vote 4-1 Vice Prime Minister's Office, Ministry of Housing and Lands was called.*

**The Chairperson:** Hon. Bhagwan!

**Mr Bhagwan:** On page 45, Madam Chairperson, under Sub-Head 4-102: *Social Housing Development*, item 28212.023 *NHDC - Syndics for maintenance of NHDC housing estates*. Can I ask the hon. Vice-Prime Minister, if we can be provided with a list of all the syndics that are operational?

*(Interruptions)*

From my information, there are certain, and this can be circulated. What is the amount of subsidy given to each of them?

Secondly, on page 46, item 31132.101 - *LAVIMS Project*, can the hon. Minister inform the House whether this LAVIMS Project is fully operational and whether the local authorities can have access now to all the data which have been recorded through the LAVIMS Project?

**Mr Soodhun:** We have 41 syndics now existing and the Government spent Rs1.2 m. All the syndics are on, and there is a monitoring committee at the NHDC.

Concerning LAVIMS, we have just presented to Cabinet. My hon. colleague has rightly pointed out that for the LAVIMS this is a problem that we had since long ago because there is no plan. We don't know what exactly is going to happen to the development of each village and each town. But now it is nearly available. We have spent a lot of money; we have

already asked for a consultant to work on it and very soon the whole country will be provided with all the necessary plans.

**The Chairperson:** Hon. Uteem!

**Mr Uteem:** Thank you, Madam Chairperson. On page 46, last item, *31410.801 - Acquisition of Land*, there is an amount of Rs200 m. budgeted. May I know from the hon. Vice-Prime Minister where are these lands located and for what purpose they are being acquired?

**Mr Soodhun:** Item?

**Mr Uteem:** Item 31410, the last item.

**The Chairperson:** At the bottom of the page.

**Mr Uteem:** Yes. I would like to know where they are situated and for what purpose they are being acquired.

**Mr Soodhun:** We have acquired the land. We have two different types. One that we already have, as you are aware, is 2,000 *arpents*, and in this 2000 *arpents* we have 630 *arpents*. In fact, now we are acquiring lands at Pointe-aux-Sables to cater for all the Tranquebar squatters and also in the north and in the south. I don't have the exact figure, but we have nearly about 260 *arpents* of lands.

**The Chairperson:** Hon. Lesjongard!

**Mr Lesjongard:** Thank you, Madam Chairperson. On page 45, under Sub-Head 4-102: *Social Housing Development, Capital Expenditure*, item *28222.015 - Transfer of Title deeds of ex-CHA houses*.

**The Chairperson:** On page 45, at the bottom of the page.

**Mr Lesjongard:** Can the hon. Minister report on progress in terms of percentage of title deeds that have already been given to those owners, please?

**Mr Soodhun:** Since three months, we can say that there are about 642, but for the whole I'll have to circulate it. I don't have the exact figure.

**The Chairperson:** Hon. Dr. Sorefan!

**Dr. Sorefan:** Thank you, Madam Chairperson. May I know from the hon. Vice-Prime Minister regarding the LAVIMS Project on page 46, item *31132.101 (a) LAVIMS maintenance support*, whether it is an ongoing project to the tune of about Rs33 m. per year and it is ongoing for years or will that stop somehow, and who are the beneficiaries?

**Mr Soodhun:** I would just like to inform my good friend, hon. Lesjongard, that the title deeds for CHA houses are more than 10,352 out of 19,442; the cases are already finalised.

**The Chairperson:** Yes, hon. Ganoo!

**Mr Ganoo:** Thank you, Madam Chairperson.

(*Interruptions*)

**The Chairperson:** Hon. Ganoo, ask your question, then he will come back to the previous question.

**Mr Ganoo:** Thank you, Madam Chairperson. On page 45, *Social Housing Development*, last item 28222.016 - *Transfer of Title deeds of land/houses*. Can the hon. Minister inform the House or give a progress report on the transfer of the title deeds of the land and the houses, and why is this sum budgeted?

**Mr Soodhun:** Under item transfer of the title deeds, it is provision for notary fees, which is about Rs300,000, survey fees, Rs300,000, and affidavit fees is about Rs800,000.

Concerning LAVIMS, we have an IT system of such magnitude that maintenance and support services are of great importance. The hon. Member asked for the details. For the first year, from 2011 to September 2012, we have spent about 900,050 US dollar. It is equivalent to Rs20 m.; from October 2012 to September 2013, Rs28 m.; from October 2013 to September 2014, Rs29 m., and from October 2014 to March 2015, Rs14.5 m. LAVIMS maintenance support contract has been already renewed for a six months' period and, therefore, open tender will be launched.

**The Chairperson:** Hon. Reza Uteem!

**Mr Uteem:** On page 45, item 28 - *Capital Expenditure*. May I know from the hon. Vice-Prime Minister whether there is any amount budgeted - because I cannot find it here - for the construction of social housing? I can see only transfer of deeds. Is there any amount budgeted for construction of social housing for the six months?

**Mr Soodhun:** According to information that I have, Rs700 m. are being provided for financial year 2015/2016 for social housing. Out of this amount, Rs470 m. represents Government's contribution towards the construction costs of the housing units for those who are economically vulnerable. The remaining amount of Rs230 m. represents a loan which will be paid back gradually, as the beneficiaries of the housing units pay the purchase price monthly and instalment over time. It is to be pointed out that the payment of the instalment is to be made to the NHDC and the latter will remit the amount collected to the Government. This is the mechanism.

**The Chairperson:** Yes, hon. Shakeel Mohamed!

**Mr Mohamed:** Thank you very much. Once again, with regard to the same issue - instead of changing vote issue - social housing construction, the hon. Vice-Prime Minister will recall, Madam Chairperson, that there were approximately 17 people, the squatters who were on Old Route Militaire State land. I am informed that the hon. Vice-Prime Minister has legalised their situation by giving all of them letters of intent, and he said it here in this august Assembly. They have to construct on this piece of land that has been given to them, which I had located, the Minister has finalised. Would the hon. Vice-Prime Minister tell us what provision has been made therein for infrastructural works on these particular plots of land to make them constructible for those 17 households of Route Militaire, Cité Martial, Plaine Verte? It has to be made constructible. Therefore, what does the hon. Vice-Prime Minister propose in terms of infrastructural works?

**Mr Soodhun:** In fact, I met all the persons concerned, and we are in touch with the National Development Unit and with NEF to see to it how we are going to set up the infrastructure. These people will be taken into consideration, and when we are going to transfer, it should be as in Pointe-aux-Sables and other sites. The hon. Member can rest assured that we are going to take this into consideration.

**Mr Ganoo:** On the same page, social housing development, item *25110.004 NHDC (b) Housing Loans*. I see the sum of Rs9,500,000 has been budgeted. Can the hon. Vice-Prime Minister tell us what is the purpose of this item and explain what use will be made of that money which has been budgeted – especially as the hon. Vice-Prime Minister publicly recently expressed his dissatisfaction with the NHDC? I see that only this sum has been reduced. How many houses are we talking about?

**Mr Soodhun:** In fact, this item was meant for the payment of exchange losses arising from the fluctuation in the rates of exchange in connection with Malaysian loans and EXIM loans contracted by NHDC. The loans were cleared in October 2013 and October 2014.

**Mr Ganoo:** The amount under *(b) Housing Loans*?

**Mr Soodhun:** In fact, the hon. Member will recall the model of the housing units under the previous Government, with which I always disagreed. We are changing all the types of houses. In three months' time, we are going to have another type. The amount earmarked is meant for payment of the mortgage and administration fees and interest on loans undertaken by the NHDC. I can give the details if the hon. Member wants: in June - as I mentioned - the mortgage administration fees on Shell and Firinga projects was Rs5,200,000; for January-June 2015, it is for interest differential on Malaysian loan.

*Vote 4-1 Vice Prime Minister's Office, Ministry of Housing and Lands (Rs364,000,000) (January-June 2015) was, on question put, agreed to.*

*Vote 4-1 Vice Prime Minister's Office, Ministry of Housing and Lands was called.*

**The Chairperson:** Yes, hon. Bhagwan!

**Mr Bhagwan:** On page 109, *Capital Expenditure*, item 31113.037 - *Off-site Infrastructural Works for Social Housing*. We are being asked to vote Rs23 m. for 2015/2016. I raised the issue last time concerning water drain problem in the new housing estates of Chebel and Barkly and other amenities. The hon. Vice-Prime Minister promised he would have a look. Can I know from the hon. Vice-Prime Minister whether he has had the opportunity to look into that problem and let us know what is in the coming budget, at least, before delivering the houses to the occupiers and that all the infrastructures will be taken care of?

**Mr Soodhun:** Yes, Madam Chairperson. I totally agree with my colleague. It is a fact, but yesterday itself I visited Chebel, and I have taken the decision on the spot that a drain must be connected with the existing river to avoid floods.

*(Interruptions)*

**The Chairperson:** Yes, hon. Lesjongard!

**Mr Lesjongard:** Thank you Madam Chairperson. Under *Vote 4-1* page 111, item 22130.003 - *Land Use Planning and Management*. Under sub-item (a), we are providing for the studies for reviews of Urban Outline Schemes. May we know which are the towns that are concerned for review, and under sub-item (b) *Review of District Outline Planning Scheme*, may we know which are the Districts concerned under that review?

**Mr Soodhun:** All the towns are under review of five Municipal Councils.

**Mr Mohamed:** If I could go back to page 109, item 28222.017 - *Construction of Social Housing Units*. They show capital expenditure again. I know - once again, if I am to talk about my constituency - there was a project that had gone quite far in its conception and almost towards a stage of implementation. It was the construction of social housing units at corner Rue Marata and Penang, in Constituency No. 3, next to *Centre de Jeunesse de Plaine Verte*. That land belongs to Government; there was a former dispensary of the Ministry of Health in those days. Madam Chairperson, you remember, we went there together.

*(Interruptions)*

You were there as well. What is happening with regard to that particular construction? Because the inhabitants of that constituency are expecting that those houses be built on State land. It has been promised to them. I believe that the National Housing Development Corporation has also taken the names of people who would be interested to go and live there. So, could the hon. Vice-Prime Minister tell us what provision would be made? Because this is a project that is going as far back as - then, Madam Chairperson, not to embarrass anyone who was Minister of Health. It has been quite a long time and I would hope that under this Government it would go ahead.

**Mr Soodhun:** In fact, I have to thank the hon. Member. Let me inform him that we are going to use all the State land available. This, he can rest assured. By June, next year, we are going to build 3,000 units. As the hon. Member is aware, we are going to get rid of all the squatters in Port Louis, and we are going to utilise the State land. I am coming to Parliament with a statement to inform all the hon. Members about squatters in Port Louis. The hon. Member does not have to worry. The matter is under consideration according to my information.

**The Chairperson:** Hon. Uteem!

**Mr Uteem:** On page 112, the very last item *31410..801 - Acquisition of Land*. There is an amount of Rs400 m. scheduled for 2015-2016. May I know from the hon. Vice-Prime Minister whether any provision is made in that Budget for the acquisition and the payment of compensation to any inhabitants of Vallée Pitot who will have to be displaced as a result of the Ring Road Project?

**Mr Soodhun:** In fact, regarding Vallée Pitot, the hon. Member knows we are coming with a plan where we are going to, at least, remove all the squatters, and those we are going to be regularised, we are going to regularise. But it depends on the ring road and it depends on the hon. Minister of Infrastructure. He can rest assured, we are going to be in contact, and with the collaboration of all hon. Members concerned, we are going to have the right development.

**The Chairperson:** Hon. Ameer Meea!

**Mr Ameer Meea:** On page 112, item *31132.101 - LAVIMS Project*. What I can see is that for this project, there are payments that are scheduled for several years, 2016, 2017 and 2018, whereas retention money is planned to be paid for next year, Rs13 m. My question is

whether it is proper to pay this retention money whereby the project itself is not yet at a completion stage.

**Mr Soodhun:** In fact, there is about Rs13 m. retention money. I understand the project has already been completed.

**The Chairperson:** Hon. Ganoo!

**Mr Ganoo:** I come back to page 109, *Capital Expenditure*, item 28222.017 - *Construction of Social Housing Units*. I see that the sum of Rs470 m. has been budgeted. Can the hon. Vice-Prime Minister indicate to the House the regions where the social housing units would be built, whether he has already decided on a programme, and how many does he consider his Ministry or the NHDC will be able to build within the sum which has been budgeted, that is, Rs470 m.? Since it is construction of housing units, may I ask the hon. Vice-Prime Minister whether this sum which has been budgeted can be used to rebuild the houses made of asbestos in the different CHA Estates which, I think, we all agree should be pulled down and should be reconstructed?

**Mr Soodhun:** In fact, as I mentioned, thanks to the hon. Minister of Finance who has been very generous to this country and has given us nearly about Rs1m. that is going to be used for the construction of about 1,000, not only in his constituency, but there are four places that have already been identified. According to me, we have 83 *arpents* of land that have been identified. I can circulate where exactly the land is situated. We have to see whether the plot of land is suitable or not, but nowadays we are sure of 83 arpents where 1,000 units around the island will be constructed. I am going to circulate it. Those four places have been identified in your own constituency. If you want five, we can discuss.

**The Chairperson:** Hon. Quirin!

**Mr Quirin:** At page 109, *Capital Expenditure*, under item 28222.013 - *Rehabilitation of Infrastructure of NHDC Estates*, a sum of Rs175 m. has been earmarked for this project. I would like to know if all the NHDC Estates are concerned by this project.

**Mr Soodhun:** In fact, it is meant for the repayment of waterproofing where required. We cannot say the whole because we have nearly 41 NHDC Estates. I have been informed that it is for the wastewater disposal system, waterproofing works, repairs of cracks and pipelaying to the sewerage system, structural remedial works at Beau Vallon and Camp Levieux, La Tour Koenig, and construction for a new stormwater network at NHDC Estates at Vuillemin and Batimarais.

**The Chairperson:** Hon. Mohamed!

**Mr Mohamed:** Once again, on page 109, *Capital Expenditure, 28222.017 - Construction of Social Housing Units*. Out of what is budgeted for in the several years, I see on this document that much is being budgeted for the people who are squatters in an area in Roche Bois called *en bas la rivière*. Could the hon. Vice-Prime Minister inform us how much is being budgeted for the people who are squatters in an area in Roche Bois called *en bas la rivière*? These are people who, once upon a time, originally came from Rodrigues and were relocated by the Ministry of Housing and Lands at some stage. New people have come into the same structures that had been built *en bas la rivière*, and people are living in very, very poor conditions. What provision is made therein for those people to find new houses?

May I humbly, Madam Chairperson, take advantage of this situation to suggest something. At some stage, you will recall, there was a programme to move the Mauritius Meat Authority to Richelieu, and these several acres of land, therefore, would be freed up within the centre of Roche Bois. Since it is the policy of Government to use State lands, this could be used to relocate those people and also to help the hundreds of people in Roche Bois who are still expecting for houses.

**Mr Soodhun:** In fact, Madam Chairperson, as I mentioned, we are going to relocate all the squatters of Port Louis and I will be very glad to see to it that under the bridge - be it Rodriguans or Mauritians, all are the people of the Republic of Mauritius - we have the criteria. I am sure that if they don't respect the criteria, it will be very difficult. But, in fact, if there is any problem, I am in contact with my colleague the Minister responsible for the NEF. We are going to see to it whether we are going to have social housing. We are now looking into all the State lands situated in Port Louis so that we can utilise them for construction. The hon. Member can rest assured, but if there is any request, I will be very pleased to take it into consideration.

**The Chairperson:** Hon. Lesjongard!

**Mr Lesjongard:** Thank you, Madam Chairperson. Again, under the same item at page 111, item 22130.003 – (c) which deals with the *Review of National Land Development Strategy*, may I know from the hon. Vice-Prime Minister whether now the Planning and Development Act is fully implemented? That is the first question...

**The Chairperson:** Have you been able to find yourself hon. Vice-Prime Minister?  
Page 111.

**Mr Soodhun:** Page 111, which item?

**Mr Lesjongard:** Under item 22130.003 – part (c) *Review of National Land Development Strategy*. Since we are talking of the National Land Development Strategy, may I know from the hon. Vice-Prime Minister whether the Planning and Development Act has now been fully implemented? If the answer is yes, may I know from the hon. Vice-Prime Minister why at item (b), which talks of the *Review of the District Outline Planning Schemes* for the year 2015/2016, where provision has already been made, but also in 2016/2017 and onwards, when we should be talking of the preparation of local plans? Does this mean that we still have to make provision for the *Review of the National Land Development Strategy* and, at the same time, review the outlined planning scheme?

**Mr Soodhun:** In fact, we are going to review the whole because if we go in the previous one, we will still have the big problems, as the hon. Member is aware. Consolidated planning legislation is being worked upon and consultation services are being procured.

**Mr Uteem:** Page 108 item 31132.401 - *Upgrading of ICT Infrastructure*. There is an amount budgeted of Rs7 m. and then of Rs3 m. May I know from the hon. Vice-Prime Minister what this upgrading relates to and whether the contract has already been awarded to, and if so, to whom?

**Mr Soodhun:** According to my information, it is meant for the upgrading of the ICT infrastructure for the whole Ministry. The present computerised system is in operation since 2005 and it comprises a *Sun Fire V40z Server and application system based on a client/server environment using Oracle 7 RDBMS*.

**The Chairperson:** Yes, hon. Ameer Meea!

(*Interruptions*)

You are always condemning the Chair, hon. Ameer Meea! I am proceeding by turn; each one has his turn! Okay?

**Mr Ameer Meea:** Madam Chairperson, you are not looking at me!

(*Interruptions*)

On page 109, item 28222.017 - *Construction of Social Housing Units*, there is an amount of Rs470 m. which is budgeted. May I ask the hon. Vice-Prime Minister if consideration will be given to the region of Roche Bois for the construction of social housing, as there is an urgent need for social housing there and also that a State land is already available there?

**Mr Soodhun:** The other hon. Member had asked the question and you should ask the same because the mandates are going to ask you why you did not ask the same question! Anyway, it is the same reply. I am going to take into consideration all the State lands, and we have to utilise the State lands instead of just buying land for construction. Why should we go

to buy land when we have State land? The hon. Member can rest assured that, as I have just mentioned, we are going to be in touch and work together to see where the State lands are available. We have enough money; my colleague has already given us Rs10 billion for five years, and I hope that for 2016/2017 we will have the same money and we are going to be able to build the houses.

*Vote 4-1 Vice-Prime Minister's Office, Ministry of Housing and Lands (Rs1,800,000,000) was, on question put, agreed to.*

*Vote 5-1 Vice-Prime Minister's Office, Ministry of Energy and Public Utilities was called.*

**Mr Bhagwan:** On page 48, under Sub-Head *Energy Services*, item 25 *Subsidies*, 25110.008 (b) *Subsidy for Renewable Energy Projects*, we are being asked to vote Rs10m. for (i) *Biomass* and (ii) Rs23.5 m. for *Solar*. Can we be provided with a list of projects which have been identified for subsidy? How many projects which have been completed are actually in the pipeline for each type, be it biomass or solar?

**Mr Collendavelloo:** Item 25110.008, yes, Madam Chairperson. First of all, we have biomass, we have the Sotravic project at Mare Chicose which is a waste to energy project. I can give details if the hon. Member wishes.

**Mr Bhagwan:** Circulate it.

**Mr Collendavelloo:** Later I will circulate it. Then there are solar schemes which I will also circulate later, because it is very...

**Mr Bhagwan:** What about the Sarako project?

**Mr Collendavelloo:** I am coming to the Sarako project. The point is that the Government subsidy is the price differential between CEB average cost of production and the feeding tariff. The subsidy for Sarako is Rs37 m. per year. That started in February 2014, and it is a contract period of 20 years. Sarako is generating 20.4 GW hours. Of course, if the hon. Member wishes more information, I will be at liberty to circulate. There are other solar projects, namely Alteo, Sinove, and Harel Mallac. But they are going to be operational in 2016. There are ongoing - when I say ongoing, they are under consideration - projects for other types of renewable energy. Many of them are quite interesting, which might be beneficial to the country.

**Dr. Sorefan:** May I know from the hon. Vice-Prime Minister ...

**Mr Collendavelloo:** Quelle page?

**Dr. Sorefan:** Page 49, *Capital Expenditure*, item 31113.002 - *Construction of Dams*. May I know from the hon. Vice-Prime Minister whether Rivière des Anguilles Dam is on the

shelf? Because I don't see any amount earmarked. With regard to Arnaud (Diversion Dam), which is a very old project, three or four years ago, I see that there is an amount of Rs41 m. earmarked. Can we get clarification as to why Rs41 m. now? Concerning item 31113.402 - *Upgrading of Dams - La Ferme*, I do not see any amount earmarked. But, for last year, there is an amount of Rs10 m. which is going to be paid from the Build Mauritius Fund. Can I know from the hon. Vice-Prime Minister whether this is in order to go retro for payment from the Build Mauritius Fund, which is set up this year?

**Mr Collendavelloo:** When we reach Build Mauritius Fund, we shall deal with this. I have the information for the Build Mauritius Fund, but perhaps we could just see your questions one by one because you have asked many questions.

First of all, the hon. Member asked on Rivière des Anguilles. Concerning this provision, I replied to my very good friend, hon. Uteem, when he mentioned this in his speech. The provision is only for the consultancy services, and we will probably start construction in 2016. Let me just repeat that the former consultant was terminated and now we have to start all over again.

The contract was an invitation for expression of interest for another consultant, which was launched in November 2014. The closing date was 21 January 2015. Now, an evaluation exercise is ongoing at the Central Procurement Board.

The Arnaud (Diversion Dam) has been completed. The consultant was Luxconsult and the contractor was Sinohydro. The project value was Rs24 m. There is a sum of Rs41 m. retention money for the Arnaud project.

I am sure I must have missed one of the matters that the hon. Member has asked. If I did, please remind me.

**Dr. Sorefan:** La Ferme.

**Mr Collendavelloo:** The question is to rehabilitate La Ferme. We are holding consultations with the various Ministries before going on to stakeholders. The problem, of course, for La Ferme - hon. Ganoo and hon. Lesjongard know that very well - is that there are many people who have built houses, some on private land and others on Government land, and we can't rehabilitate the dam unless we ask them to go. But as much as you will ask them to go, they will never accept to go. So, we have to come up with a plan of incentives, which includes the building up of a new nice housing project, perhaps in Beaux Songes, for relocation and rehousing.

**Mr Uteem:** At page 48, item 25 - *Subsidies*, sub-item 25110.008 - *Central Electricity Board (a) Electricity Supply and Displacement of Electric Lines/Poles for Hardship Cases*.

May I know from the hon. Vice-Prime Minister whether there is any amount budgeted for reconnection for those who have not been able to pay their bills? Secondly, what are the criteria used to help the hardship cases?

**Mr Collendavelloo:** What I have been given as information is that household income up to Rs17,500 is the first criterion. Secondly, you must be the first-time owner of the house. So, you won't fall under any of these two categories. Then, for income less than Rs8,500, the grant is Rs65,000; for income of Rs5,500 to 12,500, the grant is Rs50,000., and for income of Rs12,500 up to Rs17,5000, the grant is Rs35,000.

In 2014, in Mauritius, for low voltage extension and displacement of poles, the amount was Rs2,109,000 and for Rodrigues it was Rs258,000. The amount voted is for supply of electricity and not for reconnection.

**Mr Ganoo:** Madam Chairperson, on page 48, item 22130 - *Subsidies and Surveys*, sub-item .001, *Studies and Project Preparation (a) Energy Planning, (b) Energy Efficiency and (c) Power sector study*, the sums budgeted are listed for each of these three proposed studies. Can the hon. Vice-Prime Minister inform the House who are going to conduct these studies and whether the consultants have already been recruited?

I have another question. Under item 22900 - *Other Goods and Services of which: Removal of Barriers for Solar PV Project*, I see that a sum of Rs2 billion has been budgeted for this item. Can the hon. Vice-Prime Minister give the House a breakdown of this amount of money which has been budgeted? Does that include the programme which the CEB called the SSDG? The programme which was encouraging small households to have a solar PV on their roof? At one time, there were many applicants who had solicited the help of the CEB and so on. There was a list of people waiting. Does that item include the installation of PV on individual houses and if the hon. Vice-Prime Minister, therefore, could explain the *raison d'être* of that item budgeted?

**Mr Collendavelloo:** For Energy Efficiency Management, I participated in a Seminar held by the private sector on Energy Efficiency, and the conclusion was that it would be opportune for the consultant to be appointed in consultation with the UNDP because the UNDP is studying this. The studies are on strengthening capacity, and secondly, Energy Efficiency Audit Management. So, from this, I conclude that the consultants have not yet been appointed. Then, I need to know about these solar projects. I have the answers somewhere. This is to fund the removal of barriers for solar PV - I understand that was the hon. Member's question - that is, to build capacity in the financial assessment of solar PV projects, and then we have got to study the CEB grid. The whole thing is that, according to

CEB, their grid cannot take that much solar PV. As you know, a new General Manager has just been appointed who is an expert on these matters. He will advise us very soon on what to do. I have a new Adviser and they are both working on this upgrading of the grid to a smart grid so that we can accommodate as much solar PV energy as we can.

Apart from that, we need to assist in the placing of roof top solar PV which will encourage households, but more importantly buildings like schools and supermarkets. If you take Jumbo, for instance, they are using up a lot of electricity. They could use their parking to put solar PV rooftop tile and feed the electricity to the whole *centre commercial* without using the CEB. I don't want to make a speech, but CEB came up with the brilliant idea on 01 December 2014 to charge people who were doing solar PV. I have given instructions to revoke these stupid regulations as quickly as possible. I understood from my Senior Chief Executive that the needful is being done.

*(Interruptions)*

It was a sort of levy on production of electricity. We have, according to what I understand, 266 such small producers in Mauritius and 17 in Rodrigues. I hope that answers your question.

**The Chairperson:** Hon. Lesjongard!

**Mr Lesjongard:** Thank you, Madam Chairperson. On page 48, Sub-Head 5-102: Energy Services under item 25110.008 (b) *Subsidy for Renewable Energy Projects, (ii) Solar.* Two questions - one with regard to the Project Sarako. We understand they have benefited from subsidy to the amount of, I think, Rs34 m. or Rs58 m. per year. This was an unsolicited project. May we know what were the criteria for Sarako to benefit from these subsidies? That's the first question. The second question is: has Government already retrieved the excess land that was given to Sarako for implementing its project?

**Mr Collendavelloo:** Well, the second part I have already discussed with my colleague, the Vice-Prime Minister, Minister of Housing and Lands.

*(Interruptions)*

As you know, he is very efficient. He won't waste much time on that - to take land from others, he's very good. So, there is no problem.

Now, as for the criteria which led Government to give such bounty to Sarako, of course, I do not know. I can guess just as you can guess, and we all know, probably, what is the answer. But it is contractual, and let us not waste much time about it. To be fair to the promoters of Sarako, they are producing electricity, they are doing their job. So, let us not be

too harsh on them. They have been lucky. They have got a good price, they have got subsidies. But what can you do? Those were the good old labour days!

**The Chairperson:** Hon. Ameer Meea!

**Mr Ameer Meea:** Thank you, Madam Chairperson. On page 49, item 31113.002 - *Construction of Dams (a) Bagatelle*, there has been more than Rs1 billion spent last year and for next year there is an amount Rs400 m. which is budgeted. May I ask the hon. Vice-Prime Minister, at present, what would be the total cost of the project and also when will the Bagatelle Dam come into operation?

**Mr Collendavelloo:** The coming into operation of the Bagatelle Dam depends on the termination of the Bagatelle Water Treatment Plant. With regard to the contract value, I think I have answered a question on this. The contract value was Rs3,300,000,417. The contractor was CWE, China International Water and Electric Corporation. The cost of the project has increased from Rs3.3 billion to Rs5.6 billion. But one must hasten to add that it was because the consultants - with which we are in arbitration for the moment; well, almost on a dispute/resolution issue - according to us, had failed in their duty when they analysed the land, and two major design changes had to be brought to the spillway and to the foundation. So, all this has cost us a lot of money. I don't know who was to blame. We have not gone into blame games. We are paying the cost, of course. The total cost is expected to be Rs5.6 billion, and the completion date has been revised to December 2016.

**The Chairperson:** Hon. Mahomed!

**Mr Mahomed:** Madam Chairperson, thank you. In regard to the smart grid, page 48, item 22130 and item 22900 respectively. My question is as follows: with regard to...

**The Chairperson:** Can the hon. Member go item by item, please? You have got two different items.

**Mr Mahomed:** I am not too sure which one of them will fall under this vote. That is why I will refer to both of them.

**Mr Collendavelloo:** Ask it and then we will try and accommodate.

**Mr Mahomed:** With regard to the grid, the hon. Vice-Prime Minister will surely concur that our grid for the Smart Cities to become a reality needs to be smart as well. I just heard the hon. Vice-Prime Minister mentioning that we will need to study the grid. Anyway, whatever is left of 2015, the study to convert our grid into a smart one will occur...

**Mr Collendavelloo:** Give time to my advisers to work on it! My adviser is in office. Today is the first day. The GM today is his third day. So, let us give them some time. I will certainly come with a statement to the House on this matter, which is of national importance.

**The Chairperson:** Hon. Bhagwan!

**Mr Mahomed:** My question was not about the work itself, but whether budgetary provision has been made for the study.

**Mr Collendavelloo:** Whether budget provision has been made! Well, it is going to be CEB budget. It is not going to be a consolidated fund. So, we are going to work it out with CEB on CEB budget items.

**The Chairperson:** Hon. Bhagwan!

**Mr Bhagwan:** On page 50, *Wastewater Services, Capital Expenditure*, item 32145.

**Mr Collendavelloo:** Which item?

**Mr Bhagwan:** Under Sub-Head 5-104: *Wastewater Services*, item 32145.517 (d) *Verger Bissambar Sewerage Project*. I'll take both financial years together, Madam Chairperson. On *Verger Bissambar Sewerage Project*, work has started. Can I know from the hon. Vice-Prime Minister whether, within the budget vote, the contract is awarded?

**Mr Collendavelloo:** Suddenly, *il cesse de parler fort!*

(*Interruptions*)

**Mr Bhagwan:** No, it's my normal voice. Can I ask the hon. Vice-Prime Minister whether, within the projects, rehabilitation of the roads and the construction of drains have been provided within the project value so that when works on house connections are completed, at the same time roads and drains are rehabilitated?

Under the same vote, I'll take another item, *Cité Marcel Cabon Sewerage Project*. This is some good news; I congratulate the hon. Vice-Prime Minister. This is where there is an acute problem of pollution. I raised the issue last time. Can I make a request to the hon. Vice-Prime Minister that, pending allocation of contracts and designs and so on, the Wastewater Management Authority could see to it, on a regular basis, for these 5-10 poor families, that their septic tanks are emptied at regular intervals, more so that there is a Government Primary School adjoining the housing estate?

**Mr Collendavelloo:** On *Cité Marcel Cabon*, I don't know whether we can have a permanent solution, but we can have these regular pumping, although I understood from the Wastewater Management Authority that this was not the policy of the Authority to do this. But when I went there, I was so shocked by the vicinity of the primary school and of other inhabitants that I said: "At least, some attention should be paid to this."

With regard to *Verger Bissambar*, the project includes rehabilitation of roads, but I don't know whether it includes construction of drains. This, I don't know. Apparently not! Apparently, it does not!

**Mr Bhagwan:** Can I make a point, Madam Chairperson, on that score? I make a request to the hon. Vice-Prime Minister. During the construction works, you have the natural drains which are being turned upside down. So, can the hon. Vice-Prime Minister see to it with the Wastewater Management Authority that within that project, if funds are available, to have these natural drains which have been put upside down for construction purposes - for good reasons - be rehabilitated?

**Mr Collendavelloo:** I am immediately asking the Senior Chief Executive of my Ministry to make a note of the hon. Member's request and I will certainly look into it personally.

**The Chairperson:** Hon. Leopold, last question on this!

**Mr Leopold:** On page 48, item 25110.008 - *Central Electricity Board (a) Electricity Supply and Displacement of Electric Lines/Poles for Hardship Cases*. Could it be possible as regards Rodrigues for simplification of procedures, as it is very complex and time-consuming? I would like to ask the hon. Vice-Prime Minister whether he could see to it that the Rodrigues Regional Assembly works together with the CEB, as a joint committee, just to simplify this procedure, as it takes a long time, especially for the poor.

**Mr Collendavelloo:** I shall look into it.

*Vote 5-1 Vice-Prime Minister's Office, Ministry of Energy and Public Utilities (Rs1,307,000,000) (January-June 2015) was, on question put, agreed to.*

*Vote 5-1 Vice-Prime Minister's Office, Ministry of Energy and Public Utilities was called.*

**The Chairperson:** Yes, hon. Uteem!

**Mr Uteem:** On page 120, item 32145.503 - *Loan to CWA (a) Pailles Water Treatment Plant*, I see that the project value is Rs639 m.; already spent Rs300 m., and the budgeted amount for 2015/2016 is Rs104 m. May I know from the hon. Vice-Prime Minister what was the original contract amount for this Treatment Plant, whether there has been any cost overrun, and when will that Treatment Plant be operational?

**Mr Collendavelloo:** Well, the second answer is easy; end April 2015, that is, in a few days. According to information given to me, there has been a delay. Amount actually spent in 2014 is Rs301.6 m. The contract price was Rs725,814,684.41. That is the contract price. We are so much talking of billions these days that you can't know what to do. I think I have answered the question of the hon. Member.

**Mr Uteem:** The cost overrun!

**Mr Collendavelloo:** The cost overrun! Yes, there has been a delay. But I have got no information on cost overrun, although the contractor was Sotravic. So, it seems a bit strange. Is there information missing? I see somebody is furiously noting down; if the hon. Member would be patient with me. I think there was a provision in the contract. Yes, that's right. No cost overrun, but we have to look into the possibility of claiming liquidated damages as a result of the delay in providing the works.

**The Chairperson:** Yes, hon. Dr. Sorefan!

**Dr. Sorefan:** Thank you, Madam Chairperson. On page 120, may I know from the hon. Vice-Prime Minister...

*(Interruptions)*

It is on *Capital Expenditure*, item 32. At page 120, item 32145.503 - *Loans to Central Water Authority (f) Other old and defective pipelines*. I do not see any sum earmarked, although in the Budget Speech there is a huge sum that has been allocated. May I know from the hon. Vice-Prime Minister why we do not see any sum earmarked?

**Mr Collendavelloo:** Of course, we are talking under this item of a loan to CWA. I trust I am absolutely correct when I say that. So, we are not going to have a loan, we are not going to lend money to CWA for this. If I am wrong, I will be corrected. That's right! The fund should be under the Build Mauritius Fund.

**The Chairperson:** Yes, hon. Ganoo!

**Mr Ganoo:** I have a few questions. At page 117, item 25 - *Subsidies*, 25110.008 *Central Electricity Board (i) Subsidy on Biomass Energy Projects*. I see that the sum of Rs 20 m. has been earmarked for this item.

**Mr Collendavelloo:** Can the hon. Member come again on the page?

**Mr Ganoo:** Page 117, item 25 *Subsidies*, middle of the page, 25 *non-Financial Public Corporation, CEB*, then it is *Subsidy on (i) Biomass Energy Projects* – Rs20 m. Can the hon. Minister provide the House with the breakdown, of the way in which the sum will be used?

**Mr Collendavelloo:** Yes. I just gave the information a few minutes ago. Rs100 m. over five years for landfield gas to energy project operated by Sotravic at Mare Chicose since 2012, installed capacity is 3.35 MW, energy exported in 2012: 17.8 GWh; 2013: 20; 2014: 21.3. Rs60 m. have been paid up to now. That is for biogas. We are going to go into other projects.

**The Chairperson:** Hon. Lesjongard!

**Mr Lesjongard:** Thank you Madam Chairperson. At page 117, item 22900.099 - *Miscellaneous Expenses*, at part (b) *Energy Efficiency Management Office*. May I know from the hon. Vice-Prime Minister what is the status of that office? And at item (c) *Sensitisation for Energy Efficiency Audit*, can I know from the hon. Vice-Prime Minister how many such audits have been carried out and the factories or industries concerned?

**Mr Collendavelloo:** We are talking, of course, of government building. The PNEE, which is the private sector parallel to our Energy Efficient Management Office, is doing for the private sector like factories and buildings. I do not have the figures off-hand; I do not think that my officers will have the figures now, but it is an interesting matter. I am sure the hon. Member will not hesitate to ask a full parliamentary question, because we need to have good details and to be able to have time to consider this answer. The only thing we can say for now is that the UNDP will be working in collaboration with Government. We are going to see how not to waste so much energy, as it is being wasted in this House, as everyone can see, or in Government buildings, and that is energy efficiency.

To be a bit *un peu plus savant*, it is under a joint Government, JEC - Joint Economic Chamber, AFD - *Agence Française de Développement*, National Energy Efficiency Programme – PNEE: energy audit will be carried in 100 energy intensive private sector enterprises. Government contribution on the project is Rs8 m. spread over three years with Rs3 m. to be spent on 2015-2016. The funds will be used for awareness raising, press notices, sharing of information on the project outcomes.

**The Chairperson:** Hon. Uteem!

**Mr Uteem:** At page 121, Acquisition of Financial Assets - (i) *Tranquebar/Vallée des Prêtres Sewerage Project*. In the past four years, I have been asking the question and I am asking again. The only amount budgeted is Rs1m. So, when does the Government intend to implement the sewerage project in Tranquebar?

**Mr Collendavelloo:** It would not surprise me that you get the same answer. We will try and see and compare notes. Consultancy Services for feasibility study and design for Tranquebar/Vallée des Prêtres Sewerage Project, the consultancy cost to Servansingh Jadav & Partners is Rs5.8 m. The status is that the process of way leave acquisition has been initiated, the final preliminary design/report submitted and approved, amount spent up to March 2015 is Rs3.36 m. How does that compare to the four previous answers, I do not know, but you will tell me.

**The Chairperson:** Hon. Ganoo!

**Mr Ganoo:** I have two questions, Madam Chairperson, if you will allow me. On page 120, item 32 - *Acquisition of Financial Assets - 32145.503 (d) Non Revenue Water Projects in Upper Mare aux Vacoas System*, the sum of Rs139m. has been budgeted. Can the hon. Vice-Prime Minister tell us what will be the total value of this project, that is, eliminating non-revenue water in the Mare-aux-Vacoas water system, and if he can indicate to the House also by what percentage will the non-revenue water be reduced at the end of the project.

Since I am on the same page, but this one concerns wastewater, at the bottom of the page – *Loan to Wastewater Management Authority, (d) CHA Estates & Low Cost Housing Sewage Project*. This is a project which started years ago. I suppose it was discontinued because in 2014 we can see no funds were budgeted. But then, for the year 2015/2016, it is Rs12 m., for 2016/2017 it is Rs5 m., and then for 2017/2018 it is Rs65 m. I suppose because the elections will be nearer! But the question that I am asking is since Rs12 m. is being budgeted for 2015/2016, does the hon. Vice-Prime Minister have an idea of which are the CHA Estates which have been selected and where this project will be carried out?

**Mr Collendavelloo:** Non-revenue water will reduce from 60 per cent to 44 per cent in Upper Mare-aux-Vacoas. Those are the figures that I have. For the *CHA Estates & Low Cost Housing Sewage Project*, I am afraid I don't have the detailed information which the hon. Member wishes to obtain. I will certainly look into it and provide an answer in due course.

**Mr Ganoo:** Does the hon. Vice-Prime Minister have the total value of the Mare-aux-Vacoas project?

**Mr Collendavelloo:** The total value of the Mare-aux-Vacoas project is - I am sorry, let me come back to the CHA Estates, let me come with the last question - Rs1 billion. For the CHA Estates I can provide the answer now. It is for detailed design and preparation of bid documents and supervision of works. Luxconsult (Mauritius) Ltd. has been appointed in association with Naidoo & Associates. It started on December 2012. The completion date will depend on the work schedule, and the contract value is Rs26.7 m. Up to now, Rs5.1 m. has been spent. The bid for works will be launched by June 2015 for one estate. For the moment, the list of estates being subject to that sewage project is as follows –

(i) Malherbes (B)

(ii) Atlee;

(iii) Palmerston;

- (iv) Paul et Virginie;
- (v) Vallée des Prêtres, and
- (vi) Cité La Cure.

**The Chairperson:** Hon. Ameer Meea!

**Mr Ameer Meea:** On page 117, item 25110.008 - *Central Electricity Board (a) Electricity Supply and Displacement of Electric Lines/Poles for Hardship Cases*, will the hon. Vice-Prime Minister agree with me that a sum of Rs4 m. which is budgeted is a bit low compared to the number of cases that needs to be addressed? Secondly, on the same paragraph regarding (b) *Renewable Energy Development Programme (iv) Other Projects*, there is Rs15 m. May we know the details of this Rs15 m. and what are the other projects? My last question on the same paragraph is regarding item 26 *Grants*, the last item 26.139 *Mauritius Renewable Energy Agency*, Rs5 m. May we know what is this Mauritius Renewable Energy Agency? Is this a new agency, headed by whom and how many staff it has, etc.?

**Mr Collendavelloo:** Let us start with the easiest one, which is the hardship cases. Yes, this is the sum which is allocated. Yes, this is not enough and yes, the CEB complements from its own budget to pay for the additional money. That is an easy one to answer. Then the hon. Member asked me a question. On which page are we?

*(Interruptions)*

Page 117! I don't know; is there any age limit for Ministers to be allowed to sit when they answer?

**The Chairperson:** If the hon. Vice-Prime Minister wants to be seated, please, be seated!

**Mr Collendavelloo:** Alright, for the next question I will do that.

*(Interruptions)*

**The Chairperson:** We will now allow only two more questions!

**Mr Collendavelloo:** In the meantime, I will answer on the Mauritius Renewable Energy Agency. That is not an agency that has been set up. It is now being considered. Mauritius is part of what is called IRENA, which is the International Renewable Energy Agency. It is an offshoot of the United Nations and it is based in Abu Dhabi. We are going to obtain assistance from that agency. In order to do that, we need to set up our own local agency, which will be called MARENA, and the purpose will be to consolidate, centralise

and promote renewable energy under all forms. Instead of having the Ministry doing it itself with all sorts of difficulties, we will have MARENA which will be set up. We will identify the staff and we will come with a Bill to the House, of course, when this will be discussed.

*(Interruptions)*

Other projects are coming.

**The Chairperson:** Can we pass on to the next question in the meantime?

**Mr Collendavelloo:** 20 seconds! That means new renewable energy projects. I have done.

**The Chairperson:** Yes, hon. Lesjongard!

**Mr Lesjongard:** Thank You, Madam Chairperson. At page 116, item 26313.098 - *Utility Regulatory Authority*, I see that now provision has been made in the Estimates for 2015/2016. I have been putting that question year in year out to the former Minister and his reply has been that he is looking for *l'oiseau rare*. We voted that piece of legislation in 2004, amended in 2008, and I understand that that Authority is still not operational. Do we have the assurance of the hon. Vice-Prime Minister that this will be the case next year, that is, that Authority will be fully operational?

**Mr Collendavelloo:** Yes, it will be. The rare bird has been found, we hope. *N'en déplaise* my good friend, hon. Ameer Meea, he is not a *proche*, but he is competent as all persons whom my Ministry approaches to perform duties. I think he has signified his approval a few days ago; we need to set it up, and the House will be informed in due course. It is my priority to have that Utility Regulatory Authority as soon as possible.

**The Chairperson:** Hon. Mahomed!

**Mr Mahomed:** Thank you, Madam Chairperson. I refer to page 117, item 25110.008 (b) (ii) *Subsidy on Solar Energy Projects* and (iii) *Subsidy on Wind Energy Projects*. As far as I recall, projects launched by the previous Government required a subsidy of about Rs235 m. yearly when all projects, be it solar and wind, will be fully implemented, including the Small Independent Power Producers Scheme (SIPPS).

Now, in year 2018, in the last column, when one adds up, solar and wind, the total is only Rs181 m. Does that mean the Ministry will not launch any new renewable project in the meantime?

**Mr Collendavelloo:** No, it does mean that at all. We are certainly on expansion mode of renewable energy projects. The fact that the figures are as quoted in the Budget does not mean that there is a consequence that only the old projects are going to be put into operation. The old projects, when they have been approved, will have to be continued. There

is nothing wrong with these old projects. We have looked at the price. There are new projects which will come, but under MARENA, and not under the Ministry.

*Vote 5-1 Vice-Prime Minister's Office, Ministry of Energy and Public Utilities (Rs3,249,000,000) was, on question put, agreed to.*

*Vote 6-1 Finance and Economic Development was called.*

**Mr Uteem:** Madam Chairperson, on page 52, under item 21 - *Compensation of Employees*, sub-item 21110 - *Personal Emoluments*, I would like to know from the hon. Minister the amount budgeted for advisers to his Ministry and whether there is any amount budgeted in the emoluments for the advisers.

**Mr Lutchmeenaraidoo:** Sorry!

**Mr Uteem:** Can I know from the hon. Minister whether there is any amount in the Budget with respect to advisers appointed by the Ministry of Finance?

**Mr Lutchmeenaraidoo:** Well, I have one item for advisers which covers the provision for the payment – extra assistance. Is that so?

**Mr Uteem:** It is not the question that I have asked.

**Mr Lutchmeenaraidoo:** But then I have a problem. Can you give me the page and the item number?

**Mr Uteem:** Yes, it is item 21110. The question is: whether under personal emoluments in the Budget, there is an amount of Rs150 m. that is budgeted...

**Mr Lutchmeenaraidoo:** How much?

**The Chairperson:** Rs150 m. It is item 21110.

**Mr Lutchmeenaraidoo:** The reply is yes. It is Rs13.3 m.

*Vote 6-1 Finance and Economic Development (Rs1,104,600,000) (January-June 2015) was, on question put, agreed to.*

*Vote 6-2 Central Procurement Board was called.*

**Mr Ganoo:** Madam Chairperson, on page 127 ...

**Mr Lutchmeenaraidoo:** Non, nous sommes à la page 53.

**Mr Ameer Meea:** Madam Chairperson, on page 54, item 22120 - *Fees*, there is an amount of Rs4.1 m. budgeted. May we know the details of this?

**Mr Lutchmeenaraidoo:** Yes, page 54. Which item?

**Mr Ameer Meea:** Item 22120 – *Fees*. There is an amount of Rs4 m. which has been budgeted for January to June. May we know the details of this amount?

**Mr Lutchmeenaraidoo:** Fees to assessors of bids and it is Rs4 m. It is as follows –

- (i) fees are paid according to number of sittings per hour as approved by the Board;
- (ii) fees for training Rs50,000, and
- (iii) fees for legal assistance; provision made for the payment of a composite fee for both legal advisory and for court litigation services. It is Rs120,000.

*Vote 6-2 Central Procurement Board (Rs30,000,000) (January-June 2015) was, on question put, agreed to.*

*Vote 6-3 The Treasury (Rs52,200,000) (January-June 2015) was called and agreed to.*

*Vote 6-4 Statistics Mauritius was called.*

**Mr Uteem:** Mr Chairperson, on page 56, under item 22130 - *Studies and Surveys*, there is a reduction. May we know which studies and surveys are being provided for in the six months?

**Mr Lutchmeenaraidoo:** I will give you the answer that I have. Surveys –

- provisions made for payment in respect of census of agriculture, Rs1.4 m;
- census of economic activities, Rs500,000;
- surveys of inbound and outbound tourists, Rs1.5 m., and
- continuous multipurpose household survey, Rs7,268,500.

*Vote 6-4 Statistics Mauritius (Rs79,000,000) (January-June 2015) was, on question put, agreed to.*

*Vote 6-5 Valuation Department was called.*

**Mr Ameer Meea:** Madam Chairperson, on page 57, item 22030 - *Rent*, there is an amount of Rs8.2 m. May we know what is being rented and from whom this is being rented, and also the area that is being rented?

**Mr Lutchmeenaraidoo:** This item covers the rental of building. Provision is made for the rental of office space of 3,000 square metres, including parking area for 40 vehicles at NexTeracom, Ebene, at Rs1,350,000 per month.

*Vote 6-5 Valuation Department (Rs55,000,000) (January-June 2015) was, on question put, agreed to.*

*Vote 6-6 Corporate and Business Registration Department (Rs52,200,000) (January-June 2015) was called and agreed to.*

*Vote 6-7 Registrar-General's Department was called.*

**Mr Uteem:** Madam Chairperson, on page 59, the last item *31132.401 - Upgrading of ICT Infrastructure*, the actual amount was Rs64 m. and there is Rs17 m. planned. May I know from the hon. Minister what does this relate to and to whom the contract was awarded?

**Mr Lutchmeenaraidoo:** This is a provision made for phase II of the Mauritius e-Registry project, which will offer the submission payment and delivery services of the Registrar-General's Department online, scheduled for 30 June 2015.

**Mr Uteem:** To whom was the contract awarded?

**Mr Lutchmeenaraidoo:** To whom? The information will be circulated.

*Vote 6-7 Registrar-General's Department (Rs62,000,000) (January-June 2015) was, on question put, agreed to.*

*Vote 6-1 Finance and Economic Development was called.*

**The Chairperson:** Yes, hon. Uteem!

**Mr Uteem:** Thank you, Madam Chairperson. I am on page 125, under item *21110 - Personal Emoluments*. I see that the total posts filled in 2014 were 385 and for 2015-16 the figure funded is 489, that is, 25% increase. May I know from the hon. Minister why 100 more Analysts and other employees?

**Mr Lutchmeenaraidoo:** More Analysts?

**Mr Uteem:** When you look at the breakdown, there are a few Analysts. There is a number of additional staff, but it comes to 100 more people. The total is on page 127.

**Mr Lutchmeenaraidoo:** Anyway, filling of vacancies, new posts at different levels and Analysts. That's what I have.

**Mr Uteem:** The question was why the increase. Was it because it has not been filled for a long time or is it that now they are recruiting new people?

**Mr Lutchmeenaraidoo:** The posts could not be filled because of schemes of service which were being reviewed.

**The Chairperson:** Hon. Ameer Meea!

**Mr Ameer Meea:** Thank you, Madam Chairperson. On page 127, item *22120 - Fees*. There is an amount of Rs21.6 m. May we have the details and the breakdown for this figure? Another question on the same page is on item *26313 – Current Grant to Extra Budgetary Units*.

**Mr Lutchmeenaraidoo:** Can we start one by one?

**The Chairperson:** Yes.

**Mr Lutchmeenaraidoo:** It's a long reply; the one on item *22120*.

**The Chairperson:** One by one.

**Mr Lutchmeenaraidoo:** With regard to fees of Rs21,650,000, the breakdown is: fees to Chairman and members of Boards and Committees, Rs3.2 m.; provision made for payment of fees to officers attending the following committees: the Public Pension Advisory Committee, Departmental Bid and Bid Evaluation Committees, and Truth and Justice Commission. The sum of Rs10,200,000, fees for training, relates to provision made for payment of fees to UTM for officers of the Financial Operations, Procurement and Supply, and Internal Control Cadres following the Diploma, BSc courses and for local training of other staff; fees to consultants, Rs2,750,000; fees in respect of the Resident Advisor and the Risk Assessment Consultant for Debt Management Capacity Building Project; Rs500,000 for refund of subscription fees to professional bodies; provision made for the refund of subscription fees to professional bodies in line with the recommendations of the PRB and the EOAC Reports 2013; Rs5 m. Capacity Building Programme, provision made in relation to procurement of technical expertise both locally and abroad where specialised skills will be required.

**The Chairperson:** Yes, hon. Ganoo!

**Mr Ganoo:** Can I ask the hon. Minister with regard to page 127, *Assessment...*

**Mr Lutchmeenaraidoo:** Item No.?

**Mr Ganoo:** It is on top of page 127, first line, item *21110.001 - Assessment Review Committee, Chairperson, Assessment Review Committee*. I see that the emoluments of the Chairperson, Assessment Review Committee, are the same for the years 2014, 2015-16, 2016-17 and 2017-18 unlike the Vice-Chairperson of the same Board. Can the hon. Minister inform the House whether the incumbent is on contract or is he on establishment? Because for all the coming four years the emoluments are the same. With regard to the measure announced in the Budget concerning the deposit required for a taxpayer when he lodges an objection before the ARC - before this same Committee - which has been reduced from 30% to 10%, may I ask the hon. Minister if he can inform the House whether that also will apply to somebody who has purchased property and who does not agree with the assessment made by the Registrar-General's Department? Does this apply also in that case or does it concern only taxpayers?

**Mr Lutchmeenaraidoo:** As far as I know, this concerns only taxpayers because only taxpayers have to make a down payment of 30%. Then...

**Mr Ganoo:** For assessment also, you have to make a deposit.

**Mr Lutchmeenaraidoo:** I will ask the officers at the back to help me. For the hon. Member's first two questions, I have two replies which look very funny. One is flat salary, and the second one is contract.

*(Interruptions)*

**The Chairperson:** Hon. Rutnah, please don't disturb the hon. Minister. You are not supposed to.

**Mr Lutchmeenaraidoo:** Since I get no reply from my officers, I will circulate the answer.

**Mr Ganoo:** If I may enlighten the hon. Minister, in his speech he said 'assessment made by the MRA or by the Registrar-General's Department'. These are the two cases when the deposit has been reduced.

**Mr Lutchmeenaraidoo:** It could mean then that the down payment is being reduced from 30% to 10% for taxpayers and also for companies.

*(Interruptions)*

I hope so.

**The Chairperson:** Yes, hon. Uteem!

**Mr Uteem:** Thank you, Madam Chairperson. On page 127, item 26313 - *Current Grant to Extra Budgetary Units*, sub-item .004 - *Board of Investment*. The budgeted amount is almost 30% more than in 2014. May I know the reason for the increase in the grant to the Board of Investment?

**Mr Lutchmeenaraidoo:** It looks like being quite substantial. The answer I have here is that it is provision made to meet the recurrent expenses of the Board of Investment as follows –

- staff cost, 105 funded positions, Rs92.8 m.;
- cost of utilities; provision made for electricity charges for additional rental space on the eighth floor of the One Cathedral Square Building, Rs7.1 m. rent, increase in provision due to rental of additional space as from August 2015, at the rate of Rs431,000 per month;
- fees to Chairperson and Members of Board and Committees have been increased from Rs1.9 m. to Rs3.6 m. A new Board has been constituted comprising one Chairperson and 10 Board Members. The fee for the Chairperson is Rs50,000 and Rs25,000 per Board Member. It includes also

mission expenses, which move from Rs20.2 m. to Rs37.5 m. - this is the item which has increased.

Provision for major events and missions is as follows –

- Major Mauritius road shows: Rs14 m.;
- overseas targeted and follow-up missions and participation in overseas conferences. Countries, amongst others are China, India, Middle East, UK, France, Monaco, Switzerland, South Africa, US and others – Rs23.5 m;
- investment promotion – this is being reduced. Provision made for the review of old BOI promotion material from Rs6.5m. to Rs3 m.;
- consultancy fee is also provision made for studies in new sector of activities, such as Ocean Economy and Petroleum Support Services, which is stable, from Rs5.1 m. in 2014 to Rs5.5 m.;
- conference, Workshop/Seminar, the item has been reduced from Rs22.8 m. to Rs12 m., and
- Other operating expenses from Rs19.6 m. to Rs20.39 m.

Now I come to the reason why it has increased. Foreign Office Representatives: this item in the Budget is being increased from Rs3.3 m. to Rs51.36 m. Provisions made for the salary and other associated cost of BOI representatives in eight foreign offices, namely Paris, London, Geneva, Mumbai, China, South Africa, USA and Russia.

**The Chairperson:** Hon. Ameer Meea!

**Mr Ameer Meea:** On page 125, under *item 21110 - Personal Emoluments*, the first line. Just a clarification and nothing personal in it, the salary for the Minister is being doubled. Last year, it was Rs1,113,000 and for the next year it would be Rs2.3 m. and, in comparison to that, the Financial Secretary's salary remains the same, Rs1.8 m. for 2014, and 2015 same figure of Rs1.8 m. Just a point of clarification!

**Mr Lutchmeenaraidoo:** No Minister was in post in 2014. Yes, *aussi simple que ça; il fallait y penser, mon cher Watson!*

**The Chairperson:** Hon. Uteem!

**Mr Uteem:** Thank you, Madam Chairperson. On page 127, *item 26313.043 - Mauritius Revenue Authority*. There is an increase of Rs150 m. to the MRA. I would like to know what this relates. Since we are on the same MRA, on the next page, there is Capital

Grant and there also an increase from Rs60 m. to Rs192 m. So, may I know why the increase to the grants to MRA?

**Mr Lutchmeenaraidoo:** I don't find any substantial increase because the current grant is almost Rs1.3 billion around to Rs1.438 billion. So, it's Rs100 m. The increase comes mostly from staff costs. The staff cost moves from Rs1.094.435 to Rs1.223 m. So, maybe, this is the item. The increase in provision is due to the payment of salary review with effect from 01 July 2014 to 1,495 officers and then normal increment. I think this is the item. For Capital Budget, what is the question?

**Mr Uteem:** On page 128, item 26323.043 - *Capital Grant to Extra Budgetary Units, Mauritius Revenue Authority.*

**Mr Lutchmeenaraidoo:** Yes, you are right! It has been increased from Rs66.6 m. to Rs192 m. Machinery and equipment increases from Rs17 m. to Rs115 m. Provision made for the procurement of a boat and a new X-ray scanner to reinforce the implementation of the Drug Interdiction Programme. Then, we have also a new item of Rs16.7 m., which is provision made for the study on monitoring system for gaming activities, implementation of performance appraisal in FIN-HR – I don't know what this means – and taxpayers' services through mobile devices. There is another increase, which is substantial, from Rs9.6 m. to Rs30.6 m.; provision made for network and security enhancement that will provide protection against sophisticated malware; extending storage infrastructure; clustering of Tax Payer Online Services (TPOS); enhancement of the time, attendance and access control at Ehram Court; enhancement of main core for IP telephony and, finally, ORGAP Portal int. facing with Customs Management System, CMS.

*Vote 6-1 Finance and Economic Development (Rs2,606,800,000) was, on question put, agreed to.*

*Vote 6-2 Central Procurement Board (Rs63,400,000) was called and agreed to.*

*Vote 6-3 The Treasury was called.*

**The Chairperson:** Hon. Uteem!

**Mr Uteem:** Thank you, Madam Chairperson. Just for clarification, on page 132, item 21110 - *Personal Emoluments.* There is an increase in staffing again, 21 new staff, and the most important ones are Management Support Officers. There are around 11 new posts being created for Management Support Officer. May I know the reason for the increase in posts?

**Mr Lutchmeenaraidoo:** Sorry, which job is that?

**Mr Uteem:** Generally, there is an increase of 21 new staff, but out of this, 11 relates to Management Support Officer (MSO).

**Mr Lutchmeenaraidoo:** MSO centrally posted from MCSAR to cope for increased workload.

*Vote 6-3 The Treasury (Rs128,500,000) was, on question put, agreed to.*

*Vote 6-4 Statistics Mauritius (Rs154,700,000) was called and agreed to.*

*Vote 6-5 Valuation Department was called.*

**The Chairperson:** Yes, hon. Ameer Meea!

**Mr Ameer Meea:** Can I ask the hon. Minister whether provision has been made for the payment of the salary of Mr Bissessur, the Valuation Officer who lost his memory and then got it back?

**Mr Lutchmeenaraidoo:** It has been done so quickly.

**Mr Ameer Meea:** Yes, as he has been reintegrated.

**Mr Lutchmeenaraidoo:** Yes.

*Vote 6-5 Valuation Department (Rs121,500,000) was, on question put, agreed to.*

*The following votes were called and agreed to -*

*6-6 Corporate and Business Registration Department (Rs110,000,000)*

*6-7 Registrar-General's Department (Rs108,100,000)*

**Mr Lutchmeenaraidoo:** Madam Chairperson, I beg to move that you do report progress and ask leave to sit again.

*Question put and agreed to.*

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

## **ADJOURNMENT**

**The Vice-Prime Minister, Minister of Housing and Lands (Mr S. Soodhun):** Madam Speaker, I beg to move that this Assembly do now adjourn to Thursday 16 April 2015 at 10.30 a.m.

**Mr Lutchmeenaraidoo rose and seconded.**

*Question put and agreed to.*

**Madam Speaker:** The House stands adjourned.

*At 7.31 p.m., the Assembly was, on its rising, adjourned to Thursday 16 April 2015, at 10.30 a.m.*