



REPUBLIC OF MAURITIUS

**SIXTH NATIONAL ASSEMBLY****PARLIAMENTARY****DEBATES****(HANSARD)****FIRST SESSION****WEDNESDAY 13 MAY 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
Hon. Ravi Yerrigadoo	Attorney General
Hon. Mahen Kumar Seeruttun	Minister of Agro-Industry and Food Security
Hon. Santaram Baboo	Minister of Arts and Culture
Hon. Ashit Kumar Gungah	Minister of Industry, Commerce and Consumer Protection
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
Serjeant-at-Arms	Pannoo, Mr Vinod

**MAURITIUS**

**Sixth National Assembly**

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**FIRST SESSION**

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**Debate No. 26 of 2015**

**Sitting of 13 May 2015**

**The Assembly met in the Assembly House, Port Louis at 11.30 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 –

**Office of the President**

**A**

- The Municipal City Council and Municipal Town Council Elections (Amendment) Regulations 2015 (Government Notice No. 102 of 2015).

**Ministry of Energy and Public Utilities**

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- The Ground Water (Amendment) Regulations 2015 (Government Notice No. 71 of 2015).

**Ministry of Finance and Economic Development**

- (a) The Agreement on Exchange of Information on Tax Matters (Republic of Austria) Regulations 2015 (Government Notice No. 72 of 2015).
- (b) Virement (Contingencies) Warrant Nos. 1 to 48, 50 to 59 and 61 to 63 of 2014. (In Original)
- (c) Retrospective Virement (Contingencies) Warrant No. 64 of 2014. (In Original)
- (d) Virement Warrant Nos. 1 to 60, 62, 64 and 66 to 70 of 2014. (In Original)

**Ministry of Local Government**

The Local Government (Adequate Representation of Each Sex on Local Authority and Validity of Reserve Lists) (Revocation) Regulations 2015 (Government Notice 101 of 2015).

**Ministry of Labour, Industrial Relations, Employment and Training**

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- (a) The Attorneys' and Notaries' Workers (Remuneration) (Amendment) Regulations 2015 (Government Notice No. 73 of 2015).
- (b) The Baking Industry (Remuneration Order) (Amendment) Regulations 2015 (Government Notice No. 74 of 2015).
- (c) The Blockmaking, Construction, Stone Crushing and Related Industries (Remuneration Order) (Amendment) Regulations 2015 (Government Notice No. 75 of 2015).
- (d) The Catering and Tourism Industries (Remuneration Order) (Amendment) Regulations 2015 (Government Notice No. 76 of 2015).
- (e) The Cinema Employees (Remuneration Order) (Amendment) Regulations 2015 (Government Notice No. 77 of 2015).
- (f) The Cleaning Enterprises (Remuneration) (Amendment) Regulations 2015 (Government Notice No. 78 of 2015).
- (g) The Distributive Trades (Remuneration Order) (Amendment) Regulations 2015 (Government Notice No. 79 of 2015).
- (h) The Domestic Workers (Remuneration) (Amendment) Regulations 2015 (Government Notice No. 80 of 2015).

- (i) The Electrical, Engineering and Mechanical Workshops (Remuneration) (Amendment) Regulations 2015 (Government Notice No. 81 of 2015).
- (j) The Export Enterprises (Remuneration Order) (Amendment) Regulations 2015 (Government Notice No. 82 of 2015).
- (k) The Factory Employees (Remuneration Order) (Amendment) Regulations 2015 (Government Notice No. 83 of 2015).
- (l) The Field-crop and Orchard Workers (Remuneration Order) (Amendment) Regulations 2015 (Government Notice No. 84 of 2015).
- (m) The Light Metal and Wooden Furniture Workshops (Remuneration Order) (Amendment) Regulations 2015 (Government Notice No. 85 of 2015).
- (n) The Livestock Workers (Remuneration Order) (Amendment) Regulations 2015 (Government Notice No. 86 of 2015).
- (o) The Newspapers and Periodicals Employees (Remuneration Order) (Amendment) Regulations 2015 (Government Notice No. 87 of 2015).
- (p) The Nursing Homes (Remuneration Order) (Amendment) Regulations 2015 (Government Notice No. 88 of 2015).
- (q) The Office Attendants (Remuneration) (Amendment) Regulations 2015 (Government Notice No. 89 of 2015).
- (r) The Pre-Primary School Employees (Remuneration Order) (Amendment) Regulations 2015 (Government Notice No. 90 of 2015).
- (s) The Printing Industry (Remuneration) (Amendment) Regulations 2015 (Government Notice No. 91 of 2015).
- (t) The Private Secondary School Employees (Remuneration Order) (Amendment) Regulations 2015 (Government Notice No. 92 of 2015).
- (u) The Public Transport (Buses) Workers (Remuneration Order) (Amendment) Regulations 2015 (Government Notice No. 93 of 2015).
- (v) The Road Haulage Industry (Remuneration) (Amendment) Regulations 2015 (Government Notice No. 94 of 2015).
- (w) The Salt-Manufacturing Industry (Remuneration Order) (Amendment) Regulations 2015 (Government Notice No. 95 of 2015).
- (x) The Sugar Industry (Agricultural Workers) (Remuneration Order) (Amendment) Regulations 2015 (Government Notice No. 96 of 2015).
- (y) The Sugar Industry (Non-Agricultural Workers) (Remuneration Order) (Amendment) Regulations 2015 (Government Notice No. 97 of 2015).
- (z) The Tailoring Trade (Remuneration Order) (Amendment) Regulations 2015 (Government Notice No. 98 of 2015).
- (aa) The Tea Industry Workers (Remuneration Order) (Amendment) Regulations 2015 (Government Notice No. 99 of 2015).
- (ab) The Travel Agents and Tour Operators Workers Remuneration (Amendment) Regulations 2015 (Government Notice No. 100 of 2015).

**F Ministry of Industry, Commerce and Consumer Protection**

The Annual Report 2012 of the Fashion and Design Institute.

**G. Ministry of Ocean Economy, Marine Resources, Fisheries, Shipping and Outer Islands**

The Annual Report 2012 of the Mauritius Oceanography Institute. (In OI)

## ORAL ANSWER TO QUESTION

### AIR MAURITIUS LTD. - FINANCIAL SITUATION

**The Leader of the Opposition (Mr P. Bérenger)** (*by Private Notice*) asked the Deputy Prime Minister, Minister of Tourism and External Communications whether, in regard to Air Mauritius Ltd., he will, for the benefit of the House, obtain therefrom, information as to -

- (a) if it is in a dire financial situation considering its accumulated losses and its debts and overdrafts and, if so, indicate the remedial measures being taken in relation thereto;
- (b) if a new hedging agreement is in force;
- (c) if the purchase of new planes is in process;
- (d) if it has been informed of the details of the new more liberal open air access policy of Government, and
- (e) the present composition of the Board thereof and the status of the Chief Executive thereof.

**The Deputy Prime Minister:** Madam Speaker, I would like to point out that Air Mauritius is a public company, incorporated under the Companies Act and managed by a Board of Directors. Moreover, it is a Listed Company on the Stock Exchange of Mauritius with around 13,000 shareholders, Government being one of them. In this context, it would be pertinent to recall that Listing Rule 11.3 of the Stock Exchange, in particular, requires that all sensitive information likely to affect the share price should be given in priority to the Stock exchange. This is further reinforced by section 87 of the Securities Act.

I will, therefore, disclose such information as is possible within the limits of the law.

Madam Speaker, in regard to part (a) of the question, the aviation industry worldwide is dominated by intense competition, depressed economic environment especially in Europe and volatile price of fuel. On the regional front, major developments have occurred with the investment of Etihad in Air Seychelles, and the bail outs of South African Airways, Kenya Airways and Air Austral by their respective governments.

It is within this extremely volatile environment that Air Mauritius is called upon to operate and compete with its existing ageing fleet. Indeed, the A340s are four engines long-haul aircraft having a high fuel consumption and requiring higher maintenance.

The House will note that the results of Air Mauritius were as follows since Financial Year 2010/2011 -

2010/2011: Profit Euro 9.9 m.

2011/2012: Loss of Euro 29.2 m.

2012/2013: Loss of Euro 3.6 m.

2013/2014: Profit of Euro 7.3 m.

9 months to December 2014: Loss of Euro 9.1 m.

Notwithstanding, the results of previous years, the company has retained earnings - therefore, no accumulated losses - of 36.4 m. Euro as at 31 December 2014. I am also informed by the Board of Directors that the Company has sufficient funds and banking facilities to meet all its debts and its other financial obligations as and when they fall due as stated in its Communiqué of 04 May 2015.

The Board is fully aware of the actual difficult situation and is taking important measures to ensure the viability of the Company. These include -

- The appointment of an international firm of consultants to review the business model.
- Improving productivity and efficiency.
- Carrying out an HR audit.
- Carrying out a Cargo Forensic Audit.
- Improving quality.
- Further cost reduction measures across the board.
- Further improvement of alliances with airlines to all destinations served.
- New aircraft and planned interim measures to improve product (such as Inflight Entertainment and seats).

Madam Speaker, my Ministry has on 13 January 2015 requested the Ministry of Financial Services, Good Governance and Institutional Reforms, to carry out a full inquiry on the purchase of airplanes. Further, the same Ministry is carrying out another inquiry on the Cargo Department of Air Mauritius.

The House may note that following the recruitment of Seabury, a firm of consultants, in February 2012, a 7-Step recovery plan was implemented covering, *inter alia*, the following areas -

- Network concentration and optimisation;
- Improvements in revenue management and commercial function;
- Cash conservation and cost reduction, and
- A major Customer Service Improvement project.

Madam Speaker, the House will also note that the depreciation of the Euro vis-à-vis the USD and other currencies is accentuating. As the House is aware, whilst expenditure of Air Mauritius is mostly denominated in US dollars, its revenue is essentially derived in Euro. During the year, the EUR/USD exchange rate dropped from 1.38 to 1.08 resulting in a negative impact of some EUR 24 m. compared to the corresponding period ending December 2013.

In addition, Air Mauritius was affected by the slower growth on mainland China with capacity outpacing expected growth. Load factor dropped from 79% to 63% for the period ending December 2014.

In addition, increasing competition from foreign carriers on all markets. Revenue, again, Madam Speaker, went down by Euro 6.3 million for that period.

Notwithstanding these financial challenges, the cash flow of Air Mauritius is stable and the gearing ratio well within industry norms. Indeed, the airline generates adequate cash to meet its financial obligations as and when they fall due. In addition, it has secured banking facilities upon which it can draw, as and when required.

Madam Speaker, in regard to part (b) of the question, I would like to inform the House that hedging is broadly meant to lock-in the cost of future purchases.

The driving principle is to protect the company from price risk that would have an adverse impact on key financial parameters, that is, fuel and foreign exchange essentially. Since 2011, the hedging strategy of Air Mauritius has been purely focussed on mitigating the

impact of fuel and foreign exchange volatility on profitability as well as protecting the balance sheet.

International experts, Lazard Frères, were appointed in 2009 to assist the company to redesign its hedging policy, revise and update its Risk Manual and put in place tools and appropriate mechanisms to better manage the financial risks.

The current hedging policy prescribes for a minimum of 30% and a maximum of 70% hedge ratio of the company's requirements over a maximum period of 2 years on a rolling basis.

Madam Speaker, I am informed by Air Mauritius that, with the assistance of Lazard Frères, it has continued its hedging activities within the new policy framework. The financial instruments used currently are plain vanilla instruments as opposed to the riskier leverage instruments on the downside that had been subscribed by the airline in 2008 such as the double-down extendible. The choice of financial instruments is determined by the Risk Manual which was revised to take into account lessons learnt from the 2008 hedging.

Hedging activities are carried out in line with the legal and regulatory framework under the International Swaps and Derivatives Association (ISDA) Master Plan. This document outlines the terms applied to a derivatives transaction between Air Mauritius and its counterparties, that is, financial institutions.

Consequently, Air Mauritius has signed an agreement, in line with the revised manual recommended by Lazard Frères, with the eight counterparties to carry out hedging activities.

As regards part (c) of the question, Step 5 of the 7-step Recovery Plan constitutes the reflecting of the existing long-haul wide-budy A340fleet with the new generation aircraft. The rationale for the fleet re-equipment is as follows -

- The ageing A340 fleet with an average age of 14 years at end March 2015, with the age of the two oldest aircraft being 20.4 years and 18.4 years respectively;
- The high operating cost of the four engines aircraft;
- Loss of competitive edge vis-à-vis other airlines operating more efficient aircraft.

Air Mauritius is replacing its 6 aged Airbus A340 with 6 Airbus A350-900 two engine new generation aircraft, which have lower maintenance costs and fuel savings estimated at 25%.

Two will be leased from AerCap and come into service in 2017 and four have been purchased from Airbus with two being delivered in 2019 and two in 2020.

The two operating leases from AerCap have been approved and security deposits will be financed from internal resources. The deposits for the four purchased from Airbus amounting to 12% of the cost will be financed from internal resources and existing facilities. The balance is to be financed with Export Credit Agency (ECA) supported financial leases. Air Mauritius has been historically using Export Credit Agency backed financing to finance aircraft acquisitions.

With regard to part (d) of the question, the Government Programme 2015/2019 provides that the air access policy will be reviewed to transform Mauritius into a regional aviation and tourism hub. This is in line with our tourism strategy which is geared towards further diversification of source-markets, that is, a gradual blend of the traditional segments with emerging markets like Asia and Africa. Developments in these sectors will inevitably call for a re-engineering of our air access policy without jeopardizing the interest and viability of our national carrier. Notwithstanding the challenges posed by a gradual air access liberalisation, Air Mauritius remains an essential strategic partner in the development of our tourism industry, indeed economic development of our island as a whole. Government will strike the right balance between the interests of all stakeholders including that of the national carrier. We will encourage airlines to operate on new routes from new markets including seasonal and opportunity flights.

Madam Speaker, in regard to part (e) of the question, I am tabling the composition of the Board.

The Chief Executive Officer is on contract expiring in August 2015.

**Mr Bérenger:** Madam Speaker, we have been provided with the figures for losses up to December 2014, if I heard the hon. Deputy Prime Minister rightly, but it has been reported that, for the full financial year ending March of this year, Air Mauritius will meet with a loss of Rs800 m. and this has been widely reported; can I know from the hon. Deputy Prime Minister whether this figure is confirmed?

**The Deputy Prime Minister:** Madam Speaker, whichever figures are being branded about, are unaudited figures provided for probably through rumours, but also based on some of the actual unaudited figures of Air Mauritius. It would not be possible for me, given the listing and the impact on the company's shares, to pre-empt what the audited figures will eventually be.

**Mr Bérenger:** Can I know whether the Deputy Prime Minister has the figure for overdrafts as at now?

**The Deputy Prime Minister:** I don't have the figure for overdrafts as at now, but I do know that the company has something like Euro 70 m. of unutilised overdraft facilities.

**Mr Bérenger:** I have not heard the hon. Deputy Prime Minister make any reference to *licenciement*, but again, in the Press, it has been widely reported that *licenciements* are envisaged. Can I know from the hon. Deputy Prime Minister whether, at this stage, at Air Mauritius itself or at its subsidiary Airmate Limited, any *licenciements* are envisaged?

**The Deputy Prime Minister:** Madam Speaker, I am informed that the current overdraft of Air Mauritius is Euro 5.5 m or so which is not substantial. As far as *licenciement* or any other cost reduction measures, Madam Speaker, I think the House will agree that *rien ne sera écarté*. We will look at all the measures that are necessary. Air Mauritius is in a difficult situation. It is facing a very competitive environment. The near parity between the Euro and the US dollar is creating havoc to its revenue which is falling and the revenues are mainly in Euros; so, at 60%. Costs are mainly in US dollars around 60 % again. So, the near parity of the Euro and the US dollar is creating a disrupting situation for Air Mauritius. On top of that, we have to add the ageing fleet and the high costs of operation. So, nothing will be set aside. The Board of Air Mauritius has decided to take whatever action is required to return the company to profitability.

**Mr Bérenger:** *Licencement* apart, can I know from the hon. Deputy Prime Minister whether he has any idea what is going to happen to the Air Mauritius subsidiary Airmate Ltd?

**The Deputy Minister:** Madam Speaker, although I am sympathetic to the cause of the employees, this must be put in a general context of the company. Now if something has to be decided, obviously it is for the Board to take that decision, but it has to be in the context of the current competitive situation or the current losses that are being incurred and, of course, of the need to preserve as much employment as possible. So, it may not be the time for *largesses* in the company, but although I must say that personally, as a human being, I am sympathetic to the cause. But it will be up to the Board of Air Mauritius to take the decision that is necessary, given the current economic context.

**Mr Bérenger:** The hon. Deputy Prime Minister has told us that the gearing ratio is normal for the industry; is it a fact that the gearing ratio is 4:1?

**The Deputy Prime Minister:** No, Madam Speaker. Thank you for the question. It is 1:1.5. I am told that other companies - although I have not checked personally - like British Airways are 1:2. So, it is 1:1.5; thank you for that question.

**Mr Bérenger:** Can I know from the hon. Deputy Prime Minister whether, at this stage, the suggestion of a strategic partner is being envisaged?

**The Deputy Prime Minister:** I would say, Madam Speaker, that the point of appointing international firm or consultancy is to look at all the options. We are a very small company. We are faced with a lot of competitions and like it or not, not just for tourism, but for the whole concept of Mauritius being a hub to Africa, being a medical hub, being a financial services hub, being an educational hub, all that requires connectivity. So, in fact, nothing is being left out. I am not an expert in aviation. We leave it to the experts and let them come up and then the Board of Directors, obviously, with the input from the main shareholder, will decide.

**Mr Bérenger:** If I can, Madam Speaker, move on to the hedging issue. Can I know from the hon. Deputy Prime Minister whether there is any figure for losses, if any, sustained under the new present hedging arrangements and, finally, what is the final sum “that was lost” under the previous hedging arrangement?

**The Deputy Prime Minister:** Madam Speaker, there are three types of figures we are going to consider. One is the situation as at 31 December which has been published. I think a loss of about 1.2 million Euros, and we are talking of both foreign exchange hedging and fuel hedging. We have, generally again, on the foreign exchange further loss on the fuel hedging. So, without going – it is difficult for me to answer, but I will give the figure because speculation would be worse, Madam Speaker. I say again, the unaudited figures roughly amount to, again, of something like Rs2.5 m. on foreign exchange hedging, but a loss of about Rs10 m. on the fuel hedging. So, the next loss for 31 March would be about Rs7.5 m. What I need to say, Madam Speaker, is the point of hedging is to lock-in the cost of fuel. Now, the hon. Leader of the Opposition raised a matter of 2008. I was not Minister responsible for Air Mauritius in 2008, but after that I did become responsible. But, at that time, Air Mauritius had gone for a large amount of hedging, that is, 80% to 90% of its fuel requirements. And not only had it done that, Madam Speaker, but it had taken the cheapest product. Hedging is like an insurance. We can take an expensive insurance or we can take a cheap insurance. That was a very cheap insurance and the cheap insurance resulted – it was

commonly called double extendable - Madam Speaker, in a loss of 144 million Euros. We have to multiply by 40 rupees, of course.

**Mr Bérenger:** If I can move on to the purchase of new planes. Very serious allegations were made by the Minister concerning the deal between Air Mauritius and Airbus under the previous Government, but, now, I understand that Government is going ahead with the purchase of the airbus planes, although we are informed that an enquiry is on. But can I, therefore, put it on record, have it from the Minister, that the order to Airbus has, indeed, since the general elections, been confirmed?

**The Deputy Prime Minister:** Madam Speaker, the hon. Leader of the Opposition may know that, in fact, the Memorandum was signed by the previous Government on 06 July 2014 and the order was placed a little before Nomination Day for the six airplanes. Now, this has been done. The aircraft lease will be coming, as I mentioned, in 2014, the four others a little later. Immediately as I took office, with the concurrence of Cabinet, Madam Speaker, the full documents were sent to the Ministry of Good Governance because there had been rumours - we want to check the rumours – but, at the same time, we cannot stop the operation of Air Mauritius and all the benefits that will come from obtaining these aircrafts. Notwithstanding this, if there has been any *maldonne* - I am sure you will agree that my colleague is doing very good forensic work - and I am sure that if there is anything wrong, he will find the culprits, Madam Speaker.

**Mr Bérenger:** Madam Speaker, as far as air access is concerned, I am glad to have heard the Minister say that Government will strike the right balance between the interest of Air Mauritius, Tourism and the other sectors of the economy, including Rodrigues also. Can we know what can be expected in terms of increases in flights? There are requests, I understand, from Emirates Airlines and others to increase their number of flights to Mauritius. At this stage - the new more liberal open air access policy referred to in the Budget Speech - can we know whether that will result in increase and, if yes, how many increased flights operated by Emirates and the others?

**The Deputy Prime Minister:** Madam Speaker, I must perhaps also say that Air Mauritius is in a difficult situation. The Rt. hon. Prime Minister was right to ring the alarm bells and point out that the Board has to take the appropriate action.

As regards the air access policy which is in line, obviously, affects Air Mauritius. There is air access and air access, Madam Speaker. There is air access towards the main

markets and air access towards the region. So, these are two different aspects. What I know is that hopefully, as I mentioned here in Parliament recently, there may be substantial developments between China and Mauritius, India and Mauritius and Africa, which, I think, the whole House will agree, is an exceptionally good thing for the country. As far as the other markets are concerned, Madam Speaker, we are waiting for the review of the air access policy before any decision is taken.

**Mr Bérenger:** The last part of my question, Madam Speaker, is that with the present composition of the Board which has been circulated, can I know - because again there have been reports in the Press - whether conflicts of interest between Members of the Board present or recent past, have been detected and, if yes, whether those cases or conflicts of interest have been referred to the Police?

**The Deputy Prime Minister:** Madam Speaker, I presume the hon. Leader of the Opposition is referring to the Air Cargo. There is an inquiry going on. I think the report will be out on Friday and whatever action needs to be taken - I have not seen it - if it has to go to the Police, I am sure the Board will do that, because the whole point of the Air Cargo inquiry was to determine whether anything is at fault and if things are at fault, then, obviously, decisions will need to be taken.

**Madam Speaker:** Hon. Jhugroo!

**Mr Jhugroo:** Madam Speaker, can the hon. Deputy Prime Minister state whether it is in order to purchase aircrafts six days before the Nomination Day and, if so, can we know how many aircrafts, the types of aircrafts and the amount involved?

**The Deputy Prime Minister:** Madam Speaker, I must say I left Government in June and the aircrafts were purchased in July; the first agreement and then the actual signature a little before the Nomination Day. I would think that it is certainly not good governance, given that huge cost of the aircraft and given the question marks that have been raised during the campaign; we could have avoided all this, Madam Speaker, by postponing the purchase of the aircraft. I certainly do not consider it as good governance.

**Madam Speaker:** Hon Mohamed!

**Mr Mohamed:** Madam Speaker, we have heard the hon. Deputy Prime Minister said that everything will be done by the Board of Directors, by the administration, in order to try to bring down costs and he also referred to the possibility - in a roundabout way - of people working at Airmate or Air Mauritius for that matter of loss of jobs. Could I invite, therefore,

the hon. Deputy Prime Minister to look into all the facilities that cost a lot of money to the company, that Executives are getting and to former Executives and to Directors of the Board and former Directors of the Board, their children, their wives, family members and all those golden handshakes that have been the practice through various regimes, whether this could be looked into first and at the last then look at the small, little man and woman who is toiling a way to keep his job? Maybe we should look into those high-fliers at the level of company first before...

**Madam Speaker:** Hon. Mohamed, we have understood your question, please!

**The Deputy Prime Minister:** Madam Speaker, within the parameters of the requirement to attract and maintain the best brains to the airline, we are competing an international environment, I understand that the Board, in looking at the cost cutting measures, nobody will be spared, no rank will be spared and everything that needs to be done will be done and whatever decision that is required, if a person is not performing, then he has to expect the worst.

**Madam Speaker:** Hon. Ameer Meea!

**Mr Ameer Meea:** Madam Speaker, in the recent past, there have been talks about Air Mauritius selling its subsidiaries, more specifically the Paille- en-Queue Court and also other subsidiaries, to finance the loss of the company. Is this still being considered?

**The Deputy Prime Minister:** It can be considered. The issue with selling Paille-en-Queue Court was that the price that was obtained was not up to Air Mauritius liking and that's why it was not sold. So, I personally think it has to go in order to generate the cash.

I must also say, Madam Speaker, that whatever we can say about Air Mauritius Ltd., is that it lost, on hedging issue, 144 m. Euros. It never actually got any bail out from the Government, it never got additional money from the Government and it finally went back to profitability. I was still Minister of External Communications in 2010-2011. So, it resumed profitability. It was after that, that it fell again into loss making.

**Madam Speaker:** Hon. Bhagwan!

**Mr Bhagwan:** Thank you, Madam Speaker. One of the main causes of the downfall - I would say downfall in terms of problems which Air Mauritius has been facing over the years - is direct political interference from Government and Ministers. Can the hon. Deputy Prime Minister give the assurance to the House, the country and the nation that this question

of political interference in terms of recruitment and purchase of equipment will no longer take place?

**The Deputy Prime Minister:** I won't make any point. Madam Speaker, the Board of Directors will quite easily tell you that neither any Member of the Government nor myself interferes with the running of the company. It is in a difficult situation, it has to be brought back to profitability and it will do so by taking whatever measures needs to be taken without interference.

**Madam Speaker:** Yes, hon. Leader of the Opposition!

**Mr Bérenger:** I am sure the hon. Deputy Prime Minister is fully aware of the profound anxiety amongst the employees of Air Mauritius in general and, in particular, Airmate Ltd. Can I therefore request the hon. Deputy Prime Minister to see to it that these employees are provided with as much information as possible to help them get over this very difficult path?

**The Deputy Prime Minister:** Certainly, Madam Speaker, the fully audited results of the company will be out on 18 June and, no doubt, as we expect, there will be a loss. But, at the same time, Madam Speaker, and as the hon. Prime Minister has mentioned, it is important for everyone to realise the difficult situation that Air Mauritius finds itself in and that everybody in his own like from the Messenger up to the Chief Executive Officer should know that, from now on, things have got to change. They will all have to work together for the success of the airline. Of course, we are committed to the success of the airline, Government is committed to the success of the airline, but we cannot do it on our own. We do require the help and assistance of every single employee at Air Mauritius and there are over 3000 of them. Thank you.

**Madam Speaker:** No other question, hon. Leader of the Opposition? Time is over!

## **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.*

## **PUBLIC BILLS**

### *Third Reading*

*On motion made and seconded, the Supplementary Appropriation (2013) Bill (No. VII of 2015) was read the third time and passed.*

### *Second Reading*

## **THE FINANCE (MISCELLANEOUS PROVISIONS) BILL (NO. X OF 2015)**

*Order for Second Reading read.*

(12.05 p.m.)

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

Madam Speaker, the Bill provides for the implementation of measures announced in the Budget Speech and in its annex, and for matters connected, consequential or incidental thereto.

Madam Speaker, the main theme underlying the 2015/16 Budget is that our country is at the Crossroad. We therefore presented a '*Projet de Société*' which requires various changes in the legal framework across different sectors of our economy and society.

Thus, Madam Speaker, the Finance (Miscellaneous Provisions) Bill (2015) brings amendments to 53 enactments. Clause 2 amends the Advertisements Regulation Act to provide for a penalty of 50 per cent for non-registration of an advertising structure with the Mauritius Revenue Authority within the prescribed time limit.

Clause 3 amends the Bank of Mauritius Act mainly to revitalise the secondary market for Government Securities and improve the implementation of monetary policy.

Clause 4 amends the Banking Act to –

- (a) provide for the creation and licensing of a new SME bank and other specialised financial institutions;
- (b) make better provisions in the context of restructuring of the business of a bank, and

- (c) provides for a simplified licencing procedure in the case of the setting up of a temporary financial institution to take over assets and liabilities of a financial institution which has been put into receivership by the Central Bank.

Clause 5 amends the Borrower Protection Act to provide for a lender to perform due diligence on the debt repayment capacity of the guarantor in addition to that of the borrower. This clause will come into operation by Proclamation.

Clause 6 amends the Business Registration Act to include a Schedule listing the Government agencies which will make use of a unique identification number to facilitate sharing of information and avoid multiple registrations among those agencies. Consequential amendments are made in clauses 8, 14, 23 and 38 to relevant legislations.

Clause 7 amends section 13 of the Central Water Authority Act to strengthen and professionalise its Board of Directors.

Clause 9 amends the Code de Commerce to enable the Registrar of Companies to strike off after 3 years a *société* which has not been renewed after its expiry and for non-payment of fees and charges. However, provisions have been made so that such a *société* can be reinstated after compliance with the procedures and settlement of arrears.

Clause 10 amends the Companies Act to –

- (a) extend eligibility to act as Company Secretary to any member of a recognised accountancy body or person who possesses equivalent qualifications, and
- (b) allow a small company registered with SMEDA having net assets of less than Rs50 m., and having annual turnover not exceeding Rs20 m. to be exempted from the obligation to file with the Registrar of Companies its financial statements and financial return for the first eight years of incorporation.

Clause 11 amends the Consumer Protection (Price and Supplies Control) Act to make it mandatory, with effect from 1st July 2015, for the selling price of a product or service to be displayed either VAT inclusive or where there is no VAT, the selling price indicating VAT is nil. Failure to do so will be an offence liable to a fine of up to Rs300,000 and 5 years imprisonment.

Clause 12 amends the Customs Act to reflect the measures announced in the Budget Speech to make provisions for better and fairer customs administration. More specifically,

- (a) it provides that the Director-General of MRA must prove to the satisfaction of a new panel within the Assessment Review Committee namely the Independent Tax Panel, that there is a *prima facie* case for fraud to be able to raise an assessment beyond the statutory limit of 3 years. Similar provisions have been made in clauses 21, 24, 35 and 53 of the GRA Act, Income Tax Act, MRA Act and VAT Act, respectively;
- (b) empower the Director-General under customs laws to recover unpaid duty, excise duty, taxes and charges, through attachment, distress, etc. as is the case under other revenue laws, and
- (c) allow Customs to suspend the clearance of goods suspected to be counterfeit, on its own initiative, for 3 working days.

Clauses 15, 27, 30, 40, 45 and 52 amend the Electronic Transactions Act, the Inscription of Privileges and Mortgages Act, the Notaries Act, the Road Traffic Act and the Transcription and Mortgages Act respectively to cater for the coming into operation of Phase 2 of the e-Registry Project at the Registrar-General's Department as from 01st July 2015.

Clause 17 amends the Excise Act to provide for –

- (a) new definitions for “cordial”, “matured local rum” and “matured rum”;
- (b) removal of MID levy of 30 cents per litre on petroleum products that are sold as ship bunker or re-exported, with effect from 01 July 2015;
- (c) repealing the provisions relating to the method of determination of the CO<sup>2</sup> emission threshold for the purpose of the CO<sup>2</sup> levy/rebate scheme and its verification by the Technical Certification Committee in order to give greater flexibility in setting the CO<sup>2</sup> threshold, and
- (d) replacement of the graduated scale of refund under the Tax Refund Scheme for PET bottles by a flat refund of Rs5 per kg.

Clause 18 makes provision for the reinstatement of the Financial Services Promotion Agency.

Clause 20 amends the Freeport Act to clarify the term “support services” as ship management services or such other services as may be prescribed. In addition, the Freeport activities specified in the Second Schedule are being streamlined and global trading, that is, paper trading, will now be allowed.

Clause 21 amends the Gambling Regulatory Authority Act to provide for –

- (a) banning of Instant-Win Scratch Games, that is, “*cartes à gratter*”, as from 30 June 2015;
- (b) banning of advertisement on gambling;
- (c) the validity of the licence to conduct the Mauritius National Lottery will be for a period of up to 10 years instead of a fixed term of 10 years;
- (d) the implementation of the budget measures regarding gambling licence fees;
- (e) the alignment of licence fee for Gaming House “A” and gaming machines in Rodrigues with that of Mauritius, and
- (f) penalty provisions to be toughened to combat illegal gambling activities.

Madam Speaker, following the Budget Speech, the GRA has, after consultations with stakeholders, decided to keep the rate of betting duty and the fixed betting duty in respect of horse racing and football matches unchanged. All the other changes announced in the Budget speech have been incorporated in the Finance Bill.

Clause 22 amends the Human Resource Development Act with a view to facilitating decision-making process by abolishing the Executive Committee, reducing the size of the HRD Council from 27 members to 11 and providing for monthly Council meetings instead of quarterly.

Clauses 23, 38 and 39 bring amendments to the Immigration Act, Non-Citizens (Employment Restriction) Act and Non-Citizens (Property Restriction) Act in connection with the Mauritian Diaspora Scheme, the Smart City Scheme and the Property Development Scheme to be prescribed under the Investment Promotion Act.

Clause 24 amends the Income Tax Act to, *inter-alia*, give effect to the revision in personal income tax allowances and exemptions, minimise hassles for SMEs, and provide for the change in the operation of CSR and tax year.

Clauses 25 and 26 amend the Independent Broadcasting Authority Act and Information and Communication Technologies Act to provide for the switching from Analogue Television Broadcasting to digital broadcasting.

Clause 28 amends the Insolvency Act as follows –

- (a) for the Act to apply to a Private Pension Scheme under the Private Pension Schemes Act;
- (b) to provide that a petition for the winding up of a company may also be presented by an administrator or the Registrar of Companies;
- (c) to clarify that money withheld under PAYE, TDS and VAT on behalf of MRA shall not form part of the property of the debtor, as already specified in the VAT Act and Income Tax Act, and
- (d) in the Fourth Schedule, to provide, in the event of the winding up of a private pension scheme, for the distribution of the assets to be effected in accordance with FSC Rules made under the Private Pension Schemes Act.

Clause 29 amends the Insurance Act to correct an omission regarding income tax exemption on restructuring of insurance companies, which were required to separate their long term business from their general insurance business under the new Insurance Act.

Clause 31 amends the Investment Promotion Act to provide for –

- (i) the replacement of the IRS and RES Schemes by the Property Development Scheme, and the introduction of the Mauritian Diaspora Scheme and Smart City Scheme by way of regulations;
- (ii) the setting up of a one-stop shop to be known as the BOI One-Stop Shop, the objective of which is to facilitate business start-ups with project value exceeding Rs20 m. The BOI One-Stop Shop will provide all the support and information, facilitate the application for and delivery of permits/licences and will collect the fees or charges payable by an enterprise on behalf of any public sector agency. A SME One-

Stop Shop along the same lines is being set up under the Small and Medium Enterprises Development Authority Act for project value below Rs20 m., and

- (iii) the review of the composition of the Investment Projects Fast Track Committee which will deal with cases where applications for permits or licences are not likely to be determined within the statutory time limit, as reported by the public sector agency to the Committee and the relevant One-Stop Shop.

Clauses 32 and 44 amend the Land (Duties and Taxes) Act and the Registration Duty Act to provide as follows –

- (a) the maximum registration duty exemption for a first-time buyer of residential bare land is being increased from Rs50,000 to Rs75,000;
- (b) the Housing Estate Scheme is being extended to 2018 and 2019;
- (c) the Arrears Payment Scheme introduced in 2013 is being renewed for another year;
- (d) the Registrar-General is being given the power to enforce payment of duty or tax owed to the Department by way of an attachment as provided for in the Attachment (Rates and Taxes) Act.

Clause 33 amends the Limited Partnerships Act to enable the issue of a Certificate of Current Standing for limited partnerships and facilitate settlement and compounding of offences as is the case for companies.

Clause 34 amends the Local Government Act to –

- (a) provide for exemption from the requirement of a Building and Land Use Permit for certain classified trades as may be prescribed;
- (b) provide a person, who carries out a classified trade, with the possibility to effect payment of the appropriate fee for a period of up to 3 years, and
- (c) make transitional provisions to reflect the change in financial year from year ended 31 December to year ended 30 June.

Clause 35 amends the Mauritius Revenue Authority Act to –

- (a) require the Director General to issue statements of practice in cases as may be prescribed, specifying the circumstances in which his discretionary powers under revenue laws are applied, and
- (b) require the Director General to give, in respect of an assessment, the basis of the amount computed and its justification as well as the reasons for making the assessment.

Clause 36 amends the *Morcellement* Act to review the composition of the *Morcellement* Board.

Clause 37 amends the National Pensions Act to enable the terms and conditions relating to payment of basic retirement pension to be set by the Minister of Social Security by way of Regulations and any beneficiary of the basic retirement pension who wishes to donate his monthly pension to an approved charitable institution, a charitable trust or a Foundation to make a request in writing to the Permanent Secretary of the Ministry of Social Security.

Clauses 41 and 48 amend the Pensions Act and the Statutory Bodies Pension Funds Act to provide for the method of computation of the pension benefits payable to be made by way of regulations. Provision is also being made to facilitate merger of various pension funds.

Clause 42 amends the Public Debt Management Act to provide that the type, form and manner and terms and conditions on which Government securities are issued may be approved by the Minister instead of having to be prescribed. Provisions are also being made regarding the calculation of the ceiling of public sector debt.

Madam Speaker, the Finance Bill also reflects our deep commitment to greater transparency and better governance.

Clause 43 amends the Public Procurement Act to provide for the following –

- (i) the Chief Executive of the Central Procurement Board to conduct compliance audit and certify, before the review of the Evaluation Committee by the Board, that all procurement rules at the level of the Board have been complied with in accordance with the Act;
- (ii) for the Chief Executive Officer of a public body to conduct compliance audit and certify, prior to award of a contract, that the procurement rules under the Act have been complied with;
- (iii) enabling CPB to set up another Bid Evaluation Committee when the initial one does not comply with the CPB's requirements;

- (iv) for the determination of cases for review by the Independent Review Panel (IRP) within a period of time to be prescribed after which suspension of procurement proceedings will lapse, thus allowing the public body to award the contract while the IRP can continue with the determination of the review, and
- (v) for an increase in the procurement value threshold for Rodrigues Regional Assembly not requiring the approval of CPB from Rs15 m. to Rs25 m.

Clause 47 amends the State Lands Act to enable sale, by private contract, of State lands, excluding *Pas Géométriques*, for the development of a Government approved project.

Clause 49 amends the Sugar Industry Efficiency Act to provide for –

- (a) a lessee or a non-citizen to apply for land conversion;
- (b) a land owner in cases of conversion of large acreage of land for a specific purpose, e.g. a golf course to reapply for land conversion if he subsequently decides to use the land for other purposes.

Clause 50 amends the Sugar Insurance Fund Act to provide mainly for a one-off special payment of Rs3,400 per ton of sugar to planters producing up to 60 tons, and Rs2,000 per ton to all other categories in respect of the 2014 sugar crop.

Clause 51 amends the Tourism Authority Act to provide for the regrouping of the various licences associated with the operation of a hotel, guesthouse or a tourist residence under a certificate which will cover accommodation and related activities. Similarly, a “*domaine* certificate” will be introduced to cater for estate or premises offering nature-based activities (eco-tourism). These certificates will be issued for a period of 3 years subject to established norms and standards being complied with.

Clause 53 amends the Value Added Tax Act to –

- (a) set the legal framework, which will allow the MRA to require a person to use an electronic fiscal device to record any matter or transaction which may affect the liability to VAT of that person;
- (b) abolish the 10 cents levy on SMS and MMS;
- (c) provide for raising the compulsory VAT registration threshold from Rs4 m. to Rs6 m. annual turnover;

- (d) provide for jewellers to be subject to the standard VAT registration turnover threshold of Rs6 m., and
- (e) extend the duration of the VAT Refund Scheme for middle income households in respect of construction or acquisition of a new residential unit to June 2018.

Clause 54 repeals the National Economic and Social Council Act with effect from 30 April 2015.

Madam Speaker, with your permission, I am bringing a number of amendments at Committee Stage as circulated. I will explain the main changes, namely –

- (a) Clause 4 relating to the Banking Act is being amended to provide in the case of restructuration of a banking business for transfer of its undertaking to include also a specialised financial institution;
- (b) Clause 24 relating to the Income Tax Act is being amended to clarify that the VAT registered person making both taxable and exempt supplies will be allowed at his option to join the simplified cash accounting system both under income tax and VAT.
- (c) Clauses 27, 40, 44 and 52, clarify that in the context of the e-registry project, the ‘original’ deed or document will be the one kept in the custody of the notary.
- (d) the coming into operation of the amendments to the Pensions Act and the Statutory Bodies Pension Funds Act will be effective as from 1st January 2013, that is, the date of the application of the PRB report.

The various amendments being brought by the Finance (Miscellaneous Provisions) Bill 2015 will come into effect on different commencement dates, namely on a date specified in the Bill or by way of Proclamation or on the date of Gazetting.

Madam Speaker, I now commend the Bill to the House.

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

(12.26 p.m.)

**Mr R. Uteem (First Member for Port Louis South & Port Louis Central):** Madam Speaker, in December 2013, the last time the Finance (Miscellaneous Provisions) Bill was voted in this House, I welcomed the initiative of the then Minister of Finance, hon. Xavier

Duval, who had circulated an Explanatory Note on the two Bills which were highly technical and I also expressed the wish that other Ministers of Finance, in the future, would take this as a good example and circulate that Explanatory Note well in advance so that all hon. Members, even those not intervening on the Bill, can follow and understand the reason for every section of these highly technical Bills. Unfortunately, the new Minister of Finance has decided to discontinue with this practice and we are now left with a 166-page Bill amending no less than 53 different pieces of legislation.

The hon. Minister of Finance has also chosen to discontinue with the practice of having two separate Bills, a Finance Bill that would cover mainly the tax and public finance measures announced in the Budget Speech and an Economic and Financial Measures Bill that would provide the legal framework for the implementation of other budgetary measures which are not related to taxation and national finance.

Madam Speaker, you would recall that the practice of having two separate Bills to implement measures announced in the Budget came after a ruling of the then Speaker on 21 July 2009, following a Point of Order raised by the hon. Leader of the Opposition. In his ruling, the Speaker stated, and I quote –

“(...) that the Finance (Miscellaneous Provisions) Bill should not contain provisions intended to make permanent changes in existing laws unless they are essentially connected with national finance, or, are consequential upon, or incidental to the taxation proposals and may also include provisions that are sufficiently closely related to those matters within the spirit and scope of the Bill as defined in the long title”.

Yet, Madam Speaker, the Bill before this House contains amendments to existing laws which have no relation whatsoever with taxation or national finance. To take just an example, what does amendment to the Central Water Authority Act, which relates to the composition of the Water Advisory Council, has to do with national finance. The same thing can probably be said about proposed amendments to the Borrower Protection Act, to the Human Resource Development Act, etc. Madam Speaker, I don't know if the earlier ruling of the Speaker has been overruled or if going forward, we will be going back to having only one Finance Bill and all the amendments lumped together.

For this time, we are not raising any Point of Order, but I hope that this does not become the practice and we should go back to...

**Madam Speaker:** Hon. Member, I just wish to draw your attention to Standing Order 52 (b) which says that –

“A Finance Bill may, in addition to the measures relating to taxation and national finance announced in a Budget Speech, contain provisions relating to the other measures announced therein and provide for matters connected, consequential or incidental to those measures”.

I am just drawing your attention to this Standing Order.

**Mr Uteem:** Yes, Madam Speaker, that is what I have said. That was consistent with the ruling given by the Speaker and the point I was making is there are provisions in this Bill which have absolutely nothing to do with finance, for example, I'll give the example of the amendment to the Central Water Authority Act and the Human Resource Development Act. It is not incidental at all.

Coming to the provisions of the Act, to the commissioning of the Bill, Madam Speaker, the Bank of Mauritius Act is being amended to allow the Central Bank to invest in units in Gold Funds. The famous Gold Funds, now it's in plural, and yet, not a single word either in the Budget or in the summing up by the hon. Minister of Finance as to what those Gold Funds would be. Would they be sovereign funds? Do we envisage the Central Bank to invest in private Gold Funds? I hope that the hon. Minister, in due course, will give us more clarifications as there are obvious governance issues the Central Bank would be investing in private gold funds.

The Central Bank will also be allowed to create Reserve Funds for monetary policy purposes or such other specific purposes as the Bank may determine.

Madam Speaker, as you may be aware, today, the Central Bank is only allowed to transfer 15% of its net profit to a general fund and any balance after the deduction of these 15% must be allocated to the Consolidated Fund. Now, with this Bill, the Central Bank will be allowed to create Reserve Funds and there is no restriction on the amount of its net profit that can be transferred to those Reserve Funds. The Central Bank is also given a blank cheque - *sans jeu de mots* - to use this fund as it wishes subject only to best international practices. We do appreciate the need to give flexibility to the Central Bank to implement monetary policy, but we believe that it would have been more prudent to set a limit on the amount that can be used at the discretion of the Central Bank. If we need to come back to the Minister or to the House to increase that amount, we could have done so as and when required instead of giving a blank cheque to the Central Bank just to use any amount it wishes to put in these special reserves.

The Banking Act is also being amended. The annex to the Budget Speech provided that the Banking Act will be amended to exempt foreign banks providing loans to global business companies and specified entities such as the new SME Bank from the need of having a moneylender's licence. This is a welcome initiative. However, when we look at the Schedule which exempts those institutions from the requirement of the Moneylenders Act, it is all but clear-cut. It is very ambiguous and it would have been much more efficient if it was clearly stated that banks providing finances to global business companies are exempt rather than having the long definition that is included in the Schedule.

One amendment which is being brought to the Banking Act, and which was certainly not referred to in the Budget Speech, is the amendment to the power of the receiver appointed by the Central Bank. The provision was probably motivated, Madam Speaker, by the appointment of the receiver over the assets of Bramer Banking Corporation. Under the amended Section 82 (1) of the Banking Act, the receiver will now have the power to suspend or reduce the right of creditors to claim or receive interest. So, once you have put a bank in receivership, the receiver can decide not to pay any more interest on amount that is already due and outstanding. Now, I am not sure whether this will pass the test of constitutionality, but I am pretty sure that any aggrieved creditor will probably take up this matter in court because that would amount to a deprivation of its property and a breach of the existing contractual obligation.

The hon. Minister Finance and Economic Development stated numerous times in his answers to PNQs that the Central Bank, in the case of Bramer Bank, did not have a choice, they had to appoint a receiver. They had to revoke their licence, they had to appoint a receiver. We don't agree with this interpretation, but, be that as it may, we think that this was an appropriate moment. If there was any shortcoming in the Banking Act, the hon. Minister of Finance and Economic Development could have proposed ways and means to improve the situation if ever a bank in the future finds itself in the same situation as the Bramer Banking Corporation by giving special powers to a conservator, to an administrator without the need to revoke the licence. The hon. Minister Finance and Economic Development often mentioned that he didn't have these powers under the existing legislation. I hope, in the future, he will come with a specific legislation to give the appropriate framework so that we do not have to revoke a banking licence.

The Borrower Protection Act is being amended to provide that any lender, before it grants any credit facility, has to look at the ability to repay not only of the borrower, but also

of the guarantor. Previously, he only had to check that the borrower was able to repay, now he also have to check the financial viability of the guarantor. This is a welcome measure because all too often guarantors have their property seized following a default by the borrower and if the lender had done its due diligence, probably the guarantor would not have qualified in the first place. This is a welcome step but, as I had mentioned in my intervention during the Budget Speech, it does not go far enough and, again, I hope that the hon. Minister of Finance and Economic Development will have a look on the whole of the Borrower Protection Act and will increase the powers given to the Commission as well as increase the threshold amount of loan agreement which qualified to be under the purview of the Commissioner. Up to now, every Thursday, at least a dozen of people are still losing their house in Sale by Levy. I know the hon. Prime Minister, in one of his answers to a question that I raised myself, stated that there is a special Unit in his Ministry looking at the recommendation made by the Commission of Inquiry on Sale by Levy. I hope that will also be implemented in a forthcoming amendment to the Borrower Protection Act.

It is proposed to amend the Code de Commerce and give the power to the Registrar of Companies to strike off *sociétés* that have not paid their dues. We have no issue with that. In fact, this provision already exists in the case of companies; if companies do not pay their licence fees, the Registrar of Companies can strike off the company on the basis of non-payment of fees. But, under the Companies Act there is a whole section 307 which deals with the consequences of striking off a company. In particular, it clearly states that the fact that the company is no longer on the register of companies, does not cause any prejudice to any Court proceedings or any right that it has to properties, etc. Unfortunately, when we are amending the Code de Commerce, we are providing for the power to strike off, but we are not providing for the consequences of striking off unlike what we have in the Companies Act. So, maybe this is something that the hon. Minister will have to consider to, at least, have a corresponding section as we have in the Companies Act.

The Companies Act is being amended, as the hon. Minister Finance and Economic Development mentioned, to allow SMEs to file financial summaries and to exempt them from filing annual return. Fair enough, this is a positive measure. We are fully supportive because it is a business facilitation provision for small SMEs. However, what we do not understand is why are we using a criteria for the SME under the Companies Act and a different one under the SMEDA Act. Under the Companies Act - I do not know if this is an oversight - the SME must have assets not exceeding Rs50 m. and an annual turnover not exceeding Rs20 m.

However, when we look at the Seventh Schedule to the Bill which sets out the eligibility criteria for SMEDA under micro-finance, small and medium enterprises, we see that for microenterprise turnover is up to Rs2 m., for small enterprise turnover up to Rs10 m. and medium enterprise between Rs10 m. and Rs50 m. So, there is nothing about the value of assets and there is nothing about turnover exceeding Rs10 m. So, maybe, if we could have uniformisation of all companies, it would probably be administratively more workable for the companies' registry and for SMEDA if we applied the same criteria for eligibility, whether it is for exemption from taxation or exemption for filing of documents.

One thing which we have to bear in mind, and that will certainly crop up, those provisions relating to SMEs, those favourable provisions which enable them not to file their accounts and not to pay taxes, only apply to SMEs set up on or after June 2015. Now, we are going to have two classes of SMEs after June 2015; one will be exempt and one which will not be exempt.

I can see the rationale when it comes to income tax collection that the new incentive will come for the new companies and not existing ones. But for the filings, for the exemptions to prepare full accounting financial statements, why should existing small and medium enterprises not have the same treatment as the new SMEs? And also, when we create these two categories of SMEs, aren't we encouraging existing SMEs to create a subsidiary or a sister company after June 2015 just solely for the purposes of benefiting from the favourable regimes?

Concerning Customs Act, we welcome the decision to set out a limitation period within which the Director General of the MRA can make assessment. Any assessment after a delay of three years will require the prior approval of the Independent Tax Panel who must be satisfied that there is a *prima facie* evidence of fraud. We have similar amendments to the Gambling Regulatory Authority Act, to the Income Tax Act and to the Value Added Tax Act. We are, of course, totally supportive of the decision to reduce the limitation period to three years. But, when we look at the way the hon. Minister is proposing to frame the assessment going forward, after three years the Director General now needs to go to the Independent Tax Panel and have to show *prima facie* evidence of fraud. Already fraud is quite a high burden of proof for lawyers. When we talk about fraud, it is almost a criminal burden of proof.

So, how do we reconcile *prima facie* which is a very low burden of proof with fraud? I am not too sure how it will work, but our main concern is now the Director General will

transfer the responsibility to this Independent Tax Panel. The Independent Tax Panel is a panel of the Revenue Assessment Committee which has been set up under the MRA Act. But we already know that the Assessment Review Committee (ARC) is understaffed. I have personally asked question in this House; there are backlogs of hundreds of files. Already we have an ARC which is not operating properly and now we are going to burden that same ARC by having a new panel to deal with claims for raising assessment after the prescribed period of three years. If the hon. Minister of Finance wants the scheme to work, he would need to look into the staffing issue at the ARC and put more resources to the panel so that there is no backlog.

One point that we have to bear in mind is that the provision relating to the limitation period will only come into force on proclamation. So, we don't know the date yet. As at today revenue authorities can raise assessment within four years. We are going to change it to three years. I hope that there will not be a temptation on the staff of the Mauritius Revenue Authority to start raising assessment for four years just before the promulgation, the coming into force of the new provisions which limit the time period for raising assessment to three years. In another words, the sooner the provisions are promulgated, the better for the taxpayers.

The Financial Services Act is being amended to create again the Financial Services Promotion Agency. On this side of the House, we welcome this decision. We were opposed to its closure. We were opposed to the transfer of the FSPA to the Board of Investment because we always believe that we need to have a dedicated agency for the promotion of financial services. However, there have been some changes to the composition and the role of the new FSPA. It is unfortunate that the Minister responsible for financial services is not here because maybe he could have enlightened me on the issue that I am going to raise. First of all, previously, we used to have one Chairman and six members. Now, we will have only one Chairman and four members. That's not the issue. The issue is previously those six members should have been suitably qualified and experienced in the field of financial services which makes sense because they are going to sit on the Financial Services Promotion Agency. But with this amendment, there is no longer any requirement for the members to be suitably qualified in financial services.

So, the Minister is given *carte blanche* to nominate whoever he wants to sit on the Board. My question is: is that good governance? And as Minister of Governance, I hope he

would answer. Previously, the agency also used to manage its own budget and only required to notify the Minister concerned of its annual income and expenses. Now, under the new amendment, a notification is not enough. They actually require the Minister's approval. The Minister is going to control the budget for the FSPA. I can understand the urge of the Minister to control the spending of the agency, but this power should not be abused and the agency should, as far as possible, be autonomous because otherwise they would always be at the beck and call of the Minister and not seem to be independent.

Now, when it comes to the objects and functions of the FSPA, I note that the FSPA will no longer have any role in training in the field of financial services. Again, I'm not sure why this decision has been taken because in the past, one of the greatest roles of the FSPA was to organise courses which were very pertinent to the financial sector and delivered by trainers of international repute. I, myself, have benefited from those courses. I think, as a promotion agency, they are best suited to know the demands and supplies of the financial services market. Maybe this is something which the hon. Minister of Financial Services can look into.

Finally, the FSPA will not offer the one-stop shop services that it used to previously. Again, as a practitioner, I found it very useful to have to deal with only one agency, the FSPA, especially when we had to channel work permits, visa applications, residential permits, leases and what not. The FSPA then acted as a liaison office with the governmental agencies. Now, this role was assumed by the Board of Investment. When the FSPA was transferred to the Board of Investment, unfortunately, now, it is no longer a role of the FSPA. So, I don't know if this will still be done by the Board of Investment or how it is going to work in practice.

In relation to the Freeport Act, we welcome the proposed amendment which increases the scope of activities that are qualified as report activities. In particular, we are very pleased with the inclusion of global training whereby goods can be shipped directly from the port of origin to the final destination without having to transit to Mauritius, without having to be physically unloaded in Mauritius. This will reduce greatly the costs of re-exporting the goods to the final destination. So, this is definitely a measure which is going to boost, I hope, the Freeport Sector.

Concerning the Gambling Regulatory Authority Amendments, again, we welcome those amendments to the extent that they are meant to discourage gambling by increasing the

costs of operation and by prohibiting advertisements. We take note that the controversy about *cartes à gratter* has been resolved and they would be banned as from 30 June 2015. It is a step in the right direction. But, as I mentioned in my intervention on the Budget Speech, there is still a long way to go to get rid of this tag of *nation 'zougadère'*. The lobbies are still around. It is not an easy task - I can understand the predicament of the Minister of Finance - to take head-on the gambling industry. Still I hope, in the future, appropriate measures will be taken to implement the recommendations of the Commission of Inquiry which was particularly critical of the operation of the Gambling Regulatory Authority.

Turning to the amendments to the Income Tax Act, the hon. Minister of Finance has announced in his Budget Speech that he would be removing all existing CSR guidelines, which he did. However, he replaced the guidelines by restricting CSR programme to a programme having as its objects the alleviation of poverty, the relief of sickness or disability, the advancement of education of vulnerable person or the promotion of any other public object beneficial to the Mauritian community. So we have removed the guidelines, but we have provided a definition. Unfortunately, in my opinion, this definition is very ambiguous and is bound to raise more questions about what qualifies as a CSR programme or not.

Let us take the example of a company which decides to give a scholarship, and the scholarship is purely on a merit basis. So, it is not means tested. Will it qualify as educational purpose if it is not limited to the vulnerable group because anyone is eligible to get the scholarship? Probably not, if we construe strictly the term 'vulnerable person'. Then, why should it, if it is for the promotion of education and actually anyone, even those who have the means, is able to benefit from the scholarship? Similarly, if a company decides to construct a lab for a school, will it qualify, being given that anyone can have access to the school, not necessarily the vulnerable? Then, it will be ridiculous if you cannot have, as part of your CSR programme, donations to schools to enhance educational projects.

Now, what is the meaning of 'public object beneficial to the Mauritian community'? Are sports included? Under the CSR guidelines, there was controversy. In the beginning, it was not, and then it was. At least, if they were set out clearly as one, we would not have to lump it into 'public object beneficial to the Mauritius community.'

What if a company creates a CSR programme that benefits only its employees, whether it is by way of education or relief, but only for a specific group, only their employees? Will that be beneficial to the Mauritian community? Would a specific group be

included in the definition of ‘Mauritian community?’ And if the benefit is only to a section of the community, for example, for a religious group, will that qualify? If the donation is made to a NGO which carries out a purpose which is beneficial to all Mauritians, but the NGO happens to be run by a religious institution, will that qualify as a CSR programme? These are things that we need to think out because it creates a problem for the company paying the CSR. It is a legal requirement that they have to pay 2% of their chargeable income, and it is also a problem to the Director of the MRA because he has to monitor that the taxpayer has set aside 2% in a CSR programme.

Madam Speaker, the amendment to the Income Act is the most technical aspect of the Bill, and I do not propose to go in any further details. Suffice it to say that, the decision of the Government to change the financial year from calendar year to the year starting on 01 July has resulted in a number of consequential amendments, and there is bound to be teething problems. I have come through some of the provisions, and I am happy to talk to the officers of the Ministry later on. Let’s take two obvious cases. Let’s say there is a *société*. A *société* has, as partners, individuals who are bound to file their return end of June, and has companies who choose their year-end to be 31 December, which they can under the current structure. So, how would the *société* operate? Will it have to keep double accounting and provide a statement of income to the individuals by 31 June, and then have a second set of accounts and provide it at the end of December? This is going to be a practical problem that will happen to *sociétés* which have as partners both companies and individuals.

There is also another consequential problem with the definition of ‘residents’ for individuals. As hon. Members may know, one of the criteria to establish ‘residents’ is if you have been in Mauritius for a certain number of days. For the past three years, it was 270 days, but especially for 2015 this has been changed to 225 days, which is prorated, which is fair enough for 2015. But what about for 2016 and 2017? Because for 2016, you still have to count the two years previously, and the same thing for 2017. So, you will have to think about it, because it does create a problem when you have a prorated system just for 2015.

Madam Speaker, we welcome the amendment to the Independent Broadcasting Authority Act. The amendment provides for the licensing of Internet TV Services. This amendment is no doubt plugging a loophole in the existing legislation, which has resulted in an uncontrolled proliferation of web TVs. Previously, only TV rebroadcasting services, where they were receiving pictures *via* satellite and diffusing it *via* dish antennas, were required to be licensed.

Now, with this amendment, we would be able to have cable TVs, and TVs which will be able to be diffused by wireless and other technologies. So, this is a very welcome amendment, but the more important and interesting feature is in regard to internet service providers. They are entitled to be issued a TV service licence even if more than 20% of their shares are owned by foreigners, and even if more than 20% of their directors are foreign nationals.

So, the threshold on foreign ownership and foreign directorship, Madam Speaker, has been the single stumbling block to really developing private TV in Mauritius because foreign investors and foreign expertise are required for any TV to be financially viable, and there are very few investors who are willing to invest only 20% in a TV station in Mauritius. So, this is a welcome amendment with respect to cable TVs.

But then, the necessary question is why limit it to only internet TVs, cable TVs and why not extend it also to terrestrial TVs, so as to give a greater choice to motion viewers. I hope, in the future, the hon. Minister of Information Technology will look into the matter and see how we can encourage private TVs in Mauritius.

In relation to the Inscription of Privileges and Mortgages Act, following the proposed amendment, a person will now have a choice of either filing an original document with the Conservator of Mortgages or make electronic filing, file a PDF copy of a deed. We have the same provision not only for the Conservator of Mortgages but also for the Registrar General and in relation to the Transcription and Mortgage Act.

We, of course, welcome this decision because this is going to lower cost; there would be less storage space, there would be durability, so less risk of paper being destroyed, or having problems. But there is a practical problem. If we give a PDF document the same legal status as an original, which is what is provided in the Bill, we have to bear in mind that there is always a risk of tampering with a PDF copy because with the software that we have now, including the Adobe, it is very easy to change terms of a scanned document, including the signature page. So, maybe one solution for this would be to require the original to be produced at the same time as the electronic copy.

Quickly turning to the Insurance Act, the amendment exempts the insurer from the payment of registration duty upon a transfer of any of his property or asset. Previously, the exemption of registration duty related to only direct transfer of assets. Now, it includes indirect transfer. The problem with this is that we are giving it a retrospective effect. So, it

will be backdated to 31 December 2010. I would like to know from the hon. Minister of Finance how many insurance companies are concerned by this measure because, no doubt, there must have been lobbies from insurance companies, and what will be the *manque à gagner* to the State with this amendment.

Madam Speaker, I have dealt previously with most of the other provisions of the remaining Acts that are being amended. We don't have any serious qualm with any of the other provisions of this Bill.

Thank you.

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

*At 1.03 p.m. the sitting was suspended.*

*On resuming at 2.35 p.m. with Madam Speaker in the Chair.*

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

**The Minister of Business, Enterprise and Cooperatives (Mr S. Bholah):** Thank you, Madam Speaker. Let me first of all thank the hon. Minister of Finance and Economic Development as well as the hon. Attorney General for having produced this Finance (Miscellaneous Provisions) Bill after so much hard work, I believe.

I will also thank hon. Uteem for his intervention, and we have taken good note of his concerns regarding certain amendments to the Bills, more particularly the taxation, the periodicity for those enterprises in as far as from June 2015 is concerned and those who were already there previous to June 2015, as well as the categories of enterprises, that is, those having asset value of Rs20 m. and those having less and those having more. I am sure that the hon. Minister of Finance will address these issues in due course.

This Bill amends some 52 Acts of Parliament with the objective to create an appropriate legal framework through which measures, as announced in the Budget, will be implemented. The Bill, when passed, is set to create a conducive environment, *inter alia*, to promote business overall, attract potential entrepreneurs to venture into taking business risks and, at the same time, curbing down betting and gaming, which has proliferated throughout the island. It is no surprise why the Gambling Regulatory Act is being amended with stringent rules with regard to fees, licences, etc. Furthermore, the Bill also aims at improving

the quality of life of the population at large through proposed amendments to the Consumer Protection Act.

As Minister of Business, Enterprise and Cooperatives, I will focus my intervention on the business side of this Bill with particular attention to the amendment to the SMEDA Act. Since coming into office of this Government, we have on a non-stop basis mentioned about the SME bank and the one-stop shop. The amendment proposed to this SMEDA Act is going to address this issue, as it will incorporate this long overdue one-stop shop. The objective is to facilitate potential entrepreneurs with project value of less than Rs20 m. to obtain licences and patents with the least possible hassle or no hassle at all. The cumbersome and hectic procedures in procuring those licences will be behind us now. The one-stop shop which will be located in the centre of the island is very conducive and, so far, many projects have been abandoned *en cours de route* because there is no such one-stop shop. This one-stop shop represents a milestone in the process of doing business.

However, the one-stop shop with the SMEDA, as presented in the Bill, is meant for those entrepreneurs who have project value of less than Rs20 m. But, at the same time, the Investment Promotion Act is going to address the issue of those entrepreneurs who have project value of more than Rs20 m. Therefore, all potential entrepreneurs will be treated fairly. Again, with the amendment to the SMEDA Act, enterprises will be now categorised into three different categories. We will now have micro entrepreneurs, small entrepreneurs and medium entrepreneurs, as set out in Schedule 7. It will be MSM now – micro, small and medium!

*(Interruptions)*

The Bill also empowers the Minister to adjust the level of - he talked of SMEs, now we will talk of ...

*(Interruptions)*

**Madam Speaker:** No cross talking! Please, proceed Minister!

**Mr Bholah:** The Bill also empowers the Minister to adjust the level of turnover figures through regulations and we know that with inflation, rate of exchange, these do have a direct bearing on turnover and, therefore, the classification of micro-medium and small enterprises will be handled in the light of inflation and all that, which is the regular practice.

The other thing which is good with categorisation of micro-enterprises is we know that most of those micro-entrepreneurs, they operate in the informal sector. The SMEDA Act, as amended, will tempt to bring those enterprises into the formal sector and it is a good thing as we will have statistics for them. It will also be counted in as far as GDP is to be computed. So, it is good. We have got a lot of businesses into the informal sector. But the SMEDA Act, with regard to the micro-enterprises, will bring into the main stream of business and, therefore, add into the statistics of the country in as far as, as I said GDP is concerned, production is concerned, which is very positive.

Now, regarding the Board of SMEDA; so far the SMEDA Act provides for a Board consisting of 13 members. Now, this is being reduced to 11. The amendment also provides for representatives of institutions just like the Board of Investment, the MCCI as well as the Chief Executive of the coming SME bank to form part of the Board. Again, I thank the hon. Minister of Finance for strengthening not in quantity but to have quality people on the SMEDA Board. This will also help to harmonise business because most of the businesses will come through SMEDA, but others will also go through BOI. The representatives of the BOI and the MCCI as well will harmonise our business strategy and everybody will look in the same direction. This will be very fruitful.

We have also noted under the Companies Act that a series of incentives will be provided to SMEs, namely the tax holidays for eight years, which is a very good initiative. Again, this will help because there was this hurdle of coming to the formal sector and not declaring the tax and all that. Once they get this comfort that they won't be paying tax, of course, they will have profit in their businesses, but the comfort is given that they won't have to pay tax and eight years is a very long time for them. So, this will help them to come into the mainstream of business community and, at the same time, as I have said earlier, to have statistics, which is very crucial for Government in order to apply appropriate strategies in all them.

Again, the Income Tax Act goes in the direction of having small enterprises, which have a turnover of less than Rs10 m. to file their accounts under the cash basis as opposed to the accrual basis. This is a very good measure because those enterprises which have a turnover of less than Rs10 m., they hardly appoint any Finance Officer or hardly any Accountant and all that, but their business is only what they get as many in their drawers and this is business for them; this is turnover for them. Well, a formal company is whatever they

sell on credit as well and this is accounted as accruals. So, this is a very good thing, again giving all the comfort to the business community.

The Banking Act, as amended, will enable the setting up of a specialised financial institution. I think this is a major breakthrough for this Government. As it is, from there we have the new SME Bank that we have so talked about, mentioned about everywhere, on every forum regarding business, it will take shape and become a reality. This is very interesting too.

Madam Speaker, again, as the Minister of Business, Enterprise and Cooperatives, this sector is a growing sector and it requires constant updating. Allow me, Madam Speaker, just to mention that even in India, with the new Government, the Prime Minister, Shri Narendra Modi, passed a Bill in April last for the creation of the MUDRA Bank. What MUDRA stands for? It's Micro Units Development and Refinance Agency. India, which is cited as an example or as a pioneer in as far as micro and small businesses are concerned, is revamping itself year after year. And the business community, specially the small and the medium - now micro here - they need to be updated, they need to be looked into frequently because problems do crop up as time goes along. It is in this way that we, here, are going to set up the SME Bank and in India in April last, the MUDRA Bank was set up. In his speech, the Prime Minister, Shri Narendra Modi, said that the Finance Ministry said – the Minister said that 'measures to be taken up by MUDRA are targeted towards mainstreaming young, educated or skilled workers and entrepreneurs including women entrepreneurs'. This was the target for MUDRA Bank. And we are replicating the same thing here through our SME Bank yet to come and I am sure that it will be a reality soon.

Madam Speaker, allow me - because *c'est l'actualité*, even in the 52 Acts of Parliament that we propose to bring amendments, the Cooperative Act does not fall into that. *Mais actualité oblige*. We have to look into this. I will tend to look into the Cooperative Act to bring amendment because under the Cooperative Act, there are institutions such as cooperative societies which deal in with cooperative credit unions. This is a must that we have to look into and I feel that *à la rentrée, on va apporter des amendements*.

I thank you, Madam Speaker, for my short speech which is more targeted towards business with more specific attention to SMEDA.

Thank you.

**Madam Speaker:** Hon. Ganoo!

(2.49 p.m.)

**Mr A. Ganoo (First Member for Savanne & Black River):** Thank you, Madam Speaker. I shall be perhaps as brief as the previous orator, just to make a few comments on the Finance Bill before this House today.

As we know, the Finance Bill provides for the implementation of the budgetary measures announced in the 2015 Budget Speech and, therefore, the purpose of the Bill today is to translate in concrete terms the objectives of Government and matters related or consequential to the different announcements and the updating to reflect the fresh needs as a result of the changes that have been announced and also to correct the weaknesses in the previous legislation.

Madam Speaker, I see that a major component of the Bill relates to the changes in the banking sector. It is clear that much relates to what has been happening in the sector or what could have been anticipated to happen and, therefore, these amendments do the needful to reflect remedial measures and to create the climate for the Central Bank to operate more effectively and play a more enabling role in its supervisory capacity as well as in managing its reserve requirements. However, we have to be careful to monitor this aspect judiciously, especially with respect to gold, which we think should be a small proportion of our total reserves.

Madam Speaker, the provision regarding licensing and overseeing and the clearing houses is a positive step because despite our goal of becoming a leading financial hub for the region, our clearing house still takes much time. I think we would be taking a big stride to improve the liquidity issue and also further facilitate business activities if payments, once for all, could be cleared within 24 hours.

With regard to Clause 4 (b) of the Bill, this is a positive step as it would reduce the operating cost of big conglomerations and make them more competitive on the international market, particularly, with regard to exchange rate and to interest rate. Moreover, this would reduce the concentration in the banking sector as it would provide some form of competition to the existing banking structure. We, therefore, support this measure.

Madam Speaker, it would be pertinent as we are on this issue to examine or to have given thought to the possibility of introducing the suspension of a banking licence in case of non-compliance or diminished compliance of any bank. Presently, the Bank of Mauritius can only revoke the licence in the event of a default or non-compliance. As we know, revoking a licence is a double-edge knife. It can, of course, improve the image of the country or it can also send the wrong signals and one might argue that the recent turbulence in the banking and financial sector may have sent the wrong signal. May this be, Madam Speaker, I think it is opportune to reflect on the possibility of amending the Act to provide for suspension as a first step before outright revocation of licence if the bank continues to default. This could have saved the country of much collateral damage or the legislation could have also provided for Central Bank officers to be posted for short periods to monitor operations rather than to resort to drastic sanctions and gamble the future of jobs, growth but more importantly the goodwill of the nation.

Madam Speaker, the Finance Bill also devotes much space to address legal obligations relating to tax and other fiscal matters, such as procedures for VAT registration and security bond. This clause in tax also provides for the obligation of the MRA to respond within defined time period to operators; therefore, this shifts the onus on the MRA and creates a world of better and greater certainty to operators which, in a nutshell, has the effect of creating a propitious friendly business environment to operate. It can only be hoped that this will act as a catalyst to speed up growth.

Clause 18 of the Bill, Madam Speaker, deals with the financial promotion agency, that is, the Financial Services Act is being amended and the Bill therefore deals with the financial promotion agency. In fact, this is a measure which was long overdue. If we take lessons from past experiences, the sector needed an agency to promote, to disseminate information and to defend its interest, both locally and internationally. The agency's objectives and duties are clearly defined and, according to me, this will consolidate capacity building and come at an opportune time to service a sector that accounts for about 10% of GDP and we wish this agency good luck.

Madam Speaker, this Board, from what I can see from the Bill, which will run the agency, shall consist of a Chairperson and not more than four other members and all of them, be it the Chairperson and the four members, shall be appointed by the Minister responsible for this financial sector.

The Director, that is, the Chief Executive, from what I can read from the Bill, in his turn, shall be appointed by the Board with the approval of the Minister. So, the Board is appointed by the Minister, the Director is appointed by the Board with the approval of the Minister, which means the Minister will have an important say or perhaps a total say in the appointment of the Chief Executive of such an important agency. I have just highlighted the role of this agency and I wish just to underline, Madam Speaker, that in choosing the Director - and I am sure the Minister is conscious of that - transparency should be the rule of the game and the key factor in choosing this high profile position; this high profile Chief Executive rests in the wise and sound decision of the Minister.

With regard to another clause of the Bill, Madam Speaker, the Solar Energy Investment Allowance, it is a good thing, of course. It is a big step forward but the only remark I wish to make is that this allowance relating to solar energy investment is positive but I think it is not enough. I would have thought that concessionary interest rates should also have been considered if we intend to promote green energy seriously.

Madam Speaker, Clause 31, with regard to the Investment Promotion Act, also brings certain important amendments and these amendments have been introduced to reflect the new budget measures and to make provision to accommodate a member of the mauritian diaspora. From the Bill, we can see that all the schemes: the IHS, the PDS or the SCS (Smart City Scheme) have been set up to widen the scope of investment and to open the country to foreign investment. Although the initiative is laudable, the scope of success remains to be seen. The openness of the scheme may be contrasted to the complexities of the various opportunities which could complicate matters for control purposes or for revenue collection purposes.

I was asking myself the question: could there have been a simpler or more rational approach which could have served the same purpose without all these administrative hassles? Under the same chapter, Madam Speaker, with regard to the IPFTC - the Investment Projects Fast-Track Committee, we have no quarrel with this Committee except that we all remember that such a Committee was set up by the previous Government under the office of the then Prime Minister. I don't know how many projects, today, have been materialised under the previous Government, under the direction of such a Committee - a Broad-based Committee. For the present Committee in our Bill, I can see that the Financial Secretary is being entrusted with the Chairmanship of this very important Committee. Of course, we know the capacity,

the competence of the Financial Secretary, but, once again, I think the remark to be made is that the FS is already being entrusted with too many responsibilities to humanly deliver quality services. Unfortunately, too much work, too much power is being concentrated again in the hands of this Senior Officer. I should have thought that perhaps an alternative officer could have been chosen to chair this Committee so as not to delay determining actions.

Madam Speaker, with regard to another clause of this Bill - I am commenting on the Public Procurement Act, the amendments brought to this Act, I have no doubt have been devised to ensure greater compliance. They have been introduced to correct previous vagueness through greater precision and to promote better accountability given the recent abuses, especially in making variations in different contracts in the past. But there is one section which has retained my attention, at page 110, Clause 43 (j) (5) of the Bill, I read -

“Where public procurement proceedings are cancelled by a public body under this section, no challenge under section 43 and no application for review under section 45 shall be entertained in respect of the cancellation.”

I have, of course, looked at the commencement section in the Bill, section 55, and I have, of course, realised when this particular clause will come into operation. It will come into operation when it will be fixed by proclamation. But the question I wish to ask is: what is the bearing of this provision on the tender launched recently by the CEB with regard to the four engines of 15 MW? I hope the hon. Minister of Finance and Economic Development will clear the issues and enlighten the House on whether this particular clause has been introduced because of the recent tender exercise launched by the CEB with regard to the four engines of 15 MW. We know that in this case there was a challenge and there was also a cancellation. The procurement proceedings were cancelled in this particular project. So, has this clause been introduced because of what took place in the exercise I have just referred to? The hon. Minister would, I am sure, be helpful and elaborate on this issue.

The last point I wish to make, Madam Speaker, is regarding the first time buyers, that is, amendments which are being brought to the Registration Duty Bill. The hon. Minister has made an announcement in his Budget Speech. Today, the Registration Duty Bill has been amended and we know what is the problem. As we all know, the First Time Buyer Scheme was abolished in 2006, the registration duty was uniformised and, today, as we all know, the registration duty is 5%. In 2010, when hon. Pravind Jugnauth was Minister of Finance, this regime was reintroduced and in 2012 the ceiling was lifted, raised up to Rs1 m. for *les*

*terrains vagues* and Rs4 m. for apartments and immovable property, houses. Today, of course, we support the decision of the hon. Minister to again raise *le plafond pour les terrains à R 1.5 million*, although the ceiling *pour les appartements et les immeubles bâtis* have been maintained and have remained up to Rs4 m.

What I think the hon. Minister should explain to the House today is the following, Madam Speaker: he had announced the amendment to the Act to increase the exemption of first time buyers from Rs50,000 to Rs75,000. This is, of course, for bare land. But, what we wish to know is because we all know that the injustice in this measure was, for example, if somebody, - the ceiling has been raised from Rs1 m. à *R 1.5 million aujourd'hui* - a first time buyer buys a plot of land up to Rs1.5 m., he pays no registration duty. But what happens if somebody buys a plot of the land of Rs1.6 m., that is, Rs100,000 more or Rs50,000 more? Can the hon. Minister enlighten us as to whether by the measure he has announced we are getting rid of the price threshold or is it only first time buyers who purchase a plot of land up to Rs1.5 m. who will benefit from the exemption of Rs75,000? This is still not clear in our minds. That is, is it the case that whatever the sale price will be, the first time buyer will be eligible for the exemption of Rs75,000 for a plot of bare land, that is, even if the land is Rs5 m. and the first time buyer buys a plot of land of Rs5 m. he will benefit from an exemption of Rs75,000 which is 5% of Rs1.5 m.?

We have listened to the hon. Minister in his introductory speech and I am not too sure whether the issue was still clear. My second question on the same issue is whether the hon. Minister envisages removing the price threshold also for the purchase by a first time buyer for an apartment or for built-up land. As I said earlier on, the price threshold today is Rs4 m. Why did not the hon. Minister provide for an exemption of 5% of Rs4 m., that is Rs200,000, whatever the sale price of the apartment be? That is, if somebody buys an apartment of Rs5 m. today or Rs6 m. tomorrow, will that first time buyer benefit from the exception of 5% of Rs4 m. which is the threshold today, that is, of Rs200,000? This is also not clear. This has also not been commented upon by the hon. Minister of Finance and Economic Development. I am sure the House would like to be clarified on this issue.

I have done, Madam Speaker. Thank you.

**Madam Speaker:** Hon. Minister of Finance!

(3.11 p.m.)

**Mr Lutchmeenaraidoo:** Madam Speaker, let me, first, thank hon. Members of this House who have commented on the Finance Bill; my colleague, the hon. Minister of Industry, hon. Reza Uteem and hon. Alan Ganoo. I must say that, globally, there has been consensus on the strategy adopted by Government and on the various projects which are being implemented. I fully realise also that nothing is perfect in the sense that we are proceeding through experience and that, therefore, changes are happening. I can promise all hon. Members here that the proposals they have made this morning have been noted by my officers in the Ministry, as well as those of hon. Ganoo and also of my friend at my back, the hon. Minister of Industry.

I will start maybe with the latest comment of hon. Ganoo which needs to be cleared; in fact, which is the incentive that has been given to first time buyers. The question has been whether someone who purchases a plot of land that goes beyond Rs1.5 m. will still benefit on the first Rs1.5 m. He will not because, then, the cost of the budget will be too high. This applies also for the purchase of apartments up to Rs4 m. The exemption will be for Rs4 m. and if the price goes beyond it, then the buyer will have to pay the full amount of 5% on the total amount. It is mainly due to budgetary provisions. I have checked and it seems that the cost of the budget will be too high. We can regulate it, probably, when times are better. We might review and ensure, therefore, that the first time buyers, whatever be the price, benefit from the first Rs1.5 m. We adopted the same principle also with water when we said that the first 6 m<sup>3</sup> of water would be totally free. We mean it. But then, at the same time, we don't want it to be sort of free use of 6 m<sup>3</sup> just because it is free. So, it is no doubt that those 6 m<sup>3</sup> comes to 15 drums, I think. It is quite a lot of water. Consumers who go beyond the 6 m<sup>3</sup> will have to pay the full amount. It is a sort of incentive to allow poor families to consume, to stay within the range of 6 m<sup>3</sup>. It is again for one reason, for budgetary reasons. But still, it is an incentive and it is a good one and I am sure that a normal lower income family will not consume more than 6 m<sup>3</sup>.

There have been quite a few issues taken up on the question of the Bank of Mauritius and also on the tender procedures. Hon. Ganoo put the question as to whether the amendment has been carried out because of the cancellation of the tender procedures for the 15 Megawatt engines.

*(Interruptions)*

No, it not for this! In fact, the principle is that when a tender is cancelled, there is no substance for which a challenge can be undertaken. This is an explanation coming from my officers. I wish, once again, to thank hon. Members. But, maybe, I should explain also on the question of the package of incentives. In fact, hon. Members have taken up the issue of package of incentives which we are developing now to encourage accelerated development. We have, in fact, cancelled the IRS and RES Schemes and they are being replaced by three schemes. One is the Smart City Scheme which applies to development that goes beyond 50 acres. Then, under the Property Development Scheme, we have two schemes. One would be for small property development concerning mainly small planters, people who have a plot of land and would wish to develop it.

Therefore, up to five acres of land, there will be a specific package of incentives that will apply when it comes to property development. It will apply, in fact, to all those small planters and small landowners who would like also to go on their own and have some development. The third element of this package would be for property development between 5 to 50 acres, that is, in-between the small one and the smart city. We are working on this now and I need to say that the incentives will be quite generous because international investors don't love us because of our eyes, blue eyes. They come here because Mauritius means business and the destination is good. So, the package will be quite generous. The question of whether it is not too generous, I would say: let's start with this. It's like going fishing. We put the best bait, we attract the best fish then, when we have enough fish, we reduce the bait. So, in principle, once the country would be flooded...

*(Interruptions)*

Sharks won't bite! Once the package takes up fully, I think, we will then review the whole package. But for the time being, all the three packages would be extremely generous, just to kick-start the development process. The good news also is that the eight Smart Cities Projects have been finalised. So, we are extending the list to 15 smart cities. I need to see that the level of confidence in the country is very high. I speak as Minister of Finance and as someone who is connected to development. After the election, there was a transition of uncertainty. Then, we took probably the right decisions in the sense that, now, I would say it, the mood is very bullish. It is one of the most bullish moods I have seen in in the country since independence. People want to invest. People want to invest because they feel that investment makes sense. This explains why.

*(Interruptions)*

No, I'm just speaking about what is happening. We saw, yesterday, two days back, on the stock market of Port Louis - I know the stock market, I set it up in 1987. This market is extremely volatile because it is small. Once you put a large order to sell, you can end up with the price crashing. I need to tell you one thing. The market absorbed Rs1.2 billion of sales yesterday and did not budge by one cent. This is very rare. This, in fact, proves that there is a stock market that is also reflecting the mood in the country. The people I am meeting now, the foreign investors I am meeting are confirming. They said: "Look here, you are on the right track." Moody's also said this to us. Moody's were here last week. They said: "We feel that you are on the right track, that you are putting order in your house and this is good news for the world. We think that you are being more transparent. This is good news also for investors". Therefore, it is a combination, I think, of all this. Then, also, the strong leadership of Sir Anerood Jugnauth, his vision himself, that has created in the country, actually, an incredible level of bullishness for investment.

*(Interruptions)*

So, the package of incentives will come and beef up this momentum. This, together with the package of incentives, I think, have put us on the right track, now, to attain the incredible rate of growth we are projecting of 5.7%. I think that FDI would be increasing quite substantially in the months ahead. Therefore, the budget, finally, is an expression of the will of the people, of the will of Government to see things moving. I am quite happy to see that at this level of the Finance Bill there is global consensus on what we are doing and I wish, once again, to thank the hon. Members, to tell them that their proposals have been noted and will be taken care of.

With these words, Madam Speaker, I wish to commend the Bill to the House.

*Question put and agreed to.*

*Bill read a second time and committed.*

(3.21 p.m.)

## **COMMITTEE STAGE**

*(Madam Speaker in the Chair)*

**THE FINANCE (MISCELLANEOUS PROVISIONS) BILL**  
**(NO. X OF 2015)**

*Clauses 1 to 3 ordered to stand part of the Bill.*

*Clause 4 (Banking Act amended)*

*Motion made and question proposed: “that the clause stand part of the Bill”.*

**Mr Lutchmeenaraidoo:** Madam Speaker, I move for the following amendment –

“in clause 4(h)(i), in the proposed subsection (1)(d), by adding the words “or a specialised financial institution”;

*Amendment agreed to.*

*Clause 4, as amended, ordered to stand part of the Bill.*

*Clauses 5 to 23 ordered to stand part of the Bill.*

*Clause 24 (Income Tax Act amended)*

*Motion made and question proposed: “that the clause stand part of the Bill”.*

**Mr Lutchmeenaraidoo:** Madam Speaker, I move for the following amendment –

“in clause 24 –

- (i) in paragraph (e), in the proposed new section 49B(2), by adding the words “, whichever is the later”;
- (ii) in paragraph (f)(i), by deleting the words “and “from the end of the second quarter”” and replacing them by the words “and “from the end of the third quarter””;
- (iii) in paragraph (y), by deleting subparagraph (ii) and replacing it by the following subparagraph –
- (ii) by inserting, after subsection (1), the following new subsection  
 –  
 (1A) Where the person is a small enterprise which has an annual turnover not exceeding 10 million rupees, the total

penalty payable under subsection (1) shall not exceed 5,000 rupees.

(iv) in paragraph (z), by deleting subparagraph (ii) and replacing it by the following subparagraph –

(ii) by inserting, after subsection (1), the following new subsection –

(1A) Where the taxpayer is a small enterprise which has an annual turnover not exceeding 10 million rupees, the penalty payable under subsection (1) shall be 2 per cent.

(v) in paragraph (zb), in the proposed new Sub-part D, in section 122E(4), in the definition of “small enterprise”, in paragraph (b), by deleting subparagraph (iii), the word “and” being added at the end of subparagraph (i) and the words “; and” at the end of subparagraph (ii) being deleted and replaced by a full stop;

(vi) in paragraph (zc), in the proposed new section 123A, in the heading, by deleting the word “beyond” and replacing it by the word “before”;

*Amendment agreed to.*

*Clause 24, as amended, ordered to stand part of the Bill.*

*Clause 25 (Independent Broadcasting Authority Act amended)*

*Motion made and question proposed: “that the clause stand part of the Bill”.*

**Mr Lutchmeenaraidoo:** Madam Speaker, I move for the following amendment –

“(c) in clause 25, in paragraph (d)(i), in the proposed subsection (1), by deleting the words “subsections (4) and (5)” and replacing them by the words “subsection (4)”;

*Amendment agreed to.*

*Clause 25, as amended, ordered to stand part of the Bill.*

*Clause 26 ordered to stand part of the Bill.*

*Clause 27 (Inscription of Privileges and Mortgages Act amended)*

*Motion made and question proposed: “that the clause stand part of the Bill”.*

**Mr Lutchmeenaraidoo:** Madam Speaker, I move for the following amendment –

“(d) in clause 27, in paragraph (a), in the proposed new section 2A, by deleting the words “considered to be the original” and replacing them by the words “deemed to meet the requirements and reproduce the contents of the original deed or document, as the case may be, for the purpose of this Act”;”

*Amendment agreed to.*

*Clause 27, as amended, ordered to stand part of the Bill.*

*Clauses 28 to 39 ordered to stand part of the Bill.*

*Clause 40 (Notaries Act amended)*

*Motion made and question proposed: “that the clause stand part of the Bill”.*

**Mr Lutchmeenaraidoo:** Madam Speaker, I move for the following amendment –

“by deleting clause 40 and replacing it by the following clause –

#### **40. Notaries Act amended**

The Notaries Act is amended –

(a) in section 2 –

(i) in the definition of “original”, in paragraph (a), by inserting, before the words “the original”, the words “notwithstanding any other enactment,”;

(ii) in the definition of “Repertory”, by inserting, after the word “deeds”, the words “, including those in electronic form,”;

(b) in section 3 –

(i) in subsection (2), by deleting the words “A notary” and replacing them by the words “Notwithstanding any other enactment, a notary”;

- (ii) in subsection (3)(a), by inserting, after the word “original”, the words “, including an original in electronic form.”.”

*Amendment agreed to.*

*Clause 40, as amended, ordered to stand part of the Bill.*

*Clauses 41 to 43 ordered to stand part of the Bill.*

*Clause 44 (Registration Duty Act amended)*

*Motion made and question proposed: “that the clause stand part of the Bill”.*

**Mr Lutchmeenaraidoo:** Madam Speaker, I move for the following amendment –

“in clause 44 –

- (i) in paragraph (a)(i), in the proposed definition of “deed or document”, by deleting paragraph (a) and replacing it by the following paragraph –
  - (a) means a deed or document meeting the requirements and reproducing the contents of the original deed or document, as the case may be, for the purpose of this Act when submitted through the RDDS; and
- (ii) in paragraph (b), in the proposed new section 2B, by deleting the words “considered to be the original” and replacing them by the words “deemed to meet the requirements and reproduce the contents of the original deed or document, as the case may be, for the purpose of this Act”;
- (iii) in paragraph (e)(ii), in the proposed new subsection (8), by inserting, after the words “scanned and”, the words “the registered copy thereof is”.”

*Amendment agreed to.*

*Clause 44, as amended, ordered to stand part of the Bill.*

*Clauses 45 to 51 ordered to stand part of the Bill.*

*Clause 52 (Transcription and Mortgage Act amended)*

*Motion made and question proposed: “that the clause stand part of the Bill”.*

**Mr Lutchmeenaraidoo:** Madam Speaker, I move for the following amendment –

“in clause 52, in paragraph (a), in the proposed new section 3A, by deleting the words “considered to be the original” and replacing them by the words “deemed to meet the requirements and reproduce the contents of the original deed or document, as the case may be, for the purpose of this Act”;

*Amendment agreed to.*

*Clause 52, as amended, ordered to stand part of the Bill.*

*Clause 53 (Value Added Tax Act amended)*

*Motion made and question proposed: “that the clause stand part of the Bill”.*

**Mr Lutchmeenaraidoo:** Madam Speaker, I move for the following amendment –

“in clause 53, by deleting paragraph (g) and replacing it by the following paragraph –

(g) in section 27 –

(i) in subsection (1), by deleting the words “Where” and the figure “26” and replacing them by the words “Subject to subsection (3), where” and “26(1)”, respectively;

(ii) in subsection (2), by deleting the figure “26” and replacing it by the words “26(1)”;

(iii) by adding the following new subsections –

(3) Where the person referred to in subsection (1) is a small enterprise and it fails to pay any tax due on or before the last day on which it is payable under section 21(7), 22, 23, 27E(3) and (10), 37, 39 or 67, the penalty shall be 2 per cent of the tax.

(4) The penalty under subsection (3) shall apply to the tax excluding any penalty under section 15A, 24(9), 26(2), 26A or 37A and any interest under section 27A.”

*Amendment agreed to.*

*Clause 53, as amended, ordered to stand part of the Bill.*

*Clauses 54 ordered to stand part of the Bill.*

*Clause 55 (Commencement)*

*Motion made and question proposed: “that the clause stand part of the Bill”.*

**Mr Lutchmeenaraidoo:** Madam Speaker, I move for the following amendment –  
“in clause 55 –

- (i) in subclause (1) –
  - (A) by inserting, after the word “Sections”, the words “5,”;
  - (B) by deleting the words “41,”;
- (ii) in subclause (2), by deleting the words “48,”;
- (iii) by inserting, after subclause (7), the following new subclause –
  - (7A) Sections 41(a), (c) and (d) and 48(b) and (c) shall be deemed to have come into operation on 01 January 2013.”

*Amendment agreed to.*

*Clause 55, as amended, ordered to stand part of the Bill.*

*The Schedules ordered to stand part of the Bill.*

*The title and enacting clause were agreed to.*

*The Bill, as amended, was agreed to.*

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

*Third Reading*

*On motion made and seconded, the Finance (Miscellaneous Provisions) Bill (No. X of 2015) was read the third time and passed.*

*Second Reading*

**THE EMPLOYMENT RIGHTS (AMENDMENT) BILL  
(NO. IX OF 2015)**

*Order for Second Reading read.*

**The Minister of Labour, Industrial Relations, Employment and Training (Mr S. Callichurn):** Madam Speaker, I move that the Employment Rights (Amendment) Bill (No. IX of 2015) be read a second time.

The object of this Bill, as stated in the Explanatory Memorandum, is to extend the duration of maternity leave from 12 to 14 weeks so as to better support working mothers fulfilling their family obligations.

This piece of legislation must be viewed as part of the array of measures being taken by this Government to reinforce social inclusion.

Madam Speaker, the House will recall that in the Government Programme 2015-2019, it was announced that the labour legislation would be amended with a view to ensuring a better protection of the rights of the workers, including the extension of maternity leave from 12 to 14 weeks. This measure was also in our electoral manifesto and the landslide electoral victory of December 2014 gives us a clear mandate to bring about the reforms we had promised.

Madam Speaker, Government could have considered the extension of maternity leave in the context of the whole review of the labour legislation which is currently under way. However, it is considered that the reinforcement of maternity protection is a sacred right and we should not await the completion of the general review of the labour legislation which, as a matter of fact, will take some time, I must admit.

Government has, therefore, decided as a matter of priority to come up with this amendment. We are here, Madam Speaker, talking about the basic rights of our working mothers and their children. We should not forget that women constitute an important component of our labour force. In 2014, there were some 207,000 female workers out of a total workforce of 559,000. With the additional two weeks, working mothers will be able to provide more care, love and security to their new-born babies. This measure will also facilitate their reintegration in the world of work, after confinement.

Madam Speaker, the introduction of this piece of legislation demonstrates clearly that, as a caring and responsible Government, we have the interests of our working mothers. We are honouring our electoral promise. '*Parole donnée, parole tenue*', Madam Speaker.

Maternity protection is a basic human right. It is enshrined in the 1948 Universal Declaration of Human Rights.

Article 25 (2) of the Declaration actually provides that -

“Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection”

The human rights of women and of the girl child are also considered as an “inalienable, integral and indivisible part of universal human right” according to the 1993 Declaration of the World Conference on Human Rights.

Madam Speaker, as the House may be aware, currently, the situation of women is quite alarming in some countries around the world. According to the World Health Organisation, about 8 million women around the world have pregnancy related problems. Many women are also discriminated due to their reproductive role and we are now faced with a situation where the fertility rate is below the replacement rate. The UN has warned that in 83 countries, women are not having enough children to ensure that on average each woman is replaced by a daughter who survives the reproductive age.

Although the situation is not alarming in Mauritius, statistics in regard to birth rate, the infant mortality rate and the still birth rate in our country, are, however, a cause of concern. In fact, our crude birth rate has decreased from 10.9 per 1,000 population in 2013 to 10.6 in 2014; our infant mortality rate has increased from 12.1 per 1,000 live birth to 14.5 in 2014, and the number of stillbirth has increased from 8.5 per 1,000 total birth in 2013 to 10.2 in 2014.

It is, therefore, imperative that the rights and the health of women who constitute 37 percent of our labour force are protected and reinforced. That is why Government has decided to deal with the issue of the extension of maternity leave as a matter of priority.

Madam Speaker, the broad guidelines governing the rights of female employees in relation to maternity leave, have been established by the International Labour Organisation (ILO) and these are ratified by member States, of which Mauritius forms part.

Government’s decision to increase the duration of maternity leave from 12 to 14 weeks is in line with the ILO Maternity Protection Convention 2000. The Convention provides, *inter alia*, that a woman be entitled to a period of maternity leave of not less than 14 weeks and that maternity leave shall include a period of compulsory leave after child birth. It has not been possible for Mauritius to ratify the said Convention due to the fact that actually the Employment Rights Act and all Remuneration Orders provide a 12-week maternity leave. The granting of only 12 weeks maternity leave to pregnant women is a major constraint to the ratification of the said Convention. With the current proposed amendment, Mauritius would be able to ratify the Maternity Protection Convention 2000, which is an important instrument

to promote equality of women in the workforce and the health and safety of the mother and the child.

I wish to point out that the worldwide trend is towards the extension of maternity leave to 14 weeks. According to a survey carried out by ILO in 185 countries, 53 per cent of the countries provide at least 14 weeks maternity leave. Additionally, it is to be pointed out that 42 countries meet or exceed the 18 weeks maternity leave as suggested by the ILO Maternity Protection Recommendation 191, which provides guidelines on the issue and - I must put emphasis - is not binding.

Madam Speaker, research shows that longer the maternity leave, the better it is for both the mother and the child.

Extending maternity leave from 12 to 14 weeks will certainly go a long way towards ensuring a better protection not only to the mother, but to the child as well.

Madam Speaker, currently, the conditions of employment, including maternity protection of workers in the private sector, are governed by the Employment Rights Act and 30 Remuneration Regulations. Clause 3 of the Bill provides that notwithstanding any other enactment or Remuneration Regulations, a female worker who remains in continuous employment with the same employer for a period of 12 consecutive months immediately preceding the beginning of maternity leave shall, on production of a medical certificate, be entitled to 14 weeks maternity leave on full pay.

It goes without saying that the extension of maternity leave from 12 weeks to 14 weeks will apply to all female workers in the private sector.

The House may also wish to know that while extending the maternity leave to 14 weeks, it is also proposed to –

- (a) increase the minimum leave before and after confinement from 6 to 7 weeks, and
- (b) to increase the leave for stillbirth from 12 weeks to 14 weeks.

Madam Speaker, I am pleased to inform the House that, in a spirit of equity, the Ministry of Civil Service and Administrative Reforms would implement the measure concurrently in the public sector as from the same date.

Thank you.

**The Vice-Prime Minister, Minister of Housing and Lands (Mr S. Soodhun) rose and seconded.**

**Madam Speaker:** Hon. Baloomoody!

(3.41 p.m.)

**Mr V. Baloomoody (Third Member for GRNW & Port Louis West):** Thank you, Madam Speaker. Madam Speaker, this is the second time, I think, we are amending the Employment Rights Act since it was proclaimed in 2008. Today, at the time we are amending this Act, there is much anxiety outside, especially in the labour market.

We learnt this morning that there are around 800 employees of Airmate, who, at any moment, may have their contract of employment terminated. I would like to take this opportunity to make an appeal to the hon. Minister to try to preside a meeting himself. I know that he has tried. His PS has been there but, unfortunately, there has been no change of mind with regard to the Directors of Airmate. There is anxiety as well in other sectors, especially the SMEs sector.

**Madam Speaker:** Hon. Member, please come straight to the Bill because the Explanatory Memorandum is clear. I wish that you come straight to that Bill.

**Mr Baloomoody:** I am being informed that, among those employees, there are people who are expecting babies as well. So, it concerns those people who would not benefit from their maternity leave. Never mind!

Now, what is Government doing in fact? We are legislating to be in consistent with the ILO Convention - Maternity Protection Convention which came into force into 2002. In this Convention, it states that the minimum should be 14 weeks. I am sure the hon. Minister is aware. In some countries like in Albania they give one year maternity leave; in Austria, 16 weeks; in Belarus, 126 days, and we know in Europe it is nearly 6 months. So, what we are implementing, today, is the minimum which the ILO requires. Mauritius has not, up to now, ratified this Convention. The hon. Minister has given the reason, but we know, as a fact, that there are so many Remuneration Orders which have not been revised. There are around 30, some of which dated more than 30 years. In the sugar industry, both the agricultural and non-agricultural workers, the Remuneration Order has not been revised for 30 years, also in the security guard industry. So, we have a problem with regard to the Remuneration Orders and when we are implementing the minimum which the ILO requires, we are only abiding to International Convention. It is not that our Government is doing that people will agree. There is an International Convention and we have chosen to abide to the minimum, which is 14 weeks and not more than 14 weeks where many countries have adhered to.

Now, there is one principle. We know that, with regard to the hours of labour, the Employment Rights Act is clear that we cannot force somebody who is pregnant to do more such hours of labour. She has to work normal working hours. But, in 2012, there was a Bill which was passed where we amended the Employment Rights Act to add an additional Section 14, which is Section 14A which deals with shift system. This is where the problem lies. Section 14A (6) especially is of concern with this Bill, I quote -

“Notwithstanding section (1), where a female worker who may be required to perform night work produces a medical certificate certifying that she is or was pregnant, her employer shall not require her to perform night work during a period of at least 8 weeks before, and after, confinement”.

This is the amendment which came in by the Bill of 2012, but this Section has not been proclaimed up to today. So, we are not treating all women equal. Those who work night shifts even when pregnant, the employers are imposing on them to work. So, we are not giving equal treatment to all the women. I would like to know from the hon. Minister why, when revising the law, we have decided not to proclaim this. Because, the objective of the ILO is clear in its preamble that we should have equal treatment. Its aim is: ensuring equality of opportunity and treatment for men and women workers in this Convention. I am pleased to see that the hon. Minister of Civil Service and Administrative Reforms is here because I was going to raise that point. I think, in the Civil Service it is limited to, at least, three confinements. Now this will apply to the Civil Service, but why not those who work on shift system? So, we are not doing justice to those women who are working on shift system.

So, I will invite the hon. Minister to tell us exactly why section 14A has not been proclaimed up to now, because this is where the harm is being done. Generally speaking, all the employers respect the law with regard to 12 weeks maternity. There are some cases of discrimination - perhaps when the hon. Minister will revise the Act again to see Section 14 of the Act which says -

“An employer shall not give to a female worker who is on maternity leave notice of termination of employment.”

but section (b) says -

“For any reason unless the ground relates to economic, technological, structural or similar nature affecting the employers activities.”

I am being informed by some trade unions that some employers do make an abuse of this section. Economic reasons, unfortunately under the Employment Act, do not have to be proved. The amendment brings a little sort of explanation, but I heard the hon. Deputy Prime Minister, himself, say that the accounts of many private sectors today do not reflect the reality. So, it is very easy to come with a balance sheet showing losses, debts, and you say 'for economic reasons'. There are some employers who have used that section to terminate the contract of employment of women - not for their first pregnancy - who have given birth to a second child and sometimes to a third child. Probably, when we will come to the revision of the Act itself, this will be taken into account.

So, on the all, we do not have any objection to that amendment. Of course, we welcome it. But, as I have said, we are only going to the bare minimum as imposed by the ILO.

Thank you, Madam Speaker.

(3.51 p.m.)

**The Minister of Social Security, National Solidarity and Reform Institutions (Mrs F. Jeewa-Daureeawoo):** Madam Speaker, allow me, at the outset, to congratulate my colleague, hon. Soodesh Callichurn, Minister of Labour, Industrial Relations, Employment and Training for bringing the Employment Rights (Amendment) Bill to this august Assembly for the purpose of extending the duration of the maternity leave from 12 to 14 weeks so as to better support working mothers in the fulfilment of their family obligations.

This Bill, Madam Speaker, seeks to give a better recognition of the maternity rights of working women. Women indeed play a vital role in the economic development of our country and, therefore, there is a pressing need for our law to further protect the right of working women and their infants.

This Bill intends to further this very endeavour. This amendment to the Employment Rights Act promotes maternity protection by increasing the duration of paid maternity leave for those women who are in continuous employment with an employer for, at least, 12 consecutive months. Increased maternity protection for working women has a deep and positive impact on human rights, women rights, rights to health and the rights of a child.

This Government is, indeed, minded towards the promotion of human rights and will leave no stone unturned to achieve its objectives. The International Labour Organisation, in its report on maternity protection, stresses that expectant and nursing women require special protection to prevent harm to their infants' health and they need adequate time to give birth, to recover and to nurse their children. This laudable initiative of hon. Callichurn, Minister of Labour, Industrial Relations, Employment and Training will draw Mauritius closer to achieving the established international standards of workers rights, particularly those concerning freedom from discrimination at work and getting equal pay for work of equal value provided for under the ILO Convention 100 on Equal Remuneration and Convention 111 on Discrimination in Employment and Occupation. Both these two Conventions have been already ratified by the Government on 18 December 2002 when my colleague, hon. Soodhun, was then the Minister of Labour, Industrial Relations and Employment.

It should be emphasised that, in general, maternity protection has significant implications on efforts of women towards attaining decent work. Women are in need of a minimum amount of economic security to ensure that they are able to contribute adequately to the household expenses as they are today living in a society with an ever increasing cost of living. Working women would need the guarantee that their economic activities do not put their health and that of their children at risk. They also need the reassurance that their economic role does not pose any impediment to the reproductive role in the family sphere. Maternity protection at work thus caters for the aspiration of these working women. Thus, as more women are joining the workforce, it is imperative for Government policies to ensure access to employment opportunities even for expectant and nursing mothers.

Raising a family is a cherished goal for many working people. So, conditions should be established so that pregnant women and nursing women are not pressured to make a difficult choice between work and family life. It is therefore just, fair and reasonable that the Government gives special attention to working women by expanding the existing maternity protection policies seeking to adopt working conditions for pregnant women workers. This would be a real boost for women who are slowly but surely becoming the driving economic force in the growth of our dear country. We should also not forget, Madam Speaker, that working women require sufficient protection to ensure that they will not lose their jobs or face difficulties in getting a job simply because of pregnancy or because they require maternity leave to ensure that their own health or that of their child is not in jeopardy.

We are living in a country which militates towards the promotion of human conditions at work, the reason we have ratified more than 40 Conventions with the International Labour Organisation till now. Mauritius is not an exception since we have more and more women in our labour market as compared to 30 years ago. In many of the households, women still provide the main source of income. It is during this sensitive and crucial period that women need to be protected so that they do not have to sacrifice time for their babies, for the benefit of having to work for extra earnings. This additional maternity protection will not only further guarantee a women equal access to employment, it will also ensure the continuation of often vital income which is necessary for the wellbeing of the family.

Throughout the world, returning to work is a major factor in women's decision to stop or to reduce breastfeeding, lessening the nutritional, developmental and health benefits for the child. The health and development of children can only be at risk when their mothers face hazard, long working hours or physically demanding tasks at work. Policies and practices in the employment world that address these issues, ensuring social health protection are an important part of the package of measures required to improve new born and child health. On the other side, I am also of the view that an increase in the duration of the maternity leaves from 12 weeks to 14 weeks will also have the extra advantage for the economy.

A positive change in the law will undoubtedly act as a motivational factor in the employment world. Let it be remembered that we, in this Government, have strong belief in the protection and wellbeing of the working women class, as reflected in our policies and this proposed amendment. As safeguarding the health of expectant and nursing mothers and protecting them from job discrimination is a precondition for achieving genuine equality of opportunity and treatment for men and women at work and enabling workers to raise families in conditions of security by extending protection to working mothers, we are also helping to improve the quality of employment.

We are a caring Government; quality of employment is also indicated by the existence of measures that afford flexibility in setting working conditions, including those on working time; where measures are available so that a worker may adjust working time to achieve a tenable balance between work and family responsibilities. In this case, more time for attending to pregnancy requirements or for nursing a new born child, quality of employment may be achieved. Benefits to be derived from this balance may be seen in having women

workers who are able to maintain their health and wellbeing during and after pregnancy, thus having a positive impact on productivity. It should be noted, Madam Speaker, that, towards this end, the Government has also ratified ILO Convention 156 on workers with family responsibilities on 05 April 2004, again, when my colleague, hon. Soodhun, was Minister of Labour, Industrial Relations and Employment.

However, we should also note that our national labour law actually provides for 12 weeks' maternity leave and we are, now, moving towards a new standard of 14 weeks. Yet, it is with regret that I have realised that we have never ratified any ILO Convention on maternity protection, namely, that of 1919 and 1952. I will keep on hammering on the need for increasing maternity protection at the workplace, as this is also a legal and social recognition of the contribution that women make by having babies. There is a widespread consensus that early years are crucial time for children's social and emotional growth. In this regard, Madam Speaker, we should not stress too much on the cost aspect of extending maternity leave, thus obscuring less tangible benefits such as health effects as well as socio-economic benefits.

We should not forget that we have an ageing population with all its implications. Hence, increasing fertility and reducing the risk of child poverty are two of the most important priorities of a maternity leave policy. This is where we are heading with this present amendment today. This Government cannot remain insensitive on this crucial issue. Already, the State provides, with a view to better protecting working and non-working mothers, free health care benefits, pre- and post-natal care. All this has further strengthened social protection towards women.

The Employment Rights (Amendment) Bill has come at a very opportune time. Indeed, by extending maternity leave from 12 to 14 weeks, we are fulfilling the promise we have made during the last electoral campaign. We are about to implement the commitment we have undertaken in line with this Government Programme 2015/2019. This is another hallmark in the history of this country and in the long and continuing struggle for the emancipation of women. Hopefully, if, in practice, we fulfill some of the conditions of the ILO Convention 183, the main condition being the very extension of maternity leave from 12 to 14 weeks, it will not be very far for Mauritius to contemplate the ratification of the ILO Maternity Protection Convention 2000 (No. 183). I am confident that under the leadership of

our Prime Minister, Sir Anerood Jugnauth, we should be able to ratify this important ILO instrument during this mandate.

Thank you, Madam Speaker.

**Madam Speaker:** Hon. François!

(4.02 p.m.)

**Mr J. F. François (First Member for Rodrigues):** Thank you, Madam Speaker. Madam Speaker, I rise to join the other hon. Members who preceded me to say a few words in relation to this Employment Rights (Amendment) Bill for an extension of two weeks for the duration of maternity leave from 12 weeks to 14 weeks in favour of all our working mums.

This Bill is a specific measure, small, useful, but making a huge difference with a deep sense of human values and high sensibility for parent bonding to new-born child who requires as much nurturing during the first weeks of its life and to protect the situation of working women during the vulnerable time of pregnancy, birth and recovery.

Madam Speaker, I stand proudly in support of this Bill on behalf of, I have say, all these beautiful 207,000 working mothers of our Republic and, in particular, those from the autonomous Rodrigues Island. Madam Speaker, the proposed sustainable Amendment Bill by my colleague, hon. Callichurn, Minister of Labour, Industrial Relations, Employment and Training proves Government's commitment to women and promotes Government's objective for a modern caring society protecting women and children whilst in the same breath creating a balance between family and professional life.

This is clearly a signal as we are catching up with worldwide trends and meeting the ILO Convention 2000 No. 183, Requirement on Maternity Leave where Article 4(1), as adopted on 15 June 2000, stipulates, as rightly said by the hon. Minister, a woman to whom this Convention applies shall be entitled to a period of maternity leave of not less than 14 weeks. Unfortunately, not ratified by Mauritius, but what is important is by catching up with ILO requirements, we are progressing towards equality and meaningful change. This is a vision for future generations of our society. Madam Speaker, one of the beauties of life and society today is how caring we are towards our family while creating tight family bonding ties. Our mothers, as rightly said by the hon. Minister of Social Security, National Solidarity

and Reform Institutions, are primary caregivers. Our family is the image of our society, and Pope Francis on 27 October 2013 said, and I quote -

“That family is the salt of the earth and the light of the world. It is the leaven of society.”

Madam Speaker, hon. Members of the House are all aware of the lack of qualified babysitters with sufficient knowledge in early childhood development and education. This extra two weeks will compensate partly this problem. Madam Speaker, I am also of the opinion that consideration shall also be given in some exceptional circumstances maternity leave for further extension beyond the 14 weeks. I know a case where a public female officer was penalised at promotion time. After her 12 weeks' maternity leave was over, she had to have recourse to all her sick and casual leaves for additional recovery duration. Her appointment confirmation was even delayed and she lost her hierarchical position in her job.

Madam Speaker, in addition, special consideration also shall be given to the fishers' community. I refer here to registered fishers in our Republic and in Rodrigues. Those who are traditionally called '*Madame Pêcheur*' et '*Madame Piqueuse d'Ourites*', they earn their living in the sea and during their pregnancy, birth and recovery time, they are left without any income or cash benefits or aid. They face a very hard and difficult life.

Madam Speaker, in a holistic approach, notwithstanding any other enactment or remuneration regulations, I will suggest that in the same line compulsory public funds shall be made available through social security by amending the Social Aid Act to enable fisherwomen to become entitled for such kind of aid during their late period of pregnancy, birth and recovery during the 14 weeks, especially those who are single headed family.

Madam Speaker, this amendment brings much more fairness to both woman; I mean, the mother and the baby, in particular, those who delivered by surgery and caesarean. This amendment is a psychological boost for more performance and dedication for our female working force in the development of our country and I do hope that employers out there will see no economic constraints as regard to productivity and necessary payment adjustment shall be carried out as well and, in some cases, a legal agreed percentage of payment by the employer and the employees.

Madam Speaker, I have to say that working mothers, from what I gathered, appreciate the extension of two weeks to the benefit of new-born babies who will be having a longer

breastfeeding instead of baby food, most often, commercial baby milk. It is worth to note that the global concept of exclusive breastfeeding is for a minimum of four months to six months and our legislation today, here, is bringing ours to three and a half months instead of three months. This is a laudable move. This Bill shall also allow us to study the breastfeeding trends and practices in our country.

Madam Speaker, if you will allow me, in this same vein and pending a full new labour legislation, it would be perhaps opportune to start considering the equal introduction of 14 weeks or at least four to six weeks of what I call '*papa leave*', instead of the actual paternity leave of only five continuous working days entitlement as being prescribed in our law. This is not only to address gender equity issues, but to allow both parents to take care of their child.

*(Interruptions)*

You see the men are laughing here! We, men, can be great carers and be responsible *papas*. Why not?

Madam Speaker, before concluding, while listening to the debate, a fundamental question came to my mind with regard to assumption of care of an adoptive new-born child within this maternity leave duration of 14 weeks; how about two working spouses who are close relatives, parents or stepparents, that is, grandparent, brother, sister, uncle, aunt of a child or full blood, half blood or by marriage affinity, or probably by custodial arrangements and they are not the natural parent or mother of a child who intend to adopt or to assume legally or officially the care of a new-born child whose mother - and I specify that – say, had just passed away after giving birth or who became unfit to do so within these 14 weeks. My question is: will they be entitled for secondary maternity leave in that context?

Madam Speaker, to conclude, as we celebrate the act of motherhood and family day worldwide and in our Republic this month of May, I seize this opportunity to wish all our mothers a happy family day and Mother's Day, especially hon. Members of this House. God bless them all, love and peace! Madam Speaker, that is my contribution and support in favour of this Employment Rights (Amendment) Bill.

I thank you for your kind attention.

**Madam Speaker:** Hon. Mohamed!

(4.11 p.m.)

**Mr S. Mohamed (First Member for Port Louis Maritime & Port Louis East):**

Madam Speaker, thank you very much. I am quite happy to participate in this debate as regards this piece of legislation. Let me start at by saying, while looking at the hon. Minister of Labour, Industrial Relations, Employment and Training that it is commendable on his part to have come up with that piece of legislation.

What a lot of people maybe don't realise or maybe a lot of people realise it, but don't like admitting it, is the following: it is not easy for the Minister of Labour, Industrial Relations, Employment and Training to have done what he is doing right now; to come up with this piece of legislation, to move it from 12 to 14. Some people may think it is only two weeks, but the effort that it requires to negotiate with the Mauritius Employers' Federation, the effort that it requires to negotiate with the stakeholders, the industries, the employers as well as the trade unionists is immense. That is why I congratulate the hon. Minister for coming up with this piece of legislation that is, in true, in line with Convention 183 of the ILO as far as maternity leave is concerned.

Here, in this august Assembly, it seems as though there is consensus as regards the issue of maternity leave, and we must, Madam Speaker, say that we are very lucky. We are very lucky because if, in Mauritius, today, with so much ease and comfort, we are moving forward from 12 to 14. But then, again, with regard to other countries such as the United States of America, if one looks at the grid, at the graph with regard to paid leave in any developed country, Mauritius is higher than the United States of America. In the United States of America, there are only 12 weeks of protected leave.

The concept of paid leave in the United States of America, in the country of the free and the country of the brave, does not exist. Only last year, in 2014, there was this huge issue. And why is it that they have not managed to pass the law, a Bill in the United States of America to guarantee that, at least, women there are also given not only protected leave but paid leave? It is precisely because there is no consensus in the United States of America between the Republicans and the Democrats. There is a lot of bickering, and finally it is the women there who are suffering.

Everyone is aware of the great generosity that is shown by Scandinavian countries vis-à-vis women. Everyone knows of how the State in the Scandinavian countries contributes to

the whole concept of paid leave. I speak under the correction of the new Minister of Labour, Industrial Relations, Employment and Training. The concept of paid leave in Mauritius still does not exist because it is indeed the private sector that pays for the leave. Maybe a time will have to come, because when one looks closely at not only Convention 183 but also at *les travaux préparatoires* that led to Convention 183, one would realise that the constituents of the International Labour Organisation have made it clear that, for them, in their view and their authority and precedence - to sustain what I am saying - the State must pay for leave for maternity. Now, it is something that is not easy to be able to face. How does one manage to ensure that the State can pay not 12, but now 14 weeks? In this country, the State, we call it a Welfare State, but the truth is that the State does not pay at all with regard to maternity leave. And I say this because it is true that it is a measure, a way of measuring a country's development, a country's progress, a country's commitment towards our women and mothers, when we can see how much of the State contributes to new mothers in childhood, how much does the State itself from its own coffers pay in terms of benefits to each new future mother. How much? The answer is: in Mauritius it does not. It is true that we only pass legislation to make it a point for the private sector to pay, which is good because they are at the service of the private sector. But a time, I hope, will come, when not only - as I did when I was then Minister of Labour and I came to change the maternity benefits. I see here, in this august Assembly, officers who were *les chevilles ouvrières* of that piece of legislation in those days; the second amendment or the first amendment to the Employment Rights and Relations Act.

The maternity benefit ranged from Rs300 to Rs2,000, and we increased it to Rs3000 across the board. But the issue is, once again, it is the benefit that is going to be paid by the employer. So, I would like to see a day, Madam Speaker, when the State will have to take its own responsibility, because each and every working mother in this country, each and every working woman in this country contributes to the coffers of the State not only in terms of indirect taxes, but they toil away day in day out in all spheres of life, in order to ensure that our country has reached such heights and develops so much economically. Why we all say "*c'est un pays où il fait bon vivre*" is precisely because the women, the mothers of this country have done so much.

If they have done so much for the State, if they have done so much for the future generations - I have not been able to do it when I was Minister of Labour - the present Government, I hope, will be able to do it, and if it is not this Government, maybe, in a near

future, we will see a Government that will be able to say to the women out there: “Not only can we pass legislation to force your employer to pay you, but we can also pay you”. Just as this Government has increased *pension vieillesse* from what we had proposed to Rs4,000 to Rs5,000, by a thousand rupees, just like the State can pay the elderly who have contributed to the economic upliftment and the development of this country, the State must be able to also contribute maternity benefit.

There is a second aspect that I would like to address on this particular legislation, which I am totally in favour of. When I look at the graph that exists, to compare what exactly is the state of affairs the world over with regard to parental leave or parental benefit, there is one issue which hon. Soodhun raised during the previous regime when he was in the Opposition, when I was presenting the amendments to the employment laws. He was the one who raised the issue of paternal leave. This was an issue which we discussed at the level of the Ministry at that time. We left it to five, but it was an issue that hon. Soodhun raised, and rightly so. When I look at other countries and I look at the map of maternity leave around the world, and when I read recently on ‘guardian.com’ an article of 29 November 2013, it talks about the concept of shared parental leave. It talks about the concept of shared parental leave, because whether we like it or not, when we look at our laws and we see only five days for fathers and we see 14 weeks for mothers, if this is not a chauvinist society I do not know what is. It is a society that is telling us that the mother must be the one who will be the most responsible for the child and the father has the less of the problem. But then, again, how things have evolved in other countries? In other countries, developed countries, societies realise the importance of a father in the upbringing and the nourishing of a new-born. For a new-born, a father’s role is of utmost importance; so is that of a mother.

So, in Europe, in England right now, you have 52 weeks that are shared between father and mother. A mother can decide to go back to work earlier and give the rest of her leave to her spouse or to her partner. So, this is the standard which I wish that we can really reach one day in this land of ours. 52 weeks where we can share it between mother and father because, understand, it is not only a question of 52, it is not only a question of 50 plus 2, it is not only a question of figures and multiplication. Imagine and understand, Madam Speaker, what exactly is the result when one changes and really underlines the importance of a father having to take responsibility for his child from the moment that child is born and he has to stay home to take care of that child, the day it comes where we can have it equal, where man and woman, father and mother will take care of their child equally in terms of leave, when it is

recognised in our laws, then we will be able to say that the laws that talk about employment in Mauritius, as far as leave is concerned for parents, it is not a chauvinist or discriminatory law. Because as it stands, it is discriminatory; as it stands, it is chauvinist; as it stands, it is discriminatory vis-à-vis women.

So, I commend with those words, the excellent move of the hon. Minister, I commend the Government for having had the courage to come forward. And I, not only commend, but I encourage the Government to be able to go one step further. I hope it is only one small piece of legislation. Let us go further! Let us go for the 52 weeks! Let us go for the shared parenthood! Let us at least remove! Let us remove....

*(Interruptions)*

The hon. Chief Whip is basically telling us that there are a lot of people who would be absent from this Chamber. I gather that there are lots of people who would like then to be father and I will not get into the details at this particular stage, but they would then absent themselves from *l'hémicycle*.

*(Interruptions)*

But then, again, I did not talk about the possibility of having more than a wife, I am talking about sharing parenthood.

*(Interruptions)*

But then, if one calculates, it becomes logistic.

Now, what I am trying to deal at here is, let us together, when this is consensus, try to remove - and that's my call to Government – this discriminatory element in legislation and let us see how we could do it, because it is very unfair to have future generations, to turn back and look at the laws that say that a woman has to take care of a child more than a man. This is how we start, us, here; we have to show them out there that we should not discriminate vis-à-vis a woman. A man also has to take his share of responsibility.

Thank you very much.

(4.24 p.m.)

**The Minister of Education and Human Resources, Tertiary Education and Scientific Research (Mrs L. D. Dookun-Luchoomun):** Madam Speaker, before I start my intervention, I would like to say that I am really happy to note the optimistic note with which

the hon. colleague from the other side ended his speech. I am glad that our hon. Member, on this side, hon. Soodesh Callichurn has acted very fast, in a matter of a few months, he has come up to this House with this amendment and although after five years, all the good intentions that the hon. Member had when he was the Minister of Labour, he could not bring it...

*(Interruptions)*

I must say that I am really glad, he has good intention and I hope that hon. Callichurn will manage to come up with these points forwarded by the hon. Member of the Opposition.

Madam Speaker, I deem it important, not only as a Parliamentarian, but also as a woman and a mother, to add my voice to those of the hon. Members who have intervened on this proposed amendment to the Employment Rights Act. This, as we know, relates to the extension from 12 to 14 weeks of the duration of maternity leave. I would like, at the very outset, to congratulate my colleague, hon. Callichurn, for bringing this amendment to this House.

Madam Speaker, it is now clear that this Government does not intend to linger on its promises towards the population. Actions are being taken and that too, very quickly. Our motto, Madam Speaker, remains the welfare of our people and this at the centre of all our moves.

Madam Speaker, our Government has already proved that it is not only caring, but it is also a soothing one, one who cares for the people and who cares for each and every member of the society. And, today, for the Mauritian women as well as for the children of this country, it is indeed an important date. My colleagues of this august Assembly, I am sure, will agree that the extension of maternity leave was a long overdue promise.

Despite all the good words we have heard during the last regime, very little was done in this favour. Madam Speaker, this Government, under the able leadership of Sir Anerood Jugnauth, is a responsible one and means business. We have proved it, as I have said earlier, in our actions and now with this amendment, we are showing to what extent we want our people to evolve in a better environment, might it be physical or moral.

Madam Speaker, in the early days, women were considered and perceived to be individuals having a major role to play, mainly within the family at home and men were considered to be the main bread-winners going out to fend for the family. For long, employers preferred to recruit male employees, thinking that they were the ones who could

really work and deliver. But now, Madam Speaker, women have entered the world of work. But yet, employers still prefer sometimes their male counterparts for several reasons. For example, one would be the question of having to give leave due to pregnancy would not arise. The idea of maternity leave remained a major obstacle for pregnant women who had, in the past, to stop working and this often resulted in a form of lay off and for many without any guarantee for employment on re-entry after confinement. But much has certainly been accomplished since, through relevant legislations. Now, the maternity leave is an acquired right, yet for working mothers, even today, there is that unspoken sense that they need to buckle down and prove that, having family responsibilities, would not act as a hurdle, affecting their productivity at work and we have felt the need to show that they are as good as their male counterparts. Finally, they end up doing twice as much as their friends, their male counterparts and to get the same recognition, Madam Speaker.

Often career-oriented girls or women have even to delay or sacrifice their childbearing years in order to ensure that they do not lose the opportunity of getting a job or a promotion for that matter. How many employees in the private and in the public sector as well, have to ensure continuous service so as to be part of the promotion process and sometimes even to be confirmed at their respective post after a given period of probation, as rightly pointed out by the hon. Member from Rodrigues.

Today, it is essential that we all recognise that if Mauritius has prospered over the years and is poised to become, through the efforts of Government, a high income country, it is thanks largely to the untainted efforts of the labour force and this labour force, Madam Speaker, comprises both men and women. I have also heard of many women who entered motherhood and who realised the importance of providing the sustained maternal and physical presence, so instrumental in the psychological development of a new-born baby, and this, without placing their professional commitment on a lower scale or at a lower ebb. Far from it!

We now know of thousands of women who perform the balancing act between their career and family obligations and often it is a tight rope-working act. The mothers, but also the fathers, present in this august Assembly will, therefore, appreciate that times spent with the child is a crucial factor in his or her development.

I believe that those additional two weeks will go a long way towards making women better poised to come back to work, knowing that the new born has been properly cuddled and nuzzled during the first most important weeks of its existence.

Let us agree that we now have more and more women making their presence felt in the world of work, thanks largely to their cognitive but also to their emotional intelligence and their ability to be empathetic.

Aujourd’hui c'est nullement un secret, Madame la présidente, la femme a un rôle tout aussi important que l'homme, et on ne peut se passer de sa compétence et de la contribution surtout quand elle constitue plus de 50% de la population. Plus de 50% de matière grise d'une population sans laquelle le pays n'aurait su connaître un développement socio-économique accéléré que nous avons témoigné. Avec le rôle qu'elle occupe, il est impératif, voire primordial, qu'elle jouisse des conditions de travail qui soient correctes et acceptables. Ce serait plus qu'injuste si on ne donnait pas à la femme la chance d'évoluer dans un meilleur cadre, que ce soit dans le domaine professionnel ou comme une mère de famille. On ne peut exclure son rôle de travail de ses responsabilités au foyer. C'est pour cela que cet amendement à la loi va dans la bonne direction.

Madam Speaker, the Bill will promote a stronger mother-child bond. After growing in the safety and comfort of the mother's womb, the first days following birth are crucial to the baby's future development and being taken care of by the mother during this period provides the right conditions for a healthy and moral well-being for both of them. It actually leaves the foundation for positive physical and emotional development that will last a lifetime and such a moment should be spent in all serenity.

I know that the paternity leave does exist in Mauritius, but we have to consider the short lapse of time attributed to paternity leave which needs, as the hon. Member on the other side of the House mentioned, to consider the possibility of introducing the shared parental leaves. The baby needs both parents for its stable development. The attention of both the mother and the father is essential. Truly speaking, if we are talking about equality and equity, we need to impress upon the fathers that they also have to take care and to be responsible for their child since the very early days in the life of their child.

The amendment to this Act is, indeed, a step in the right direction. Proper legislation should aim to help our society in the long term. A society that looks after its children is a

healthy society and making sure that the child starts off in life properly will ensure that the child does not become prey to other social problems. Taking into consideration that we have an ageing population and that there is a marked drop in the country's birth rate, it is the duty of a responsible Government to encourage and support young couples who wish to expand their family. This is, indeed, a very sensible thing to do in a country with a declining population. In other parts of the world, certain incentives are given to parents so that they bear children.

Madame la présidente, cet amendement, je venais de vous le dire, viendra donner une chance nouvelle aux mamans de prendre soin de leurs bébés et dans les meilleures conditions pour le nouveau-né et pour que le nouveau-né puisse grandir en toute sérénité. En plus, le temps allongé de la période où la maman reste avec l'enfant permettra l'allaitement de l'enfant et cela, bien sûr, pour le bien de l'enfant. Un enfant qui connaît un début de vie stable, plus équilibré verra son existence avec moins de probabilité qu'elle soit la proie des fléaux sociaux. Certes, la présence de la mère permet le développement d'une entente entre la mère et l'enfant mais permet aussi, comme je vous le disais tout à l'heure, l'allaitement qui offre au nouveau-né plus de chances. Ce qui est intéressant à noter c'est que les recherches ont prouvé que plus long le congé de maternité, plus bas est l'*infant mortality*. *There is a decline in infant mortality and this is proportional to the length of the maternity leave.*

Pour aller très vite, la dernière des nouvelles que nous venons de trouver c'est que le lait maternel contient de plus une protéine, l'*alpha-lactalbumin*, qui constitue un agent antitumoral puissant qui va pouvoir aider l'enfant et le protéger contre les cancers. Les recherches scientifiques découvrent encore aujourd'hui l'importance de l'allaitement maternel mais je ne pourrais aller sur tous les bienfaits de l'allaitement maternel.

L'Organisation mondiale de la santé d'ailleurs aujourd'hui recommande de nourrir les bébés au lait maternel dès la naissance et cela durant les cinq premiers mois de leur vie. D'ailleurs, apprend-on, l'allaitement mène à une rémission chez les mères diabétiques. Je ne vais pas élaborer plus longtemps là-dessus mais ce que je voudrais surtout dire c'est que les bénéfices, que ce soient psychologiques ou économiques à la mère et à la famille sont maintenant pas discutables.

Madam Speaker, a quick glance at what happens elsewhere in the world would also give an indication that this amendment is really going in the right direction. As mentioned

earlier, in the United States, the Family and Medical Leave Act of 1993 guarantees a worker not only her maternity leave, but post-maternity leave as well.

*(Interruptions)*

Here, in Mauritius, we are going...

*(Interruptions)*

**Madam Speaker:** Some silence in the House, please!

**Mrs Dookun-Luchoomun:**... from 14 weeks of maternity leave and 14 paid weeks of maternity leave and, elsewhere in the world, even as mentioned earlier, in the United States, they do get 12 weeks of maternity leave but which are not paid leave! This is where we really have made a step forward. We are going for 14 paid weeks of maternity leave.

What is also interesting is that some people, after bearing a child, decide not to go to work because they can afford to do so to take care of their children; to stay with their children at home. But, this is not given to everyone. Not everyone can afford such measures. So, the paid maternity leave helps the low-income people to ensure that they can give the minimum amount of care to their children without having to bother about money or loss of income. But, before we go any further, I would like to mention that for European countries the figure for the length of maternity leave varies, stretching from 14 weeks in Germany to 16 weeks...

**Madam Speaker:** Hon. Minister, everybody is wondering why you are addressing yourself to your colleague there!

*(Interruptions)*

**Mrs Dookun-Luchoomun:** Madam Speaker, I will make sure that I address to you only from now onwards.

*(Interruptions)*

For European countries, to go back to what I was saying...

*(Interruptions)*

I do take it that everyone is interested on the other side to hear from me so I will turn round to them...

*(Interruptions)*

I was saying, Madam Speaker, that, in the Netherlands, we have 16 weeks of maternity leave with full pay and in Denmark 18 weeks of maternity leave. As we can see, we are in line with some of the good practices prevailing internationally, putting a human face to our concern and consideration for new mothers. We are on the right track, Madam Speaker. So, I was saying that it is not only a matter of care but it is also a matter of giving, empowering families, even the low-income families, to be able to take care of their children at the most crucial moment in the life of a child.

Madam Speaker, before I resume my seat and considering that there is general consensus on this issue, may I suggest to the hon. Minister of Labour, Industrial Relations, Employment and Training to see to it that, once the law comes into effect, the two extra weeks be extended to all mothers, who, at that point in time, are already on maternity leave.

Once again, Madam Speaker, let me congratulate my colleague, hon. Callichurn, Minister of Labour, Industrial Relations, Employment and Training for this amendment to the Employment Rights Act.

Thank you, Madam Speaker.

**Madam Speaker:** Hon. Fowdar!

(4.40 p.m.)

**Mr S. Fowdar (Third Member for Grand' Baie & Poudre D'or):** Thank you, Madam Speaker. I would like, first of all, to congratulate the Minister of Labour, Industrial Relations, Employment and Training to bring this Bill so fast. Although people are saying we are very late in implementing our promises, it is really fast - 4 to 5 months after, the Bill is in the House!

Madam Speaker, this is the second thing that this Government is doing in order to create family bonding, family welfare, togetherness and social life. The first one was increasing the pension to Rs5000 for our grandparents, our fathers – those who are over 60 years and this is the second one. Now why this is the second one, we all know – I think I heard the hon. Minister Mrs Dookun-Luchoomun mentioning this and it is very important – the infant mortality rate has got a direct bearing on this maternity leave. In fact, it is found

with statistics; in countries where the maternity leave is low or where there is no maternity leave, the infant mortality rate is high and this has got a direct bearing.

Now, if we look at figures, the latest figure for infant mortality rate in Mauritius in 2010 was 12.65% for 2005 and 13.35% for 2010 for 1,000 births in the country. So, this is, indeed, a very good Bill, which is to increase family welfare and create the family bonding.

*Madame la présidente, il y a eu une dégradation conséquente et inquiétante dans la vie familiale* and this Bill is one of them, together with the increase in the pension, in order to prevent all this. In the spirit of family bonding, I really welcome this Bill to the House. Out of 196 countries, there are 163 countries where women are paid maternity leave once a child is born, thus allowing parents the time to provide for prenatal and postnatal care, thus giving the family the opportunity to unite, to relax and to be together before works disrupt the time spent together.

We are making good progress, Madam Speaker and I totally agree with hon. François and hon. Mohamed regarding paternity leave. We make a joke out of it. It is not a joke. We know, we have been fathers and we had great responsibilities while the child was born. You know very well, Madam Speaker, the nappies, we do change them. We look after the child at night. So, there are quite a lot of things that we do together and, I think, fathers also deserve to have paternity leave. I totally agree with hon. Mohamed that it has to be shared. The 52 weeks or the 14 weeks need to be shared between the father and the mother. The father also has got responsibility together with the mother.

I am not going to be long, Madam Speaker; I am not going to repeat what the previous orators have already said. But there is one thing which I want to raise here, Madam Speaker. I worked and lived in the UK for over 10 years and the law in the UK regarding maternity leave is really good. It is 52 weeks for maternity leave and there is paternity leave. But there is a danger here, Madam Speaker. The thing is because the leave is exhaustive, that is, 52 weeks, employers are very reluctant to recruit female workers. Why? Because they will have to incur heavy costs regarding maternity leave and the same for paternity leave as well. So, there is discrimination in recruitment because maternity leave may incur a heavy cost for them. Now, there, both Government and private sector contribute to make the cost for maternity leave. I think, here also, we are not rich enough, Madam Speaker. Mauritius is not a rich country, but with time, probably, we will be able to subsidise this maternity leave, pay

part of it together with the employers, so that we can stretch it further in order to get mothers to look after their child properly.

One more thing that I want to add, Madam Speaker, is I heard the MEF complaining that 14 weeks is too much. I understand it's a cost, but they need also to understand that a happy employee increases productivity and increases wealth to the employer. A happy employee works better and brings more to the company, which means more money to them. It is not incurring the costs on maternity leave.

Last thing, Madam Speaker, is that we all know that breastfeeding is so important. It is recommended that, at least, six months breastfeeding is needed for a child to grow securely, to be safe from diseases and to be safe from illnesses. It is important that these 14 weeks, definitely, give the opportunity to the mother to breastfeed her child.

Madam Speaker, as I said, I am not going to repeat what other hon. Members have already said. I am not going to waste the time of the House. At the end, I would again congratulate the Government to come up so quickly with the Bill. After the Rs5,000 given to the pensioners, this is the second thing that we are giving in order to increase the family bonding and family welfare in Mauritius.

Thank you, Madam Speaker.

**Madam Speaker:** Hon. Mrs Perraud!

(4.47 p.m.)

**The Minister of Gender Equality, Child Development and Family Welfare (Mrs A. Perraud):** Madame la présidente, en tant que ministre de l'Egalité des Genres, du Développement de l'Enfant et du Bien-être de la Famille, c'est avec une immense joie que j'accueille cet amendement à l'*Employment Rights Act* qui vient étendre le congé maternité de 12 à 14 semaines. Et je ne peux que remercier et féliciter le gouvernement, en particulier le ministre du Travail, des Relations industrielles, de l'Emploi et de la Formation, mon collègue, l'honorable Callichurn et l'honorable Premier ministre pour apporter cet amendement aujourd'hui.

Cette proposition figure dans le manifeste électoral de l'*Alliance Lepep* et dans le discours-programme du gouvernement. Voilà donc une autre promesse que l'actuel gouvernement honore par le biais de l'amendement à l'*IRA*. Si dans certains pays,

notamment de l'Union Européenne, en particulier de l'Europe Centrale, ou des pays comme le Canada, le Danemark ou la Suède, le congé de maternité est de 52 semaines voire plus, chez nous, de quelque manière qu'on l'appréhende, cette augmentation de deux semaines additionnelles au congé de maternité constitue une avancée des droits des femmes à Maurice. En termes de Conventions internationales, cette prolongation est aussi conforme à la Convention 183 de l'OIT qui recommande qu'une employée puisse jouir de 14 semaines de congé de maternité. Vue de manière globale, cette mesure progressiste débouche sur une situation gagnant-gagnant dans l'environnement du travail.

Madame la présidente, ce vendredi, le 15 mai, le monde entier est appelé à célébrer la Journée internationale des familles. Et à la fin de ce mois-ci, nous allons fêter aussi les mamans et c'est l'occasion pour moi de souhaiter une bonne fête des mères à toutes les mamans de la République de Maurice. Cet amendement à l'*Employment Rights Act* vient à point nommé. L'allongement du congé de maternité de 12 semaines à 14 semaines vient consolider davantage la cellule familiale parce que la famille est le premier lieu où l'homme entre en relation avec ses semblables. La famille est la cellule originelle de la vie sociale. Cet amendement permet à la maman de passer plus de temps avec son bébé, de l'entourer de tendresse, d'amour pour que ce passage de la vie du ventre de la mère au monde, qui est une violence en lui-même, une déchirure, une séparation, se fasse avec douceur.

Madame la présidente, la société, malheureusement, devient de plus en plus impersonnelle, anonyme, conflictuelle où la vie devient une lutte, où nous serons unanimes à reconnaître, Madame la présidente, que cet investissement affectif de la maman, de la famille dans les premiers jours, au début de la vie de bébé est primordial, bénéfique et essentiel. C'est aussi mettre toutes les chances du côté de bébé pour qu'il devienne un citoyen épanoui, sûr de lui et bien armé pour affronter le monde.

Madame la présidente, Françoise Dolto clame que les trois premières années de la vie d'un enfant sont déterminantes. Un enfant, un bébé a à devenir lui-même. C'est un petit homme, un homme, une femme en devenir. Donner la vie à un enfant implique que les parents l'aident à devenir véritablement lui-même ; lui donner l'espace pour grandir. Cela se fait dans liens qui se tissent dès les premiers instants de la vie dans cette relation naissante, cet échange de tendresse et d'amour. Avoir plus de temps, être ensemble est bénéfique pour la mère et l'enfant. Toutefois, le père ne doit pas être exclu de la vie du bébé et c'est là que je rejoins l'honorable François sur ce qu'il avait dit concernant le papa *leave*. Je suis d'accord

parce que pour la femme qui enfante, elle ressent l'enfant comme la chair de sa chair. C'est une partie d'elle-même qu'elle donne au monde. Si pour une femme elle ne devient pas mère elle l'est dès l'instant où elle sent son enfant vivre en elle ou dès qu'elle le prend dans ses bras ; par contre pour l'homme lui, il devient père. L'homme reçoit l'enfant de sa femme, il a besoin de créer des liens, d'apprivoiser le bébé pour qu'il devienne véritablement le sien d'où l'importance de la présence du père au début de la vie de bébé ; une présence primordiale pour le bien-être de l'enfant et du papa.

Madame la présidente, il faut donner de la place, l'espace au père d'être père, de pouvoir jouer le rôle de père auprès de l'enfant: s'occuper du bébé, lui changer les couches, lui donner le biberon, lui faire faire son rot, lui chanter une berceuse, jouer avec lui. Tout cela doit être fait et par la mère et par le père. C'est pour cette raison que c'est important que les parents passent du temps avec leur enfant. Comme le rappelle Laurence Pernoud dans son livre 'J'attends un enfant', je cite –

‘Dès la naissance le bébé est désireux d'entrer en relation avec son entourage.

Il a besoin qu'on s'occupe de lui, qu'on le reconnaisse.

Si le message envoyé est reçu, l'enfant est satisfait; le contact est établi. Si malgré son insistance et ses efforts, on ne lui répond pas, à la longue il risque d'être frustré et son développement en pâtira. C'est là l'origine de certaines carences affectives.’

Madame la présidente, si comme démontré plus tôt, étendre le congé de maternité de 12 à 14 semaines est grandement bénéfique pour l'enfant, cet allongement de congé de maternité apporte beaucoup de bienfaits à la femme, à la maman. L'extension du congé de maternité aura aussi des effets bénéfiques sur la santé mentale de la maman. Seront ainsi mitigés le stress qui accompagne parfois un accouchement de même que le sommeil contrarié.

Madame la présidente, prolonger le congé de maternité va permettre à la femme d'allaiter son bébé le plus longtemps possible. On ne le dira jamais assez les nombreux bienfaits de l'allaitement pour le bébé. Mais donner le sein reste un choix personnel, est une décision qui n'est pas toujours facile à prendre même si l'envie et l'enthousiasme y sont. Après un accouchement, la femme se sent un peu dépassée, débordée, fatiguée avec bébé qui ne fait pas encore ses nuits. Allaiter peut être pour certaines un parcours de combattant. Donc avoir un plus long congé de maternité permet à la mère de bénéficier de plus de temps pour allaiter son enfant. L'enfant peut ainsi profiter des bienfaits de l'allaitement. L'enfant nourri au sein est protégé contre certaines infections. Les anticorps présents dans le lait maternel assurent une protection naturelle à l'enfant.

Madame la présidente, l'amendement à l'*Employment Rights Act* représente une avancée non seulement pour la femme mais pour la société mauricienne parce que quand la famille va bien la société va bien. On ne peut avoir de bons citoyens si on n'a pas des hommes et des femmes qui ont raté le départ dans la vie. A ces quelques employeurs qui élèvent la voix, qui sont mécontents parce que l'extension du congé de maternité de deux semaines additionnelles représente un coût, nous leur disons que le bien-être, le bonheur, une famille heureuse n'a pas de prix. Il ne faut pas que le développement économique se fasse au détriment du développement humain. Dans tout développement, l'humain doit être au centre de tout, sinon nous aurons à payer un prix fort.

Madame la présidente, ce gouvernement, le gouvernement de l'Alliance Lepep a compris que le succès d'une nation réside dans le bien-être de son peuple. Une famille stable est importante pour avoir la paix, l'unité, la prospérité et un développement durable. L'amendement qui sera voté aujourd'hui est fort louable.

Madame la présidente, permettez-moi de conclure avec ces quelques paroles du chanteur John Lennon. Je cite –

«Quand j'étais petit ma mère m'a dit que le bonheur était la clef de la vie. À l'école quand on m'a demandé d'écrire ce que je voulais être plus tard j'ai répondu heureux. Ils m'ont dit que je n'avais pas compris la question, je leur ai répondu qu'il n'avait pas compris la vie». Fin de citation.

Merci beaucoup.

(4.58 p.m.)

**The Minister of Labour, Industrial Relations, Employment and Training (Mr S. Callichurn):** Madam Speaker, I wish to extend my thanks to all Orators on both sides of the House who have intervened on this Bill. I am glad to note that there is a broad consensus on both sides of the House on the amendment I have proposed.

Madam Speaker, I would like to, however, react on the comments and suggestions made by a Member on the other side of the House. Regarding shift system, Section 14A indeed has not been proclaimed under previous Governments, I should say. I am giving assurance to my learned friend, hon. Baloomoody, that due consideration will be given to this section and I will do my utmost best to come up with the necessary amendment in the law.

As regard to parental leave, there have been a lot of suggestions for the introduction of parental leave for sharing and upbringing of a new born child by parents. There is, at present, no provision in our labour legislation for parental leave. The suggestion for the

introduction of a Parental Leave Scheme will be considered in the general review of the Employment Rights Act which is currently underway.

As regards the issue raised by hon. Mohamed, in fact, it is true that, according to the ILO Convention, employers should not be individually liable for the cost of maternity leave. In fact, Convention No. 183 provides, *inter alia*, for financing of maternity leave cash benefit by social insurance or public fund or in a manner determined by national law and practice. The Convention also provides that the employer liability is only permissible if the employer agrees or it is in force in the national legislation or if there is a tripartite agreement thereafter. It is true that according to Article 8 of the Maternity Convention No. 183 of 2000 an employer shall not be individually liable for the direct cost of any monetary maternity benefit to a woman employed by him. I wish to reiterate that Article 8 of the Convention authorises employers to bear the cost of maternity benefit where this was determined by national level before the adoption of the Convention in 2000, which is the case for Mauritius.

I should like to remind the House that Convention No. 183 was adopted by the ILO members ever since 2000, and the former Government has not deemed it fit to consider extending the maternity leave from 12 to 14 weeks nor to address the issue of the employers' liability.

Madam Speaker, even though we have not ratified the Convention, we are, however, giving effect to its principle, which is a step forward in consolidating the rights of the woman. This is more important. We certainly can shift away from reliance on employers to provide maternity leave benefits, but we will have to put in place a completely different mechanism.

Madam Speaker, this Government has been in power for only five months, and we are today passing a Bill to extend the maternity leave from 12 to 14 weeks in line with the Convention. This shows our commitment to the protection of the female worker. To enable Mauritius to be in a better position to ratify the Convention, all implications will have to be assessed, including the mode of financing the maternity cash benefit. In this regard, I have to reassure hon. Mohamed that I have already instructed my officers to seek technical assistance from the ILO to move in that direction. Moreover, I will be attending the International Conference of the ILO next month, and I will seize this opportunity to take up the matter personally with the Director of International Labour Standards Department.

Madam Speaker, this present Bill is coming at the right time, as the world will be celebrating *la Journée mondiale des familles* this Friday, 15 May 2015, and the theme chosen

this year is: 'Men in charge? Gender Equality and Children's Rights in Contemporary Families.'

Madam Speaker, the Employment Rights (Amendment) Bill is a major landmark for the protection of maternity benefit. History will remember Sir Anerood Jugnauth as a great visionary and an ardent defender of the cause of feminism. It was under his prime ministership during the period of 2000 to 2005 that the Government ratified the Equal Remuneration Convention No. 100 and the Discrimination Employment Convention No. 111, which aim at promoting gender parity. It is, again, under his prime ministership that this bold and laudable amendment to the Employment Rights Act is being brought forward in favour of women.

Questions have been asked in this House about whether this amendment will also favour women who are already on maternity leave. I am glad to announce that women who are on maternity leave when the Act is proclaimed will be entitled to 14 weeks maternity leave.

*(Interruptions)*

Madam Speaker, as I stand in this House presenting this Bill, there are already thousands of women out there rejoicing on this amendment. So, without any further delay, I commend this Bill to the House.

*Question put and agreed to.*

*Bill read a second time and committed.*

## **COMMITTEE STAGE**

*(Madam Speaker in the Chair)*

*The Employment Rights (Amendment) Bill (No. IX of 2015) was considered and agreed to.*

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

*Third Reading*

*On motion made and seconded, the Employment Rights (Amendment) Bill (No. IX of 2015) was read the third time and passed.*

(5.08 p.m.)

## ANNOUNCEMENT

### OBITUARY - MR CHANDRIKA MOURBA

**The Prime Minister:** Madam Speaker, with your permission, I would like to state that, it is with deep regret that we have learnt of the demise of Mr Chandrika Mourba, commonly known as Suresh Moorba, who passed away on 12 May 2015 at the age of 73.

Mr Mourba was born on 02 October 1941 at Rose Belle. He attended the Aryan Vedic School for his primary education and the Royal College of Curepipe for his secondary education.

Mr Mourba studied law and history in England, France and the United States. He was called to the Bar in 1969.

Mr Mourba ran for the 1976 general elections in Constituency No. 4, Port Louis North and Montagne Longue, under the banner of the MMM, and was returned First Member for the said constituency.

Mr Mourba occupied the post of Minister of Information and Broadcasting from April 1980 to December 1981.

In 1980, he left the MMM to support the then Labour Government.

Mr Mourba also ran for the 1982 general elections in Constituency No. 13, Rivière des Anguilles and Souillac, but was not returned. Thereafter, he put an end to his political career.

Mr Mourba was also a writer, and in 1980, he published a book entitled "*Misère Noire*".

Madam Speaker, may I request you to be kind enough to direct the Clerk of the National Assembly to convey the deep condolences of the Assembly to the bereaved family.

Thank you.

**Mr Uteem:** Madam Speaker, I associate myself with the tribute paid to late Mr Suresh Mourba by the Rt. hon. Prime Minister and we kindly request you to convey our deepest condolences to the bereaved family.

**Madam Speaker:** I associate myself with the tribute paid to late Mr Chandrika Mourba by the Rt. hon. Prime Minister and hon. Uteem, and I direct the Clerk to convey to the bereaved family the assurance of our sincere condolences.

## ADJOURNMENT

**The Prime Minister:** Madam Speaker, I beg to move that this Assembly do now adjourn to Tuesday 01 September 2015 at 11.30 a.m.

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

*Question put and agreed to.*

**Madam Speaker:** The House stands adjourned.

Hon. Members, I have been apprised that hon. Shakeel Mohamed was to raise a matter on adjournment.

(5.12 p.m.)

## MATTER RAISED

### RDA & MTPA – EMPLOYEES – TERMINATION OF CONTRACT

**Mr S. Mohamed (First Member for Port Louis Maritime & Port Louis East):** Very briefly, since I know everyone, including myself, Madam Speaker, I think you would like to proceed to the lunch room for some good tea that, I believe, is there for us. But, rapidly, what I would like to address here is to the Rt. hon. Prime Minister.

The Rt. hon. Prime Minister will be aware, Madam Speaker, that until recently I have come across a lot of people all around Mauritius who have come to see me and other Members of the Opposition and also Members from Government who have been working in certain institutions such as the Road Development Authority, such as the Tourism Authority and other institutions where they have been employed there and have lost their jobs.

Now, a lot of them have been told by management, in no uncertain terms, that the reason why their jobs have come to an end is because they were employed after June 2014. There was also a Government circular, Madam Speaker, that was issued and I have come across that circular where it is said that all those who are employed after June 2014 will not have their contracts renewed. There also has been talk that it is precisely because it was too close to General Elections of last year that their contracts have come to an end. Now, let me put it very simply to try to say that because those people have been employed immediately after June 2014 makes it, in any way, wrongful or, in any way, close to General Elections is not true and it is quite unfair to those people. The reason I say that is because everyone knows that until the last minute, as far as the General Elections were concerned, be it July, be

it August, be it September, be it October, we still did not know when the General Elections would be. And something else was also important. As far as the Alliance is concerned, it is quite sad that those people have been put off, whereas this Alliance was still on and off. So, as far as justice requires it, fairness requires it to come with – and this is what my plea to the Rt. hon. Prime Minister is concerned - to generalise and to put a cut-off date based simply on the fact that it is June and it was close to General Elections, is very unfair on those people who were working and who were still working in January, February, March, April, May under a new Government.

So, for those reasons, what I humbly request is that all those people who are asking Government through us and through even the backbenchers on the Government side, to please reconsider their position in the name of justice, in the name of fairness and not to simply come with the cut-off point that applies to everyone. So, if they could please reconsider - those hundreds of men and women who have lost their jobs - their request and their plea to find their jobs anew. This is my humble request.

Thank you.

**The Prime Minister:** Madam Speaker, I will look into the matter and come with a statement in due course.

*At 5.16 p.m., the Assembly was, on its rising, adjourned to Tuesday 01 September 2015 at 11.30 a.m.*