



REPUBLIC OF MAURITIUS

FIFTH NATIONAL ASSEMBLY

**PARLIAMENTARY
DEBATES
(HANSARD)**

**FIRST SESSION
TUESDAY 13 DECEMBER 2011**

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Hon. Sutyadeo Moutia	Minister of Civil Service and Administrative Reforms

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<i>Deputy Speaker</i>	Roopun, Hon. Prithvirajsing
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MAURITIUS**Fifth National Assembly**

FIRST SESSION**Debate No. 36 of 2011**

Sitting of 13 December 2011

The Assembly met in the Assembly House, Port Louis,

At 11.30 a.m

The National Anthem was played

(Mr Speaker in the Chair)

ANNOUNCEMENT**DR. CHAKRAPANI – CHAIRMAN - ANDHRA PRADESH LEGISLATIVE COUNCIL**

Mr Speaker: Hon. Members, I have the pleasure to announce the presence in our midst this morning of Dr. Chakrapani, Chairman of the Andhra Pradesh Legislative Council, the Upper House of the State of Andhra Pradesh. In the name of hon. Members and in my name, I welcome Dr. Chakrapani.

PAPERS LAID

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

A. Prime Minister's Office –

- (a) The Civil Status (Fees for marriages) (Amendment) Regulations 2011 (Government Notice No. 196 of 2011).
- (b) The Annual Report 2003/2004 of the Mauritius Oceanography Institute (In Original)

B. Ministry of Energy and Public Utilities –

- (a) The Waste Water (Fees) (Amendment) Regulations 2011 (Government Notice No. 199 of 2011).
- (b) The Central Water Authority (Census of Water Rights) Regulations 2011 (Government Notice No. 206 of 2011).

C. Ministry of Finance and Economic Development –

- (a) The Annual Digest of Statistics 2010.
- (b) The Financial Services (Consolidated Licensing and Fees) (Amendment) Rules 2011 (Government Notice No. 201 of 2011).
- (c) The Investment Promotion (Amendment of Schedule) Regulations 2011 (Government Notice No. 203 of 2011).

D. Ministry of Public Infrastructure, National Development Unit, Land Transport and Shipping –

- (a) The Motorways and Main Roads (Amendment) Regulations 2011 (Government Notice No. 197 of 2011).
- (b) The Motorways and Main Roads (Amendment) Regulations 2011 (Government Notice No. 198 of 2011).

E. Ministry of Housing and Lands –

The State Lands (Amendment of Schedule) (No. 2) Regulations 2011 (Government Notice No. 204 of 2011).

F. Ministry of Social Security, National Solidarity and Reforms Institutions

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The Statutory Bodies Family Protection Fund (Personal Loan Scheme) Regulations 2011 (Government Notice No. 205 of 2011).

G. Ministry of Local Government and Outer Islands –

The Municipal Council of Beau Bassin - Rose Hill (Traffic Centre) Regulations 2011 (Government Notice No. 200 of 2011).

H. Ministry of Industry and Commerce and Consumer Protection –

The Competition Commission (Amendment) Rules of Procedure 2011 (Government Notice No. 202 of 2011).

I. Ministry of Civil Service and Administrative Reforms –

- (a) The Annual Report 2010 of the Public Officers' Welfare Council.
- (b) The Civil Establishment Order (No. 2) 2011 (In Original).
- (c) The Civil Establishment (Rodrigues Regional Assembly) Order (No. 2) 2011 (In Original).

ORAL ANSWERS TO QUESTIONS

STC – MOGAS, GAS OIL & FLOUR - PRICE

The Leader of the Opposition (Mr P. Bérenger) (*By Private Notice*) asked the Minister of Industry, Commerce and Consumer Protection whether, in regard to mogas and gas oil, he will, for the benefit of the House, obtain from the State Trading Corporation, information as to -

- (a) the reference price thereof, as at end October 2011;
- (b) how the average freight rates paid to Betamax Ltd. Compare with that of the previous freight operators thereof;
- (c) the amount of money paid to-date on fuel hedging losses and the outstanding amount remaining to be paid;
- (d) if the contribution to subsidy on flour in the price structure thereof will decrease, and
- (e) the amount of money collected in 2010 and 2011 to date as Value Added Tax and Excise duty thereon.

The Minister of Industry, Commerce and Consumer Protection (Mr C. Sayed-Hossein): Mr Speaker Sir, as regards part (a) of the question, I am informed by the State Trading Corporation that the reference price of mogas and gas oil at the end of October 2011 was USD960.07 per metric tonne and USD120.82 per barrel respectively. For the enlightenment of Members of this House, I would like to add that approximately seven barrels are equivalent to one tonne for gas oil.

The terms of the contract of supply to STC provide for a reference based on the monthly average of the daily prices for the month in which a shipment is effected. However, for the purpose of computing the retail price at which the product is sold, regulations provide for the use of an average based on the six months previous to that month and six months ahead based on Platts forward prices plus a risk mitigating factor of 4% to cater for fluctuations in the price stabilisation account. For mogas, the reference price for computing retail price was USD1014.55 per metric tonne and for gas oil it was USD130.06 per barrel.

During the last revision of retail price of mogas and gas oil which was effective 30 March 2011, the reference prices used were respectively USD960.07 and USD120.57 per barrel.

In respect of part (b), the average freight rates paid by STC are actually in quantitative and qualitative terms, more favourable than what they used to be. Rates paid by STC to

Betamax Ltd. is USD17.10 per metric tonne plus bunkering and port dues. This amounts to approximately USD30.07 per metric tonne. For previous freight operators, the cost was USD24.00 per metric tonne and USD26.79 per metric tonne respectively for white oil, that is mogas, gas oil and jet fuel and black oil (fuel oils). The variation between the two prices is accounted for by firstly, a quasi-doubling in the price of bunker between 2008-2009 and 2010-2011 and secondly - as I had the opportunity to explain in a previous Parliamentary Question to which I replied - the sub-optimal usage of the tanker capacity to carry a contracted load of about 64,000 tonnes owing to draft restrictions at the new oil jetty.

Mr Speaker, Sir, fluctuations in bunker price are beyond the control of anybody, at least, of both parties in this transaction. The House may wish to note that whilst the price of bunker in 2008/2009 was around USD401 per metric tonne, it shot up to USD743 per metric tonne in 2010-2011. Moreover, I am informed that, when dredging works are completed at the New Oil Jetty, STC shall be able to avail of the full tanker capacity, thereby reducing the actual freight charge per tonne. Furthermore, my Ministry has received a written undertaking from Betamax Ltd. that it will offset the amount short-shipped up to now once the dredging works are completed.

With regard to part (c), Mr Speaker Sir, total fuel hedging losses as at July 2009 stood at Rs4.7 billion. The total payment effected to date amounts to Rs3.8 billion and the outstanding amount remaining to be recovered is Rs900 m. It is expected that the total amount will be recovered by November 2013.

The total amount would have already been fully recovered by April 2012 when Rs3 per litre was being collected from both mogas and gas oil prices. However, in March this year, the rate was reduced to Rs1.25 for mogas per litre and Rs1 for gas oil to contain inflationary pressures.

It will be recalled that even prior to the losses, a hedging provision of Rs1.50 was already in place since January 2008. It was increased to Rs3 per litre in November 2008.

As regards part (d) of the question, Mr Speaker, Sir, I am informed by the State Trading Corporation that the annual tender on wheat flour was closed on 16 November 2011. *Les Moulins de la Concorde* offered a price of USD442 per tonne delivered at STC warehouse in the port area and was evaluated to be the best among the seven tenders received. Accordingly, LMLC was awarded the contract to supply 76,000 metric tonnes more or less 10% for 2012.

This price compares favourably with that of USD519 per tonne offered by LMLC itself last year when Erisler of Turkey won the tender at the equivalent price of USD503.58 delivered at STC warehouse.

The retail price of flour was last fixed in December 2008 at Rs5.80 per pound. We have not increased it since then. To maintain the price, we have to generate an estimated Rs500 m. per year as subsidy. Proceeds collected from the sale of Mogas and Gas Oil to compensate to the subsidy on rice and flour and LPG amounted to Rs650 m. in 2011. The total amount of subsidy on these products, that is, rice, flour and LPG, is estimated to reach Rs1.4 billion for 2011. This amount is going to be only slightly lower in 2012 in view of the better price obtained for flour. We, as at date, do not see any possibility to reduce the contribution to subsidy, although we have computed that, approximately, the subsidy will decrease, all the other factors remaining the same, which is very unlikely, subsidy will be reduced by approximately Rs115 m.

As regards part (e) of the question, Mr Speaker, Sir, the amount of money collected as Value Added Tax in 2010 was Rs2.7 billion and Rs2.7 billion for 2011 to date. The Excise duty paid was Rs2.3 billion for 2010 and Rs2.1 billion for 2011 to date.

Mr Bérenger: Mr Speaker, Sir, I must say that it has not been easy to follow the figures put forward by the hon. Minister. Am I right in saying that he said that the reference price - my question was as at end October 2011 - was USD960 and USD120 for mogas and gas oil, that is - did I hear correctly - more or less exactly the same as the reference price in March this year?

Mr Sayed-Hossen: Mr Speaker, Sir, it depends what reference price we are talking about. Are we talking about the reference price at which we purchase or on which the purchase is based, or is it the reference price on which we base ourselves to fix the retail price?

Mr Bérenger: Mr Speaker, Sir, the hon. Minister is talking about the price structure supplied by the STC itself. The STC puts on the Internet and so on the reference price every time the Price Committee sits. Therefore, what I am referring to, of course, is the reference price, platts, which is contained in the State Trading Corporation. The figures for March were precisely USD960 and USD120. My question is: is he saying that the reference price as at end of October is exactly the same?

Mr Sayed-Hossen: Mr Speaker, Sir, we have not carried out any exercise in increasing the price or reducing the price. If the hon. Leader of the Opposition is talking about the evolution of platts prices for gasoline and mogas, I will inform him as follows: on 29 March

2011, the reference price of mogas was USD960.07, as we have said. I have the figures for 28 October 2011, and the platts price is USD1,014.55. For gas oil, at 29 March, the reference price was USD120.57 per barrel and, as at the end of October, it was USD130.06 per barrel.

Mr Bérenger: I was just asking the hon. Minister whether he is confirming that the reference price has remained the same. How does he explain that, being given that prices of crude oil Brent worldwide fell from nearly USD130 in April 2011 to USD106 as at end November 2011, we are informed supposedly by STC that the reference prices remain the same?

Mr Sayed-Hossen: Mr Speaker, Sir, I have here a graph showing the evolution of platts price from March to November. Of course, this graph is not a linear one; it is in a seesaw aspect, and there are price increases and price decreases. The Brent is at present about USD108 per barrel right now. Of course, we do not base ourselves on peaks, whether it is upward or downward. We have to base ourselves on average, so as to maintain a certain stability in the price of fuel in Mauritius.

Mr Bérenger: The bottom line is that the price of Brent crude went down from USD130 in April 2011 to USD106, whereas we are supposed to accept that the reference price used by the STC remains the same. On freight rates paid to Betamax Ltd, I did not hear all the details. Am I given to understand that the freight rates went down for certain products and up, and therefore, that we are paying Betamax Ltd more for certain other products than we were paying to former freight suppliers?

Mr Sayed-Hossen: Mr Speaker, Sir, we have a uniform price that we pay to Betamax Ltd for freight charges. The other costs that we have to add in order to reach the actual costing for freight charges are bunkering and port dues, and eventually demurrage if this applies. What I said in my answer, Mr Speaker, Sir, is that if we look at the matter quantitatively and qualitatively, we have a situation which is more favourable right now. Of course, I am not basing myself on the figures that we have now. I have said in my answer that the price we were paying to Betamax Ltd plus bunkering and other charges amounts to USD30.40. It used to be with other operators USD24 for white oil and a little bit more for black oil. What I meant in my answer by adding quantitative and qualitative elements, Mr Speaker, Sir, is that, first, we have to take into account the fact that the cost of bunker has more than doubled from 2008-2009 to 2010-2011.

(Interruptions)

I am repeating myself because this is part of the explanation, Mr Speaker, Sir.

(Interruptions)

The second point is that we are not in a capacity right now to utilise the full capacity of the Red Eagle. But once the dredging is done in the port, Betamax Ltd will make good the short shipment.

(Interruptions)

I will not only repeat myself, Mr Speaker, Sir; I will repeat what hon. Soodhun said when he was Minister for Commerce...

(Interruptions)

But, Mr Speaker, Sir, this is relevant to my answer because I mentioned quantitative and qualitative. Hon. Soodhun mentioned in this House that there are other advantages...

(Interruptions)

Mr Bérenger: On a point of order, I did not ask anything about hon. Soodhun!

Mr Speaker: As I said, I cannot control the answer of the Minister. The hon. Minister is just explaining what he thinks should be explained to the House. But, if the hon. Leader of the Opposition thinks he will need some more time, I will give him some more time.

Mr Sayed-Hossen: Mr Speaker, Sir, the hon. Leader of the Opposition himself said, and I quote him from Hansard -

“...we believe it is a positive step for Mauritius through Betamax to own an oil tanker and also what is done is done...”

(Interruptions)

And in my answer, Mr Speaker, Sir,...

Mr Speaker: No, the question is: how does the price that SIC is paying now compares favourably to what you were paying before? You have said the bunkering costs have been doubled, but the element has not been well explained!

Mr Bérenger: Mr Speaker, Sir, if I can put the question again differently. It is a simple question. The hon. Minister has said that we pay an average freight rate to Betamax Ltd. I asked him if we do not take into consideration bunkering and other costs, how does this average freight rate, which we pay to Betamax Ltd, compare with what we used to pay. Is it on the increase or on the decrease? It is a simple question.

Mr Sayed-Hossen: It's not comparable, Mr Speaker, Sir. It's not comparable because what we used to do before, when we were dealing with private operators from overseas, we were paying a total price, which included the cost of the freight, the cost of the bunkering and all the different port charges. Now, we are paying to Betamax freight rates. Over and above that, we are paying in actual terms, the real cost of bunker and the real cost of port dues. But, of course, Mr Speaker, Sir, we have to look at it. The hon. Leader of Opposition, himself, admitted it in this House. We have to look at the qualitative elements and the qualitative advantages that we have in this respect. These qualitative elements, that is, the bulk of the profits will stay in Mauritius. They will be following exchange savings.

A long-term transportation contract between Betamax and STC will help to stabilise and minimise freight rates in the National Interest. Government will collect 15% as corporate tax on that. The tanker being registered in Mauritius under the Mauritian flag, ...

(Interruptions)

Mr Speaker: Order!

Mr Sayed-Hossen: ...the Mauritian seafarers will have employment opportunities.

(Interruptions)

Mr Speaker: Order!

Mr Sayed-Hossen: May I continue, Mr Speaker, Sir?

(Interruptions)

Mr Speaker: Order! You are wasting the time of the House.

Mr Sayed-Hossen: I am listening to the *futilité* of the hon. Leader of the Opposition, Mr Speaker, Sir.

Mr Speaker: Please, address the Chair!

Mr Sayed-Hossen: So, what I am saying, Mr Speaker, Sir - and I repeat that - we cannot look at advantages and disadvantages only in quantitative terms. There are qualitative elements that we have to take into considerations.

(Interruptions)

Mr Bérenger: We know that Betamax is not being able to supply all our petroleum products and, therefore, other vessels are being resorted to. Is tendering taking place as far as the freight rates, the conditions of the other vessels are concerned and what are the arrangements?

Mr Sayed-Hossen: The arrangement as per the contract that links Betamax and the State Trading Corporation is that for any supplementary quantities, which are required, Betamax would supply freight at the same cost that the Red Eagle is charging to STC.

Mr Bérenger: Mr Speaker, Sir, can I move to the next question: the hedging saga? We have been given to understand that there is Rs900 m. and all these are being paid for by the consumers. The former Minister of Finance, hon. Pravind Jugnauth, brought down that sum from Rs3 per litre to Rs1.25 for Mogas and Rs1 on Gas oil.

Can I ask the hon. Minister whether it is the intention of Government to do away completely with that without, of course, increasing the price of those two products?

Mr Sayed-Hossen: Mr Speaker, Sir, the activities of the STC are an holistic one. Whatever we do in fuels have a repercussion on flour, rice, Mogas and LPG. I just said in my reply to the main question that we use surpluses that we obtained from the sale of fuel to subsidise rice, flour and LPG. If we do away with the Rs900 m.

(Interruptions)

If we don't cover the Rs900 m. or if we don't charge it to the consumers, that will mean a dead loss to the STC of Rs900 m. That is going to affect dramatically and substantially the finances of the STC, but I will take good note of the hon. Leader of Opposition's proposal, if we want to put it that way, I will certainly discuss it with my officials and the STC.

Mr Bérenger: The hon. Minister will have to discuss it with the hon. Minister of Finance because the mess that took place on the hedging saga at STC is being paid for by consumers. I am not suggesting that we increase other prices to pay for that mess.

The State should take the responsibility after the sum taken out from the pockets of the consumers was reduced from Rs3 to Rs1.25 and Rs1, will the hon. Minister agree that the time has come to do away completely with that and the Government finances should fill the gap?

Mr Sayed-Hossen: Was that a question, Mr Speaker, Sir?

(Interruptions)

Mr Speaker: The question is: whether his Ministry will consider not to charge the balance of Rs900 m. from the consumers and that the State takes over the debt?

Mr Sayed-Hossen: I will certainly take up the matter. As I said, I will discuss it with my officials in the STC and, eventually, discuss it with my colleague, the hon. vice-Prime Minister and Minister of Finance.

Mr Bérenger: There is a contribution because often Ministers make believe that Government is paying subsidies and so on, whereas, in fact, there is a contribution to the subsidy on LPG, flour and rice of Rs1.50 per litre.

Now, I heard the hon. Minister confirm, in fact, that the latest tender for flour saw a drop from 519 per tonne to 442 per tonne, meaning that some Rs200 m. less will have to be provided in terms of subsidy by the STC. Therefore, my question is: with that big drop in the price, which STC is going to pay for flour, from *Moulins de la Concorde, est-ce que cela sera répercuté* on the price on Gas oil and Mogas, that is, those prices will be brought down accordingly?

Mr Sayed-Hossen: Mr Speaker, Sir, the reduction in cost of flour because we are getting flour at a cheaper price than the last year, will be around Rs120 m. This represents approximately 1% to 2% of the total turnover of the State Trading Corporation, but I will certainly take good note of that. If we are going to integrate that reduction in cost ...

(Interruptions)

Mr Speaker: Order! Why are you laughing?

Mr Sayed-Hossen: ... to reduce the cost of fuel, Mogas and Gas oil, as the hon. Leader of the Opposition has said, we will certainly do it.

Mr Bérenger: On the same point, the hon. Minister is saying that the STC will pay Rs120 m. less. Is the hon. Minister aware that probably STC had it in "*Le Matinal*", that, in fact, it could be saving Rs200 m. and not Rs120 m.?

Mr Sayed-Hossen: Mr Speaker, Sir, it is a simple matter of calculation. I'll give the figures. We are talking about 70,000 tonnes and we have a reduction of about USD40 per tonne; 70,000 x USD40, that is about Rs128 m.

Mr Jugnauth: The hon. Minister, I suppose, must be aware that in 2005, the STC had retained the services of an expert, Mr John Dobson, of Invincible Energy, who recommended that any strategic hedging carried out, should be done as a result of Government initiative and not the STC which should only responsible for implementing Government policy. Would the hon. Minister say why the then Minister had gone against this recommendation and had not consulted Government and engaged the country into a hedging loss of Rs5.4 billion?

Mr Sayed-Hossen: Mr Speaker, Sir, the hon. Member is implying that the Minister who was in place at the moment was involved in that hedging. The information that I have, show that all hedging exercises, which were done by STC were decided by the Board, and were carried out

by the Board. We don't have any recorded files that the Minister who was then in charge of STC was involved in that hedging exercise.

Mr Bhagwan: Mr Speaker, Sir, since the hon. Minister, himself, has made many statements concerning those who have taken these wrong decisions, especially crimes against the consumers, can the hon. Minister inform the House - now that he is the Minister of Commerce - and in the interest of the population what actions he intends to recommend to the hon. Prime Minister and to the Government to initiate against all those *potentats* who have committed crimes against the consumers, especially in the hedging saga where more than Rs1 billion have been paid by the consumers for wrong decisions as many of those *potentats* are still operating within Government?

Mr Sayed-Hossen: Mr Speaker, Sir, the hon. Member is probably aware – well, everybody is aware because we have a PQ which is following in the afternoon on a report which was commissioned by the STC as an audit of the activities of STC and ...

(Interruptions)

Mr Speaker: Order! Hon. Bhagwan, you have no right to interrupt the hon. Minister like this. Let the Minister answer! When you come to that question...

Mr Sayed-Hossen: Mr Speaker, Sir, we have no ground for the moment, at least, to believe that they should be sent to *cachot*, but I will give the relevant answers when we come to that.

Mr Bodha: Mr Speaker, Sir, in view of the fact that the hon. Minister said that the contract with Betamax is not being implemented to full capacity, may I ask the hon. Minister what has been the loss since the implementation of the contract in view of three factors –

- (i) the tankers not carrying the 64,000 tonnes of fuel;
- (ii) we have the cost of the dredging works, and
- (iii) there was also a mooring barge which sank in the port area because of the ship and which cost about Rs50 m. So, I would like to know how much has been the shortfall of the implementation of the contract of Betamax so far.

Mr Sayed-Hossen: Well, first of all, Mr Speaker, Sir, there is no loss at all. There is no loss.

(Interruptions)

Mr Speaker: Let the hon. Minister answer! The hon. Member has put the question, he is getting the answer.

Mr Sayed-Hossen: We have an ongoing agreement with Betamax and, as I have said in my main reply, we have a written undertaking that whatever short shipment has been effected, will be made good once the dredging works are completed and we are informed that the Mauritius Ports Authority is working on a dredging programme. Once this is completed, the shortfall will be made good.

Mr Jugnauth: Will the hon. Minister say why at the time when the hedging transaction was being done, the technicians of his Ministry had, in a document, stated that since the start of July 2008, prices have started to fall. Why is it that Government then embarked itself on hedging at a price of USD147 per barrel when the price was USD127 and according to his technicians was going to fall further?

Mr Sayed-Hossen: Mr Speaker, Sir, the hon. Member should know - and I am sure he knows - that maybe there was a drop in prices at that moment, but nobody can speak in terms of oil of prices starting to drop. We can talk on the other hand in case there are crises in the oil producing areas of the world that prices start to increase. So, we can talk about volatility in prices; we cannot talk about a trend of reducing prices.

Mr Uteem: Mr Speaker, Sir, we heard the hon. Minister mentioning with respect to Red Eagle that he has compared the price with previous consignments. May I know from the hon. Minister whether the STC has carried out an exercise to see how much it costs today to have the freight from other companies and if this is done, will he ask the STC to renegotiate the contract with Betamax so that we can get value for money?

Mr Sayed-Hossen: Mr Speaker, Sir, at the beginning of the contract agreement, STC commissioned BDO DCDM and provided to BDO DCDM all detailed workings and relevant data for the proper conduct of the evaluation exercise about the offer of Betamax to STC. In October 2009, DCDM submitted its report and it concluded overall that the rate being proposed by the promoter is more competitive than what was being obtained. Apart from this factor, the agreement will yield according to DCDM to the country the other desired strategic advantages which I have referred to earlier.

Mr Bérenger: The bottom line remains, Mr Speaker, Sir, that crude oil rent fell from USD130 in April - the last price exercise was in March - 2011 to USD106 as at end of November

2011 and I am sure the hon. Minister is aware that this is why many countries, including India have brought down the price of Mogas and Gas oil recently. Will the hon. Minister agree that with those figures the Price Committee should have brought down the price of Gas oil and Mogas as at the last price exercise, as at end of October 2011, and better late than never, should bring down those prices?

Mr Sayed-Hossen: Mr Speaker, Sir, I certainly cannot agree with the hon. Leader of the Opposition. We have a certain number of countries where prices fluctuate everyday or every week. What we try to do in this country is to maintain as far as possible for the longest period possible a certain stability in prices. And this is why the Petroleum Pricing Committee does not base its calculations on day-to-day prices or week to week prices because this would cause undue hardship to the consumers and, of course, there is great difficulty to calculate month to month or over a period calculations of expenses. So, what we do, as I have explained in my reply to the main question, we base ourselves on the reference price and the Petroleum Pricing Committee sits and meets regularly every three weeks or every month and in case there is a case for increasing the price or for reducing the price, the PPC recommends that. I wish, again, to bring to the attention of the House and the hon. Leader of the Opposition that since May before the last reduction in price, India has increased its prices thrice because India is operating in an open market.

Mr Speaker: Time is over! Questions addressed to Dr. the hon. Prime Minister! The Table has been advised that Parliamentary Question No. B/962 addressed to Dr. the hon. Prime Minister will now be replied by the hon. Minister of Industry, Commerce and Consumer Protection. Hon. Jhugroo!

DISTRICT COURTS - REHABILITATION

(No. B/953) Mr P. Jhugroo (First Member for Mahebourg & Plaine Magnien) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to the district courts, he will, for the benefit of the House, obtain information as to the state thereof in each case, indicating if the rehabilitation/replacement thereof will be undertaken and if so, when.

The Prime Minister: Mr Speaker, Sir, there are currently ten District Courts as follows -

- (i) the Black River District Court which occupies a rented building at Bambous;

- (ii) the Flacq District Court which occupies a Government-owned building at Central Flacq;
- (iii) the Grand Port District Court which occupies a Government-owned building in Mahebourg;
- (iv) the Moka District Court which is temporarily housed at the Lower Plaines Wilhems District Court in Rose Hill;
- (v) the Pamplemousses District Court which occupies a Government-owned building in Pamplemousses;
- (vi) the Port Louis District Court located at the New Court House;
- (vii) the Rivière du Rempart District Court which occupies a Government-owned building at Mapou;
- (viii) the Savanne District Court which occupies a Government-owned building at Souillac;
- (ix) the Lower Plaines Wilhems Rose Hill District Court which occupies a Government-owned building at Rose Hill, and
- (x) the Upper Plaines Willhems District Court situated partly in a Government-owned building and partly in a rented building in Curepipe.

Mr Speaker, Sir, the Office of the Master and Registrar has informed me that the Judiciary is currently working together with the Ministry of Public Infrastructure, National Development Unit, Land Transport and Shipping, on projects for the setting up of new courthouses in the districts of Flacq, Moka, Pamplemousses and Savanne. Major refurbishment and renovation works are needed at the District Courts of Grand Port, Port Louis, Rivière du Rempart, Upper Plaines Wilhems as well as the Government-owned building in Bambous formerly housing the Black River District Court. The Lower Plaines Wilhems District Court in Rose Hill is in good state and does not require major repair or renovation works for the time being.

Mr Speaker Sir, information received also indicates that following a meeting the Chief Justice had with the Attorney General to discuss infrastructural projects of the Judiciary, a committee has been set up under the chairmanship of the Attorney General to follow up on the projects identified. The committee comprises representatives of the Prime Minister's Office, the Ministry of Finance and Economic Development, the Ministry of Public Infrastructure, National

Development Unit, Land Transport and Shipping, the Ministry of Housing and Lands, and the Office of the Master and Registrar of the Supreme Court.

A first meeting was held on 30 November 2011, and the Ministry of Public Infrastructure, National Development Unit, Land Transport and Shipping has been requested to prepare by early January 2012, a detailed schedule of implementation for each of the projects. The committee will meet on a monthly basis to monitor progress in the implementation of these projects.

Mr Ganoo: May I ask the hon. Prime Minister if he can give special attention to Savanne District Court which was burned down a few weeks ago? The Court House itself took fire so that today the Magistrate is using the Office of a District Clerk to hold court hearings and the public is made to wait outside. Mr Speaker, Sir, can I, therefore, ask the hon. Prime Minister to use his good offices to take the case of Souillac District Court urgently in view of the fire that broke a few weeks ago?

The Prime Minister: Mr Speaker, Sir, we have already started. In fact, there was a proposal already in the PRB report for the construction of a new Savanne District Court and work has started on this. In the meantime, because of the fire, bids are being invited for the renting of office space.

TELEVISION (PRIVATE) - LEGISLATION

(No. B/954) Mr P. Jhugroo (First Member for Mahebourg & Plaine Magnien) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to the amendments to be brought to the relevant legislation for the operation of private television, he will state where matters stand.

The Prime Minister: Mr Speaker, Sir, provisions already exist in the Independent Broadcasting Authority Act for the Independent Broadcasting Authority to issue licences to private television operators. However, one factor that may be inhibiting the advent of private television is the restriction in section 19 of the Act which limits foreign shareholding in a company applying for a licence to 20% only.

Mr Speaker, Sir, I already mentioned in the Electoral Manifesto of 2010 and the Government Programme 2010-2015, Government will facilitate the operation of private television in Mauritius and will address the issue of shareholding in the electronic media.

In this regard, active consideration is being given to amending the IBA Act while we are looking at the media law reform.

Mr Jhugroo: Can the hon. Prime Minister inform the House whether any private companies have shown interest for the operating of private television and, if so, can we have the names of these companies?

The Prime Minister: My understanding is that there have been; not now, but before. Even companies which were showing interest are not happy with this 20% limitation of foreign shareholding. That is why we have to look at it.

Mr Bhagwan: On many occasions, since past years, the hon. Prime Minister has stated here in the House that Government would be amending many sections of the IBA Act. Has a timetable been worked out for the amendment of the IBA Act?

Mr Speaker: In relation to the private television.

The Prime Minister: Mr Speaker, Sir, the problem is because we are, in fact, overloaded with work. We were finishing here at four o'clock in the morning and, probably, today it is the same. As soon as we can, we will do it.

Mr Bérenger: The hon. Prime Minister has just said that some have shown interest, from what I heard, but that there has not been a formal expression of interest. Can I ask the hon. Prime Minister whether he will see to it that there is absolutely no what I would call insider trading? That is, the information will be used in an insider trading way, that is, to prepare documents and so on, tailor-made documents in favour of a given operator and instead of that we will have completely transparent call for expressions of interest and that everything will be done in transparency and fair play.

The Prime Minister: Mr Speaker, Sir, we must ensure that. It is going to be a private television in any case; it will not achieve its purpose if it is not done, but we have ensured. In fact, it is good for everybody that it is so.

Mr Bodha: Mr Speaker, Sir, in view of the fact that the crux of the matter is advertising revenue, as often the public service has the license revenue and, in Britain, for example, it is not allowed to have advertising slots, will the Government consider the possibility of changing the advertising policy which will encourage a private promoter then to come forward and to be able to thrive on advertising revenue and not compete with the MBC which is the public service, and which can have the license revenue and the advertising revenue?

The Prime Minister: I am sure the private operator will also be charging a licence fee; otherwise, it will not make any profit. We will have a look into this matter.

Mr Speaker: Hon. Bhagwan! Last question!

Mr Bhagwan: Can the hon. Prime Minister inform the House whether one Sky Company has expressed interest in the launching of a private television and radio and has discussed with the IBA? Even people of the IBA have effected overseas missions in connection with that particular project of Sky Company?

The Prime Minister: In fact, as I was saying earlier, I have heard of people showing interest, but nothing formal. But, in fact, I must tell the hon. Member that I have told the IBA that they cannot and will not be allowed to proceed in this manner. It has to be done, as the hon. Leader of the Opposition has stated, in total transparency. Of course, whether it gets it, but it has to be done in total transparency, not a private deal between them. That will not be allowed.

(Interruptions)

I already have, in fact!

DOGS (FEROIOUS) - ATTACKS

(No. B/955) Mrs S. B. Hanoomanjee (Second Member for Savanne & Black River) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to ferocious dogs, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to the number of reported cases of attacks thereof on members of the public, since July 2010 to date.

The Prime Minister: Mr Speaker, Sir, I am informed by the Commissioner of Police that the number of cases of attacks by dogs on members of the public reported to the Police is as follows -

<u>Year</u>	<u>Number of cases reported</u>
July to December 2010	90
January to 08 December 2011	142

Out of these, 39 cases are before Court, in 11 cases the accused were fined, 29 cases have been classified, and 153 are pending enquiry.

Mr Speaker, Sir, as I have stated in replies to previous Parliamentary Questions, there is need to come up with a comprehensive Bill to deal with this issue. In this regard, the Ministry of Agro-Industry and Food Security is finalising the Dangerous Dogs Bill which will, *inter-alia*, regulate the manner in which dangerous dogs are kept under proper control by their owners and impose other restrictions in respect of dangerous dogs.

The Bill will be introduced when it will be finalised.

Mrs Hanoomanjee: Mr Speaker, Sir, we have just taken note of the alarming number of cases that the hon. Prime Minister has given us. We know that the Dangerous Dogs Bill will be coming but, in the meantime, can the hon. Prime Minister say what will be done? Because, several times in this very House, we have made suggestions to the fact that dogs which are taken for walks or which are unleashed should wear muzzles. I think this suggestion has not been taken into consideration otherwise we would have avoided some of the attacks. Can the hon. Prime Minister say whether, in the meantime, pending that the Bill comes to this House, this suggestion is taken into consideration?

The Prime Minister: In fact, let me tell the hon. Member - the hon. Member seems to be shocked by the numbers – that the numbers are more or less slightly on the increase from 2000 onwards. This is not a new problem that exists since we came into power. I can give her the figures for 2000 and 2001 also. So, don't do as if it's a new problem that is erupting now! As for the muzzles, we have already told them that they have to, but people need to comply with the measures that we have asked them to take. That is why we need to have it in law.

Mr Bérenger: Will the hon. Prime Minister agree with me that what we are talking about are reported cases? Now, the number of unreported cases, God knows what it is! Therefore, will the hon. Prime Minister agree that there is urgency in bringing that Bill? We have heard about that Bill for years now. Can I ask the hon. Prime Minister to look into it because it seems that the bottleneck is an insider fight between the Ministry of Agro-Industry, Veterinary Services, and the MSPCA, on who is going to be the responsible authority and so on? It seems that this is the deadlock. Will the hon. Prime Minister look into it with the Minister of Agro-Industry and sort that out?

The Prime Minister: This might be so, but I am not aware of it. I will certainly look into it. Also I must say that we have increased the programme of getting *chiens errants*. The numbers are increasing - what we are actually capturing. Owners have to be responsible. That is one of the problems we have in this country.

Mr Uteem: Mr Speaker, Sir, pending the coming into force of this proposed legislation would the hon. Prime Minister consider, together with the Ministry concerned and MSPCA, organising training sessions especially for owners of *chiens de race* which probably is a problem because they have *chiens de race*, but they don't know how to keep and monitor?

The Prime Minister: My understanding is that this is already being done.

Mr Jhugroo: Can the hon. Prime Minister inform the House how many attacks have been reported on the public beaches in front of private bungalows since January 2011 and what measures have been taken to prevent so?

The Prime Minister: The same measure applies. I have the details of the number of cases reported. If the hon. Member had come with a specific question for the bungalows - I don't know even if we have those figures; but what I am saying is that we are taking the same measure for everybody. We are not making it different for people who own bungalows. It is the same measure that needs to apply for everybody.

Mr Speaker: Last question, hon. Mrs Labelle!

Mrs Labelle: Thank you, Mr Speaker, Sir. May I ask the hon. Prime Minister whether he will see with the hon. Minister of Agro-Industry if the training of dog owners can be decentralised? I know there is training, but I think it is only at MSPCA in Rose Hill.

The Prime Minister: First of all, I am happy that the hon. Member knows about the training; hon. Uteem didn't know. As to whether we can decentralise it, I am not so sure because we need to have the professionals, but I will look into the matter if that is possible.

PRISONERS (FEMALE) - OPEN PRISON

(No. B/956) Mrs L. Ribot (Third Member for Stanley & Rose Hill) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to female prisoners, he will, for the benefit of the House, obtain from the Commissioner of Prisons, information as to -

- (a) if consideration will be given for the
 - (i) setting up of an open prison therefor, and
 - (ii) provision of a dedicated ward in a public hospital therefor, and
- (b) the number of female officers who attend thereto, indicating the highest grade thereof.

The Prime Minister: Mr Speaker, Sir, in regard to part (a)(i) of the Question, I am informed by the Commissioner of Prisons that all female prisoners are detained at Women Prison, Beau Bassin. There is currently no open prison for female detainees.

The proposal for the setting up of an open prison for female detainees is already being looked into, as part of the ongoing reforms of the Prisons Service.

In regard to part (a)(ii) of the Question, there is no dedicated ward for admission of female detainees in public hospitals. They are admitted in different wards in regional and specialised hospitals in relation to the treatment that they need.

However, arrangements have already been made with the Ministry of Health and Quality of Life for the provision of part of a female ward at Jawaharlal Nehru Hospital to accommodate six female detainees at a time. In this regard, necessary infrastructural arrangements, including partitioning, are underway to enhance security so that other patients do not mix with detainees.

Furthermore, it is planned to construct a new dedicated male and female ward for admission and treatment of detainees. In this regard, a portion of land to the extent of 24,152 m², adjacent to the Jawaharlal Nehru Hospital, has already been vested in my Office for use by the Prisons Department for this project. The project is at present being examined by the Project Plan Committee.

Regarding part (b) of the question, I am informed that on admission in a ward in a public hospital, a female detainee is under the supervision of a Female Prisons Officer/Female Senior Prisons Officer during the day shift and two Female Prisons Officers/Female Senior Prisons Officers during night shift. In case two female detainees are admitted in two different wards in public hospitals, one Female Prisons Officer/Female Senior Prisons Officer is posted to each ward to supervise the detainee during the day time and three Female Prisons Officers/Female Senior Prisons Officers are posted during night time for the two detainees. The most senior Female Prisons Officer/Female Senior Prisons Officer is responsible to supervise the work of the prisons officers whenever there are more than two detainees in a ward.

Furthermore, supervisory grades from the rank of Female Principal Prisons Officer and Female Assistant Superintendent of Prisons carry out regular checks at public hospitals where female detainees are admitted.

Mr Speaker, Sir, there is at present an exercise being undertaken by the Prisons Service, with the assistance of the United Nations Office on Drugs and Crime (UNODC), for the development of a Master Plan for the optimal use of prison facilities.

The assistance of the UNODC has also been obtained for the development of a Corrections' Strategic Framework for the Prisons Service. Within this framework, areas such as, rehabilitation and treatment intervention programmes and the re-integrative planning for prisoners returning to the community will be covered.

Mrs Ribot: Mr Speaker, Sir, I would like to know from the hon. Prime Minister; since there has been no escape of female detainee up to now, why the idea of the setting up of an open prison for female detainees could not be entertained?

The Prime Minister: I did not say it could not be entertained. It is being entertained and that is why I said that there is a proposal for the setting up of a local prison for female prisoners that is being looked up at the Prisons Service.

Mr Bérenger: Mr Speaker, Sir, can I ask the hon. Prime Minister whether he is aware that there have been eight cases of violence against female prison officers recently? On the 05 December, two officers were again violently aggressed and yesterday there was a clash, this time, between foreign female prisoners and local female prisoners. *La situation est explosive.* Is the hon. Prime Minister looking into it urgently pending the other measures that are being envisaged?

The Prime Minister: We are looking into it. I had two meetings with the Commissioner of Prisons on this matter. He tells me basically that the problem – if I have to say it – is coming from foreign female detainees, mainly from South Africa, because they think they will not be allowed to go back to South Africa and they have nothing to lose. So, we have to take other measures. If the question comes, I will look into it. But we have to take other measures, obviously, and stricter measures will have to be taken. We are also talking again to the South African Government to see whether female detainees could not be taken back. In the past, they have responded negatively to that.

Mr Bérenger: Being given that Desmond Tutu is a very good friend of Mauritius and has been very helpful as far as the Truth and Justice Commission is concerned and so on, can I ask whether he could not be approached, to mention that to the South African Authorities; the moral high ground that they would occupy if they agree to their prisoners being returned to their home country?

The Prime Minister: I will certainly be able to say that; even when I have a chance to maybe talk to President Zuma, I will ask him. I think it needs to be taken at that level. They say that their prisons are already overcrowded, they have great difficulties and if these people have committed the crimes here, in Mauritius, we should look after them. Maybe, we could start with the female detainees.

Mr Jugnauth: Doesn't the hon. Prime Minister find it contradictory that, on the one hand, as he is saying, our jails are overcrowded - and the hon. Minister of Finance has said that 30% of our detainees are in remand, and on the other hand, Government just recently repealed section 5 of the Bail Act. Now detainees for less serious offences will have to pay for costs and fees and we know the very reason why this section was included, so that we don't have too many people in jail. Would that not be aggravating the situation with regard to our prisons?

The Prime Minister: I didn't quite follow the question, but is the hon. Member talking about the electronic bracelets that we have introduced?

Mr Jugnauth: We just amended the Bail Act and section 5 was repealed. Section 5 provides that for less serious offences because there are some people, for example, minor drug offences, are not even able to pay costs and fees and therefore, they end up in cell. The fact that this has been amended they will have to pay and we know that the number of people will increase in jail.

The Prime Minister: I know what the hon. Member meant. There are other provisions in the law, Mr Speaker, Sir, which allow the Judge not to ask for the cost.

Mr Lesjongard: Mr Speaker, Sir, is the hon. Prime Minister aware that there is an acute problem of staffing at the women's wing of Beau Bassin prison and that of hinders the proper functioning of the prison? Can he inform the House what remedial measures are being taken to tackle this problem of staffing?

The Prime Minister: We are, in fact, taking more Prison officers. The measure was announced in the Budget, Mr Speaker, Sir.

Mr Jhugroo: Can we know from the hon. Prime Minister what is the ratio of female prisoners to female Prison officers, and whether this is in conformity with international requirements?

The Prime Minister: I have not compared with the international requirements, because don't forget we are not either the UK or US or whatever. We are a small country and we have limited resources, and we have to do what we can, Mr Speaker, Sir.

Mr Ganoo: Would the hon. Prime Minister agree that the crux of the matter is about the female prisoners, prisoners who have been imposed life sentence, prisoners who are on remand, female prisoners who have been imposed light sentence are all lumped together and there is no difference between prisoners on remand and convicted prisoners. If they had been separated, this

would have addressed the problem of foreign female prisoners bullying local prisoners and acting as bandit queens in fact.

The Prime Minister: Well, in fact, that is why we are looking at the whole reform, including building other prisons.

Mrs Ribot: Mr Speaker, Sir, I would like to know from the hon. Prime Minister when the prison of Barkly will be operational, since it seems that the main problem for the moment is that the road is not suitable for vehicles?

The Prime Minister: I am not sure whether that is correct. There is no road that is not suitable for vehicles, because we have vehicles that can go on any road.

Mr François: Mr Speaker, Sir, is the hon. Prime Minister aware that the female block at Pointe Lagueule prison in Rodrigues is sometimes being occupied by male detainees? Will the hon. Prime Minister look into that matter, paying a special attention to the extension of Pointe Lagueule prison being given that not enough fund is being earmarked in next year budget?

The Prime Minister: I am not aware that they are being mixed, but I will certainly look into that matter.

Mr Baloomoody: Mr Speaker, Sir, just to come back to the question of hon. Ganoo, there is an urgency at the prison now, pending the review of the whole situation, can't we take an immediate step now to separate those who are serving sentence, those who are on remand and those who foreigners.

The Prime Minister: I can tell the hon. Member that the Commission of Prisons is, in fact, working on this, whether this will be done next week or whenever, but he is working on it.

Mr Speaker: Next question hon. Gungah!

LATE B. R - CORRECTIONAL YOUTH CENTRE - DEATH

(No. B/957) Mr A. Gungah (First Member for Grand' Baie & Poudre D'or) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to late B. R., he will, for the benefit of the House, obtain from the Commissioner of Police, information as to the circumstances in which he passed away at the Correctional Youth Centre, on or about Wednesday 30 November 2011, indicating if an inquiry has been carried out thereinto and if so, the outcome thereof.

The Prime Minister: Mr Speaker, Sir, I am informed by the Commissioner of Police that late B.R., aged 16 years, was arrested on 17 November 2011 in connection with a serious case of

larceny. On 18 November 2011, a provisional charge was lodged against him before the Rose Hill District Court. The Police did not object to his release on bail. However, as his relatives were not willing to have him released on bail, he was remanded to Petite Rivière Juvenile Detention Centre up to 24 November 2011. On that date, he appeared before the Rose Hill District Court and was remanded to the Correctional Youth Centre, Beau Bassin.

On Wednesday 30 November 2011, lock up of inmates was completed at 17 30 hours. At about 18 20 hours when a check was being carried out, late B.R. was found hanged. His neck was held with part of his bed sheet which was attached to a metal support in the air vent.

At 19 10 hours, on the same day, the Prison Authorities informed the Barkly Police of the death of the detainee. An Assistant Superintendent of Police, a Detective Assistant Superintendent of Police, a Chief Inspector and an Inspector attended the case. At 21 00 hours, Dr. Gungadin, Chief Police Medical Officer and Dr. Saib, Police Medical Officer, called at the Correctional Youth Centre, and the former instructed that the body be removed to Candos mortuary for autopsy.

An autopsy was carried out on 01 December 2011 and the cause of death was attributed to “asphyxia due to hanging”.

Police has initiated an enquiry into the case which is still proceeding.

Mr Gungah: Mr Speaker, Sir, will the hon. Prime Minister state if his attention has been drawn to the fact that the deceased has been frightened by police officers?

The Prime Minister: He has been frightened? But how has he been frightened?

(Interruptions)

Mr Gungah: Can I ask the hon. Prime Minister whether necessary measures have been taken to prevent other inmates of the Youth Centre from committing suicide?

Mr Speaker: The question is about one specific person and the answer has been given. Hon. Boolell!

Dr. S. Boolell: Mr Speaker, Sir, would the hon. Prime Minister consider that in the case of detainees of that age, that no one be kept in isolation because if two detainees are together, the chances of one getting hanged is reduced?

The Prime Minister: I tend to agree with you, but you know what next they will say, that this one has attacked the other one sexually. That is the problem.

Mr Baloomoody: Can I ask the hon. Prime Minister whether this late gentleman was examined by a psychologist to know whether he had a suicidal attempt tendency because he was a young boy and he had been rejected by his parents? The situation is even worse. Was there any psychologist who examined him before?

The Prime Minister: I don't have the information whether they, in fact, had time to have a psychologist to look at him, Mr Speaker, Sir.

Mr Ganoo: May I ask the hon. Prime Minister, Mr Speaker, Sir, in view of the several questions put in this House about people dying either in prison or in police cell or in police station, especially in the light of the remark made by the National Human Rights Commission, can we review...

Mr Speaker: I am sorry. Can I intervene? I have just stopped hon. Gungah because this is a very specific question. There is not even one line to say what action will be taken to remedy the situation. I can't allow the question. The hon. Member can come with a substantive question, if he so wishes.

Mr Ganoo: In view of the autopsy which has been mentioned by the hon. Prime Minister and what is obtained in our legislation today about the judicial inquiry, which will come months afterwards, can we not look at the law in other countries, like in the UK, about this coroner, who comes and immediately inquires into the death of somebody dying in prison or in police cell? Can't we have a new look, revisit the legislation and try to amend our law?

The Prime Minister: That is something that I agree with and, in fact, the former Attorney General wanted to do this at one point. I don't know what was the difficulty. He alone knows what the difficulties were, but I will look into it again.

Mr Speaker: Last question hon. Dr. S. Boolell!

Dr. S. Boolell: Mr Speaker, Sir, would the hon. Prime Minister consider the introduction of close circuit television in the Remand Youth Centre?

The Prime Minister: Yes, we are considering it. There are all parts and recently there was a vice-Minister for Commerce, I think, who again we have solicited different things, but among them there were CCTV cameras, which they are increasing to us precisely because of things like this.

Mr Speaker: Time is over! Hon. Members because of the power problem, we will have to suspend the sitting now and even in the lunch room there is no electricity. I will perhaps suspend ...

(Interruptions)

Questions addressed to hon. Ministers. The Table has been advised that Parliamentary Questions Nos. B/982 and A/419 have been withdrawn...

(Interruptions)

The server will not be able to sustain this. The recording cannot be made. I am sorry. I will have to suspend here. We will resume at half past two.

At 12.41 p.m. the sitting was suspended.

On resuming at 2.34 p.m. with the Deputy Speaker in the Chair.

SPORTS FEDERATIONS – FINANCIAL ASSISTANCE

(No. B/968) Mr F. Quirin (Third Member for Beau Bassin & Petite Rivière) asked the Minister of Youth and Sports whether, in regard to the sports federations, he will state the cases, if any, where the financial assistance granted to them has been suspended, indicating in each case -

- (a) since when, and
- (b) the reasons therefor.

Mr Ritoo: Mr Deputy Speaker, Sir, I wish to inform the hon. Member that, as at date, all registered sports federations recognized by my Ministry, that is, 39 in all, are receiving financial assistance for their different activities as per agreed calendar.

Mr Quirin: M. le président, en ce qui concerne le cas de la Fédération Mauricienne de Lutte, le ministre peut-il nous dire qui, au sein de son ministère, avait pris la décision de suspendre l’assistance financière, et peut-on en connaître les raisons s’il vous plaît ?

Mr Ritoo: Mr Deputy Speaker, Sir, no federation has been suspended so far. In fact, even in the case of the federation of wrestling, there was no suspension of any financial aid. But, however, following a ruling of the Registrar of Associations to the effect that the decision of the Wrestling Federation not accepting unknown subscription of the registered club of Central Flacq was not in order, therefore, my Ministry wrote to the Federation on 18 November 2011 to inform them that it was contemplating to suspend all financial assistance to the Federation on ground of nonconformity with the rules of the Registrar of Associations, and sought its explanation as to

why such action should not be taken. Therefore, the Federation submitted its explanations on 28 November 2011 and, after examining same, my Minister decided not to pursue with the proposed suspension of financial assistance. However, the Federation has been requested to sort out the conflict with the concerned club as soon as possible in order not to penalise the licensees. Therefore, the question of suspension does not arise.

SPORTS FEDERATIONS, SPORTS CLUBS & YOUTH ORGANISATIONS – CSR FUNDS

(No. B/969) Mr F. Quirin (Third Member for Beau Bassin & Petite Rivière) asked the Minister of Youth and Sports whether, in regard to the sports federations, sports clubs and youth organisations, he will state the steps taken by his Ministry to enable funds received/earmarked under the Corporate Social Responsibility to benefit thereto.

Mr Ritoo: Mr Deputy Speaker, Sir, my Ministry does not benefit from any funds under the Corporate Social Responsibility. In fact, CSR funds are allocated to organisations that are duly accredited to the CSR Committee, which operates independently under its own rules, regulations and criteria.

However, in view of the fact that the annual budget allocated by my Ministry to some Sports Federations might not be sufficient to cover the entire calendar of activities, I am proposing to request the Club Maurice Company, which operates under the aegis of my Ministry, to examine the possibility of tapping the CSR Funds.

Mr Bérenger: Can I ask the hon. Minister whether his Ministry has carried out an inquiry to find out, since the setting up of the Corporate Social Responsibility framework, regulations, the committee and so on, if sports federations, sports clubs have met with new difficulties in obtaining funds from other quarters?

Mr Ritoo: Mr Deputy Speaker, Sir, I realise the difficulties met by certain sports clubs/federations. In fact, in my vision to see ways and means to allow such sports federations to benefit from the CSR Fund, we are trying to see in which way can help. Anyway, we have certain organisations in my ministry, for example, the Trust Fund for Excellence in Sports or the *Fondation pour la Formation du Football* or even the Club Maurice Company that are CSR compliant, and they benefit from such funds.

Mr Bérenger: My point was: has there been an attempt at quantifying what the setting up of the CSR has meant in terms of subsidies from the private sector to clubs and federations?

Mr Ritoo: In fact, only the Club Maurice Company has been able to gather some funds to help the sports federations which are preparing for all Africa Games and the Indian Ocean Island Games. In fact, we collected about Rs17 m., which were then directed to such federations that wanted to further develop sports. Otherwise, we are still negotiating to see ways and means to help the other sports federations to benefit from such funds.

Mr Bérenger: I think the hon. Minister will agree with me. It is not just federations. I am more concerned about small clubs all over the island that used to get financial assistance from certain firms in the private sector. My information is that those small clubs meet now with a negative reaction because the firms argue that they are contributing to the Corporate Social Responsibility framework.

Mr Ritoo: Mr Deputy Speaker, Sir, as far as sponsorship is concerned, I cannot force them because there is also a deficit of credibility as well for certain clubs - people running the clubs. But it all depends if they are CSR compliant. I don't find any problem for them to benefit, provided they come forward with a project. If they meet all the criteria before the CSR committee, then they can benefit.

Mr Quirin: M. le président, je constate donc que le ministre a pris en considération les propositions que j'ai moi-même faites lors de mon intervention sur le budget par rapport au rôle que pourrait jouer le Club Maurice Company entre les fédérations et le CSR committee. De ce fait, peut-il nous indiquer s'il compte aussi revoir le fonctionnement du Club Maurice Company, afin qu'il soit plus indépendant?

Mr Ritoo: The Club Maurice Company is already functioning independently, and we don't have any problem. On the contrary, I requested the Club Maurice to consider the possibility of amending its constitution at one of its special assemblies, so as to help specific federations which require additional firms to promote their sports discipline.

Mr Quirin: M. le président, peut-on savoir si les discussions entre le Club Maurice Company et le CSR committee ont déjà commencé, ou est-ce encore un effet d'annonce ?

Mr Ritoo: I fail to understand the hon. Member because we have already collected Rs17 m., which we have distributed to the sports federations for participation in the Indian Ocean Island Games and All Africa Games. Now he's asking me whether we are starting negotiations with the committee.

(No. B/970) Ms S. Anquetil (Fourth Member for Vacoas & Floreal) asked the Minister of Arts and Culture whether, in regard to the Soul of the World Cultural Show which was held at La Citadelle, Port Louis, in 2011, he will state -

- (a) the total cost thereof, and
- (b) if consideration will be given for the holding of a second edition thereof in 2012.

The Minister of Tourism and Leisure (Mr M. Yeung Sik Yuen): Mr Deputy Speaker, Sir, with your permission, I shall reply to this question.

With regard to part (a) of the question, I am informed that five representations of the “Soul of the World” fusion show were staged at the Citadel in April and May 2011 for an amount of some Rs14.1 m.

I am further informed that, contrary to the initial objective of the project, the total costs incurred for the holding of the representations were not recouped.

Insofar as part (b) of the question is concerned, Mr Deputy Speaker Sir, the holding of such shows may, in the future, be envisaged. However, any decision thereon would need to take into account a number of factors, including the commercial viability of such events as well as the marketing strategies to be developed therefor.

Ms Anquetil: Being given that the ‘Soul of the World’ Cultural Show was organised on a commercial basis and was also set to become a tourist attraction, can the Minister inform the House how many tickets were sold?

Mr Yeung Sik Yuen: I am informed that 157 tickets were sold at Rs500 each.

Ms Anquetil: Being given that a huge amount of money has been invested for this project, can the hon. Minister inform the House why this event has been a *véritable flop* – because he just mentioned that only 157 tickets have been sold – and how the former Minister of Tourism and Leisure has managed to fill the empty seats?

(Interruptions)

The Deputy Speaker: Please, hon. Assirvaden!

Mr Yeung Sik Yuen: I am informed that the Ministry has invited people from the hotel sector, the public and so on.

Mr Bodha: May I ask the hon. Minister whether, in the Budget Speech of 2011, this show was a project as part of the endeavour to make *La Citadelle* into a permanent, cultural and tourism attraction?

Mr Yeung Sik Yuen: Mr Deputy Speaker, Sir, yes, it was in the Budget Speech of 2011.

Mr Bodha: May I ask the hon. Minister whether the second phase of the project was to organise 40 representations with 400 tourists every night with a gala dinner...

The Deputy Speaker: No, please! You put the question, you don't furnish information.

Mr Bodha: My question is whether the first stage of the project – in fact, it was not a show – was, in fact, the fine-tuning of a world class show, the second stage was the organisation...

The Deputy Speaker: No, no, please! You should ask question.

Mr Bodha: May I ask the hon. Minister whether the second stage was the organisation of 40 representations in November/December and January/February for 400 tourists every night with a dinner at 50 to 60 Euros per night which would have brought about one million Euros?

The Deputy Speaker: What was your projection?

Mr Yeung Sik Yuen: Mr Deputy Speaker, Sir, in fact, I know that there were meetings with tour operators and so on, but there are no documents or contracts which were signed between the stakeholders.

Ms Deepalsing: Mr Deputy Speaker, Sir, may I ask the hon. Minister - with all this planning and all this money put in and he said that there were 157 tickets – whether staff of the Ministry were forced to attend in order to fill in the seats?

Mr Yeung Sik Yuen: Mr Deputy Speaker, Sir, I do not have this information, but I can inquire.

(Interruptions)

The Deputy Speaker: Order!

(Interruptions)

Please!

Mr Bodha: May I ask the hon. Minister whether that show was conceived by a French Cinema Director from Paris...

The Deputy Speaker: No, you should ask who conceived the show. This is the question.

Mr Bodha: Who conceived the show and whether the music composer...

The Deputy Speaker: But, who was the composer?

Mr Bodha: Who was the composer...

(*Interruptions*)

The Deputy Speaker: Please!

Mr Bodha: ... and may I ask who were the artists and whether they are all the best artists on the island and that the project was, in fact, to, first of all, have a tourist attraction...

(*Interruptions*)

The Deputy Speaker: No, please! Let the hon. Minister answer!

Mr Yeung Sik Yuen: Mr Deputy Speaker, Sir, I have the name of the conceptor and the Music Director...

(*Interruptions*)

The Deputy Speaker: Please!

Mr Yeung Sik Yuen: He is Jacques Louis Linley Marthe and he was paid Rs2 m. and also for the artist we have Sandeep Bhimjee, Dance in the City, Johan Leste and so on. It is a long list; I can table the list.

Mr Bodha: May I ask the hon. Minister who recommended Linley Marthe to be the music composer? For the information of the hon. Minister, Linley Marthe is one of the famous Mauritian musicians abroad.

Mr Yeung Sik Yuen: The hon. Member was my predecessor; he must know who recommended him.

(*Interruptions*)

The Deputy Speaker: No, please, if the hon. Minister does not have the answer, he says so.

Mr Yeung Sik Yuen: I do not have the information.

Mr Bodha: May I bring to the kind attention of the Minister that Linley Marthe was recommended by Alain Gordon-Gentil who is the Cultural Adviser of the Prime Minister.

Ms Anquetil: Can the hon. Minister inform the House whether he is aware that *environ R 600,000* of costumes are presently stored at *La Citadelle* under inappropriate conditions?

(*Interruptions*)

Mr Yeung Sik Yuen: Mr Deputy Speaker, Sir, I know that the costumes are at *La Citadelle*.

The Deputy Speaker: I'll take two last questions, one from hon. Bodha and one from hon. Ms Anquetil.

Mr Bodha: May I inform the House...

The Deputy Speaker: No, please! You ask questions.

Mr Bodha: May I ask the hon. Minister whether this project came to the Cabinet, or not?

(*Interruptions*)

The Deputy Speaker: Please!

Mr Yeung Sik Yuen: From the information that I have, I don't think so.

Mr Bodha: May I ask the hon. Minister whether – in fact, what happened is that, after we left Government,...

The Deputy Speaker: No, no please!

(*Interruptions*)

Rephrase your question, please!

Mr Bodha: ... he abandoned...

The Deputy Speaker: Who?

Mr Bodha: The hon. Minister. May I ask the hon. Minister to confirm whether he abandoned a great project which was a prestigious show for the tourism industry, for the artists of Mauritius and for *La Citadelle* which is now going to be managed by the private sector?

Mr Yeung Sik Yuen: I have not understood your question.

The Deputy Speaker: Hon. Member, put your question only, not make statement.

Mr Yeung Sik Yuen: Mr Deputy Speaker, Sir...

The Deputy Speaker: Please! The hon. Minister has not heard the question. I ask the hon. Member...

Mr Yeung Sik Yuen: About the private sector,...

Mr Bodha: May I ask the hon. Minister...

The Deputy Speaker: No, I'll allow the hon. Member one last question and a last question from hon. Ms Anquetil.

(*Interruptions*)

I have got a time frame to manage and I want to give all Members the opportunity to put questions. I don't want to get stuck on one particular question. Yes, put your question straightaway!

(Interruptions)

Hon. Assirvaden, you are not allowed to give answers up till now, as I understand.

Mr Bodha: M. le président, est-ce que je peux demander au ministre, s'il n'a pas, au fait, enterré un beau projet, qui était un beau produit pour le tourisme, qui allait permettre la création d'une troupe nationale des meilleurs artistes et une utilisation de La Citadelle - comme prévu dans le budget avec un *seed money* qui a été approuvé par le conseil des ministres et le budget - pour laisser la Citadelle à la gestion du privé ?

Mr Yeung Sik Yuen: Mr Deputy Speaker, Sir, the event was a total flop. There were 1,608 tickets which were issued, only 157 tickets were sold. As I have said before, if ever we go in this direction, we have to work on the marketing strategies to attract people to go to this event.

(Interruptions)

The Deputy Speaker: Last question, hon. Ms Anquetil!

Ms Anquetil: Can the hon. Minister inform the House if international journalists were invited to cover the event?

Mr Yeung Sik Yuen: According to the information that I have, there was no international media.

(Interruptions)

The Deputy Speaker: Order!

CERTIFICATE OF MORALITY - COMMITTEE – RECOMMENDATIONS

(No. B/971) Mr A. Ameer Meea (First Member for Port Louis Maritime Port Louis East) asked the Attorney General whether, in regard to the certificate of morality, he will state if the committee set up to consider the measures to improve the service of the delivery thereof has submitted its recommendations and, if so, give details thereof, indicating when they will be implemented.

Mr Varma: Mr Deputy Speaker, Sir, in 2010, the Secretary to Cabinet and Head of Civil Service was entrusted by Government the responsibility to look into ways and means to curtail the delay in the issue of certificates of morality. Two meetings were chaired by the Secretary to Cabinet and Head of Civil Service and, I am informed that at both meetings proposals were made to amend the Certificate of Morality Act. A copy of the recommendations was sent to my office on 18 February 2011.

(Interruptions)

The Deputy Speaker: Hon. Aimée and hon. Choonee, please!

Mr Varma: When I received the recommendations, I set up a committee under my chairmanship and with the representatives of the Prime Minister's Office, the representative of the Director of Public Prosecutions, the representatives of the Commissioner of Police and officers from my own office.

Meetings were held on 31 May, 15 June and 07 September this year. Mr Deputy Speaker Sir, in the light of all recommendations made, Government approved the amendments to be brought to the Certificate of Morality Act on 30 September 2011.

Proposed amendments relate to the following -

- (i) introduction of the concept of spent convictions;
- (ii) imposition of a time frame to obtain a certificate;
- (iii) online application;
- (iv) certificate to remain valid for a prescribed period;
- (v) renaming the certificate as certificate of character, and
- (vi) payment of fees upon application.

Mr Deputy Speaker Sir, I would like to inform the House that my office is working on a Certificate of Morality (Amendment) Bill, which will be ready by early next year and will thereafter be introduced in the National Assembly once Cabinet's approval has been obtained.

TOURISM EMPLOYEES WELFARE FUND – OUTING – BELLE MARE WATER PARK

(No. B/972) Mr K. Ramano (Second Member for Belle Rose & Quatre Bornes) asked the Minister of Tourism and Leisure whether, in regard to the outing organised by the Tourism Employees Welfare Fund, on or about 06 November 2011, at the Belle Mare Water Park, he will, for the benefit of the House, obtain from the Fund, information as to the -

- (a) total cost thereof, giving a breakdown thereof;
- (b) number of buses hired, indicating in each case, the
 - (i) cost thereof, and
 - (ii) pick up points, and
- (c) number of hotel employees who participated therein, indicating the name of the hotel employing them.

Mr Yeung Sik Yuen: Mr Deputy Speaker, Sir, the House may wish to note that one of the objects of the Tourism Employees Welfare Fund is to organise activities for its members and their families.

In this context, I am informed that during the course of the year, several activities have been organised which included a “Family Fun Day” held on 06 November 2011 at Belle Mare Water Park.

Mr Deputy Speaker, Sir, with regard to part (a) of the question, I am informed that the total cost incurred for the activity amounted to Rs473,996.50. A breakdown thereof as well as the detailed information sought in parts (b) and (c) of the question are being tabled.

Mr Ramano: M. le président, est-ce que je peux connaître le nombre d’employés qui ont participé dans cette activité et de préciser le nombre d’employés par hôtel ?

Mr Yeung Sik Yuen: The number of employees from hotels are 655 employees. I have the breakdown in the document.

Mr Ramano: M. le président, est-ce que le ministre est au courant que dans bon nombre de bus, il n’y avait aucun employé d’hôtel alors que le bus était rempli par les partisans du PMSD,...

(Interruptions)

... notamment pour la résidence Père Laval à Quatre Bornes, Cité Kennedy, Cité Atlee, Cité Malherbes et cité La Caverne?

Mr Yeung Sik Yuen: Mr Deputy Speaker, Sir, I don’t think the information is right because if we wanted to do politics, we would have used 25 buses instead of 14 buses.

Mr Bhagwan: Mr Deputy Speaker, Sir, just to add, can the hon. Minister also confirm whether buses were sent at Cité Barkly on the same line? I am very serious about what I am saying. We have been informing the relevant authorities, ICAC, the Director of Audit or whatever, and then the hon. Minister will have to reply in Parliament. There were buses sent to political agents and I confirm it in Parliament. Can the hon. Minister go and verify the number of buses and from which company?

(Interruptions)

I have not finished.

(Interruptions)

The Deputy Speaker: Please!

Mr Bhagwan: Can we know when the buses were rented, from which companies, the time of departure and the time of arrival?

Mr Yeung Sik Yuen: Mr Deputy Speaker, Sir, I have tabled a list of all the pick-up points.

(*Interruptions*)

The Deputy Speaker: Yes, the hon. Minister is going to table it. Next question, Mrs Hanoomanjee!

FREIGHT REBATE SCHEME - BENEFICIARIES

(No. B/973) Mrs S. B. Hanoomanjee (Second Member for Savanne & Black River) asked the Minister of Agro-Industry and Food Security whether, in regard to the Freight Rebate Scheme, he will state the -

- (a) category of -
 - (i) producers, and
 - (ii) exporters who will benefit therefrom, and
- (b) mechanism put in place for the equal sharing of the 25 percent cost subsidy element between the producers and the exporters.

Mr Faugoo: Mr Deputy Speaker, Sir, the Freight Rebate Scheme was introduced in the early nineties to give a boost for the export to European markets of a selected range of fresh horticultural produce like litchi, pineapple and chili amongst others. The scheme provided for a refund of the costs relating to freight incurred by the exporter to the tune of 50%.

A technical appraisal of the scheme revealed that the original objective of boosting up the export of fresh produce was not of the desired level. Moreover, only exporters were benefiting from the scheme and producers were not deriving any benefit therefrom. Consequently, the scheme was discontinued.

Government has announced in the Budget Speech for the year 2012, the reintroduction of the Freight Rebate Scheme in a modified model that will not only benefit exporters but also producers - a refund of 25% of the freight costs to be shared equally between exporters and producers.

My Ministry is currently working on the *modus operandi* of the Freight Rebate Scheme for approval by Government. However, I wish to inform the House that the scheme would be managed by the Agricultural Marketing Board.

A Technical Committee, under the aegis of the Agricultural Marketing Board and comprising technicians from AREU, the Agricultural Services and my Ministry are finalising the modified scheme taking into consideration the range of horticultural products, the nature of the products to be exported (fresh or minimally processed), and the destination countries. The committee will complete its work before the end of the year and the scheme will become operational in January next year.

Mrs Hanoomanjee: Can I ask the hon. Minister as to why this responsibility has been given to the AMB and not to AREU or FARC?

Mr Faugoo: In fact, the previous scheme was being managed by the AMB. I don't see any reason why it should not be given to AMB.

Mrs Hanoomanjee: Doesn't the hon. Minister think that AREU is the most appropriate organisation since it has got all the data regarding production. It has got all the information regarding production as well as information on planters and the different products.

Mr Faugoo: AMB is in marketing, Mr Deputy Speaker, Sir, but definitely this is going to be done by AMB in collaboration with the AREU.

Mrs Hanoomanjee: Can the hon. Minister say whether he means only producers on one side and exporters on the other, or producers who are exporters as well?

Mr Faugoo: Both, Mr Deputy Speaker, Sir. In fact, those who will be producing the vegetables or fruits which are going to be exported, they will be refunded 25% of the 50% rebate and also the exporters.

Mrs Hanoomanjee: Can the hon. Minister say whether there has been a study to select which products will fall in the category of those who benefit from this Freight Rebate Scheme?

Mr Faugoo: I just said, Mr Deputy Speaker, Sir. There is a committee which is working on the range of products and also on the mechanism to be put in place.

NATIONAL RESEARCH FUND – SCHEMES FUNDED

(No. B/974) Mrs L. Ribot (Third Member for Stanley & Rose Hill) asked the Minister of Tertiary Education, Science, Research and Technology whether, in regard to the National Research Fund of Rs100 m., he will, for the benefit of the House, obtain from the Fund, information as to the -

- (a) schemes funded thereunder, indicating in each case, the –
 - (i) objectives thereof;

- (ii) procedures for the allocation thereof, and
- (iii) amount of money earmarked therefor, indicating the amount thereof disbursed as at to date, and
- (b) time frame for the completion of the research studies carried out, indicating if an evaluation exercise has been carried out on the impact and use thereof.

Dr. Jeetah: Mr Deputy Speaker, Sir, there are 31 schemes funded under the National Fund out of which 16 are operated under the Mauritius Research Council, 8 under the Tertiary Education Commission, 2 under the University of Mauritius, 3 under the University of Technology (Mauritius) and 1 under both the Mahatma Gandhi Institute and the Mauritius College of the Air.

I am tabling a list of all the schemes together with the relevant details pertaining to parts (a) and (b) of the question at Document 1.

For financial year 2011, a sum of Rs104.9 m. was made available under the Fund out of which Rs33.8 m. have been disbursed as at date. I am tabling the details at Document 2.

I am also tabling at Document 3 the different objectives of the Fund.

Mrs Ribot: Mr Deputy Speaker, Sir, I would like to know from the hon. Minister whether there is a priority list of the researches?

Dr. Jeetah: Mr Deputy Speaker, Sir, I have a list of schemes and they all take care of various aspects of research, I suspect the hon. Member can go through it and I might answer questions at a later stage, otherwise I'll have to go through all of them.

Mrs Labelle: Mr Deputy Speaker, Sir, may I ask the hon. Minister how calls for research are being done under this scheme?

Dr. Jeetah: Mr Deputy Speaker, Sir, I was asked a question to explain what the procedures were.

The Deputy Speaker: If the hon. Minister doesn't have the information, he must just tell.

Dr. Jeetah: I have all the information. I said I was going to table it. It is already here. For different projects, there are different mechanisms.

CEB – INDEBTEDNESS

(No. B/975) Mr A. Ganoo (First Member for Savanne & Black River) asked the Deputy Prime Minister, Minister of Energy and Public Utilities whether, in regard to the Central

Electricity Board, he will, for the benefit of the House, obtain from the Board, information, as to the –

- (a) amount of indebtedness thereof;
- (b) level of overdraft;
- (c) operations losses incurred, since 2007 to date, and
- (d) amount of savings deposited in bank accounts, if any.

The Deputy Prime Minister: Mr Deputy Speaker, Sir, with your permission, I am tabling the information in respect of paragraphs (a), (b) and (c) of the question.

As regards paragraph (d), I am informed that as at October 2011, CEB had savings amounting to Rs553 m. for day-to-day operations utilised primarily for payments to IPPs, employees and operational expenditure.

Mr Ganoo: Can I ask the hon. Minister if he can inform the House for year ending 2010 whether the CEB ended that year with a net operating profit or operating loss and, if so, how much?

The Deputy Prime Minister: The profit was Rs909 m., Sir.

Mr Ganoo: Can I ask the hon. Deputy Prime Minister what was the level of bank overdraft as to 31 December 2010?

The Deputy Prime Minister: I do not have it for the month, but for the end of the year it is Rs287 m.

PUBLIC PROCUREMENT ACT – REVIEW COMMITTEE

(No. B/976) Mr A. Ganoo (First Member for Savanne & Black River) asked the vice-Prime Minister, Minister of Finance and Economic Development whether, in regard to the proposed changes to be brought to the Public Procurement Act, he will state where matters stand as to the works of the Review Committee set up in August 2010 to look thereinto.

The vice-Prime Minister, Minister of Finance and Economic Development (Mr X. L. Duval): Mr Speaker, Sir, the Review Committee which was mandated to make recommendations on amendments to be brought to the Public Procurement Act submitted its report on 7 February 2011.

A White Paper incorporating these recommendations was posted on the website of the Procurement Policy Office on 20 July 2011. The general public was invited through the press to consult the White Paper with a view to submitting their comments and proposals by the end of

October 2011. The Procurement Policy Office undertook several interactive sessions to disseminate the information contained in the White Paper to public bodies and the private sector.

Feedback has been obtained from a wide audience including development partners, public bodies, professional bodies, suppliers as well as civil society organisations such as trade unions. Their comments and proposals have been compiled and are currently being analysed by the Procurement Policy Office. I am informed that the office plans to submit their analysis and recommendations to my Ministry by the end of this year.

As I indicated in the Budget document, the new Public Procurement Bill is scheduled to be finalised by June 2012.

Mr Ganoo: Can the hon. Minister undertake to circulate a copy of the Bill to the Members of the House within a reasonable time so that we can indicate to the hon. Minister if there are any proposals that we want to make?

Mr Duval: The White Paper is already available but, for sure, we will circulate as soon as it can be finalised.

Mr Jugnauth: May I know why it is taking so long for the finalisation of this Bill because I heard the hon. Minister saying some time next year?

Mr Duval: If it needs to go to Parliament, Mr Deputy Speaker, Sir, we are talking about March I presume, then we have the next Parliamentary session by the time it is proclaimed.

Mr Uteem: Mr Speaker, Sir, one of the shortcomings of the Public Procurement Act at the moment is that the decision of the Independent Review Panel is only advisory in nature. They cannot force the public bodies, they can only recommend. Would that also been looked into so that there is a proper mandatory direction given to public bodies wherever they have acted in breach of the law?

Mr Duval: Mr Deputy Speaker, Sir, at this stage I can say that it is in the White Paper as a proposal. Let us wait and see what the reactions have been to see whether it will be in the final Bill.

LAND-BASED OCEANIC INDUSTRY PROJECT – IMPLEMENTATION

(No. B/977) Mr A. Ameer Meea (First Member for Port Louis Maritime & Port Louis East) asked the Deputy Prime Minister, Minister of Energy and Public Utilities whether, in regard to the Land Based Oceanic Industry Project, he will state where matters stand as to the implementation thereof, indicating the total amount of money spent therefor, as at to date.

The Deputy Prime Minister: Mr Deputy Speaker, Sir, the hon. Member may wish to refer to my reply to Parliamentary Question No. B/77 on 29 March 2011 wherein I informed the House that following a case of alleged forgery, involving the strategic partner, the shareholders' agreement was terminated on 22 February 2011.

In the same month, the office of Public Sector Governance had been requested to carry out an audit of the project and make recommendations on the way forward. Based on the recommendations of the office, it is proposed to launch a new Request for Proposal for the implementation of the project. The document is presently being finalised.

The total amount spent on the project, as previously mentioned, is as follows –

- (i) Rs6 m. for the pre-feasibility carried out in 2006 by Makai Ocean Engineering which includes recommendations for the best site for the installation of the intake pipe, taking into consideration the marine and land based conditions;
- (ii) 644,250USD as payment to the transaction adviser Gide Loyrette Nouel consortium, recruited after international bidding in November 2007, and
- (iii) Rs380,535 for two missions undertaken by the Director of the Mauritius Research Council in 2008 and the Managing Director of the State Investment Corporation in 2009.

Mr Bérenger: Can I ask the hon. Deputy Prime Minister what has happened to the criminal case that was started against the former strategic partner? Is there a case in court? Is he *sous caution*?

The Deputy Prime Minister: Mr Deputy Speaker, Sir, I am given to understand that this person had disappeared and did not present himself in court.

(Interruptions)

Mr Ameer Meea: Mr Deputy Speaker, Sir, the hon. Deputy Prime Minister informed us that the shareholders agreement was terminated and a new expression of interest has been floated. This has been the case since March this year. Can I ask the hon. Deputy Prime Minister when this expression of interest will be launched and why is it taking so long?

The Deputy Prime Minister: It is a very complex issue and it is being worked upon. The procedures are ongoing and I hope that we will be able to do it within the months to come.

Mr Bhagwan: I have not heard the hon. Deputy Prime Minister mentioning whether there have been missions effected by the Board of Investment to promote that particular project

and expenses borne by the BOI and, if yes, whether he can circulate the expenses and the names of persons who went on these missions.

The Deputy Prime Minister: Mr Deputy Speaker, Sir, I am not aware that the BOI had undertaken missions for this specifically, but it has been part of their missions.

Mr Lesjongard: Mr Deputy Speaker, Sir, the previous RFP that was launched did not take into consideration most of the aspects linked with the Land Based Oceanic Industry project. Will the hon. Deputy Prime Minister confirm that the new RFP will take all those activities into consideration?

The Deputy Prime Minister: Yes, but it will depend also on the interest of the project itself. We have had difficulty getting interests in all the panoply of products that were on offer.

Mr Jhugroo: Can I ask the hon. Deputy Prime Minister since when this person has disappeared and what measures have been taken to trace him?

The Deputy Prime Minister: I do not know the date, but it was recent. He did not appear in court and the person who stood as a guarantee has lost his guarantee.

Mr Uteem: This is of great concern for us because there is so much delay in the Land Based Oceanic Industry. May I know from the hon. Deputy Prime Minister whether he has initiated an enquiry to see who took the decision in the first place to award the contract to that promoter, whether all the necessary due diligence has been carried out on that person before he was awarded the contract?

The Deputy Prime Minister: Mr Deputy Speaker, Sir, if the hon. Member would refer to answers given in the House previously, the answer is there.

Mr Lesjongard: Based on the reply that the hon. Deputy Prime Minister has given, are we going to have one RFP or are we going to have several RFPs for the various activities linked with the project?

The Deputy Prime Minister: The first issue will be data cooling and then we will look at the rest.

Dr. Sorefan: May I know from the hon. Deputy Prime Minister what amount has been budgeted for next year for this project?

The Deputy Prime Minister: No amount has been budgeted, but we can get the amount as required.

Mr Ameer Meea: Can I ask the hon. Deputy Prime Minister if any legislation will be introduced in relation to the Land Based Oceanic Industry?

The Deputy Prime Minister: Yes.

**FRAUD TRACKING ACCOUNT - INTERNATIONAL LONG DISTANCE
OPERATORS – CONTRIBUTIONS**

(No. B/978) Mr K. Li Kwong Wing (Second Member for Beau Bassin & Petite Rivière) asked the Minister of Information and Communication Technology whether, in regard to the Fraud Tracking Account, he will –

- (a) for the benefit of the House, obtain from the Information and Communication Technologies Authority, information as to the amount of money credited thereto by the International Long Distance operators, since the establishment thereof to date, stating the names thereof, if any, who have not contributed thereto, indicating –
 - (i) since when, and
 - (ii) the shortfall amount as at to-date, and,
- (b) state –
 - (i) the market shares of each ILD operator in the call termination business, and
 - (ii) if steps will be taken to ensure compliance relating to fraud tracking of all ILD operators with the requirements of the law.

Mr Pillay Chedumbrum: Mr Deputy Speaker, Sir, I am informed by the Information and Communication Technologies Authority that as at 08 December 2011, the total amount of money credited by the International Long Distance (ILD) operators in the Fraud Tracking Account since its establishment in October 2010, is Rs45,207,419.91.

Mr Deputy Speaker, Sir, with regard to part (a)(i) of the question, I am informed by the ICTA that the following operators have not contributed to the Fraud Tracking Account for the respective months –

SN	ILD Operator	Months not contributed
1	City Call Ltd	October 2010
2	Hot Link Co. Ltd	November 2010 to September 2011
3	T@media.com Ltd	December 2010 to September 2011

4	MTML	March 2011 to September 2011
5	DCL	November 2010 to September 2011
6	TLC Ltd	October 2010 to September 2011

As regards part (a)(ii) of the question, I am informed by the ICTA that based on the total number of minutes of international calls effected from October 2010 to September 2011 standing at 169 million and the rate payable at 0.02 USD per minute, the shortfall is estimated at Rs56 m. This information which relates to the gross revenue generated from international incoming calls and to the number of minutes of terminating international calls is required to calculate the amount of contribution to be made into the Fraud Tracking Account.

Mr Deputy Speaker, Sir, as far as part (b)(i) of the question is concerned, I am informed by the ICTA that the market shares of each ILD operator in the call termination business, based on incoming international traffic for the months of January 2010 to December 2010 and January 2011 to September 2011 is as follows -

SN	ILD Operator	Market share % of Total	Market share % of Total
		Incoming Traffic Jan to Dec 2010	Incoming Traffic Jan to Sept 2011
1	TLC	23.28	34.63
2	Mauritius Telecom Ltd	32.10	31
3	MTML	11.16	11.78
4	DCL	17.68	10.66
5	Hot Link	5.83	4.79
6	T@media.com Ltd	7.14	3.16
7	Emtel	1.83	2.84
8	City Call	0.98	1.14
	Total	100	100

As far as part (b)(ii) of the question is concerned, I am informed that the ICTA has initiated procedures for legal proceedings against the non-compliant ILD operators, in

accordance with the provisions of the Information and Communication Technologies (Fraud Tracking Account Charge) Regulations 2010.

Mr Li Kwong Wing: Mr Speaker, Sir, from the information of the hon. Minister, it is clear that TLC for this year has a much bigger market share being 34% compared to 31% for Mauritius Telecom, 2% for Emtel and 11% for MTML. Can the hon. Minister inform the House, how does he explain that an operator, which is not having any land line or any other licenses, but the ILD license, can have a much bigger share of a call termination market than MTL or MTML?

Mr Pillay-Chedumbrum: Mr Deputy Speaker, Sir, I cannot speak for TLC, but may be the aggressive market that he is doing is the reason why his share in the market has increased.

Mr Bérenger: Mr Deputy Speaker, since we are talking about the Fraud Tracking Account, which is to finance the fraud tracking mechanism, can I ask the hon. Minister where matter stands as far as the fraud tracking mechanism is concerned? Is it operational and where are we?

Mr Pillay-Chedumbrum: In fact, Mr Deputy Speaker, Sir, at a certain time when one of the operators was refusing to have that mechanism installed at his office, we couldn't operate the fraud tracking mechanism. If he is reluctant to allow ICTA to install there, we cannot do anything unless we have an order from the court, but, there has been negotiation going on. Finally, on 08 December, this year, Mauritius Telecom has accepted that the tracking mechanism be installed on his server there.

Ms Deepalsing: From the answers that have been given by the hon. Minister, should we understand that all of these ILD operators have not been contributing to this account so far and they have refused to do so because this fraud tracking account has not been operational so far? Is this what we should understand from his answer?

Mr Pillay-Chedumbrum: In fact, they started payment, but some of them have stopped payment on the ground that the fraud tracking system is not operational and that they cannot pay for something, which they are not getting service from that.

Ms Deepalsing: Mr Deputy Speaker, Sir, just a follow up question. Can I ask the hon. Minister whether these fees that are supposed to be paid to the Fraud Tracking Account goes actually to a private agency and not to the State of Mauritius?

Mr Pillay-Chedumbrum: In fact, there is the Fraud Tracking Account, which is meant for the fraud tracker whilst the USF fund, which another thing and where contribution is made.

Ms Deepalsing: Can the hon. Minister, for the benefit of the House, inform the House what is the USF fund and how is this linked with the Fraud Tracking Account?

Mr Pillay-Chedumbrum: Mr Deputy Speaker, Sir, the USF fund is a fund in which all public operators have to contribute with a view to financing ICT projects that purport to democratising access to the ICT and to bridge the digital divide in Mauritius.

Mr Li Kwong Wing: The hon. Minister just said that it may be because TLC has got a very aggressive marketing so that its share is much bigger than that of Mauritius Telecom. Would that be tantamount to saying that they are undercutting price below the legal price or that Mauritius Telecom is actually under declaring the amount of call terminator that is account?

Mr Pillay-Chedumbrum: We cannot venture to the answer that the hon. Member has just said. Mr Deputy Speaker, Sir, it is clear that when somebody commits an offence of undercutting or grey market, he commits an offence, which is of a criminal nature. We all know that when it amounts to criminal offence, we have to prove it beyond all reasonable doubts. Now, when we have set up that fraud tracking mechanism, being given that one of the operators have refused to allow ICTA to install that mechanism at his seat there, therefore, we cannot have *un inventaire fidèle et exact* of the situation of the grey market. That's why it has not been possible to track any operator who allegedly is committing fraud tracking.

Mr Ameer Meea: In relation to hon. Ms Deepalsing's question, the hon. Minister stated that some companies are contributing to the Fraud Tracking Account and some companies are not contributing. May we know which companies have paid and which companies are not paying?

The Deputy Speaker: But, these have been stated from the very beginning.

Mr Pillay-Chedumbrum: The question has already been answered.

Ms Deepalsing: Mr Deputy Speaker, Sir, the hon. Minister in one of his answer mentioned the USF Fund as opposed to Fraud Tracking Account. Can I ask the hon. Minister whether this company that we are talking about, the TLC has been paying the USF Fund and whether all companies have been paying?

Mr Pillay-Chedumbrum: Insofar as TLC is concerned, I can assure the hon. Member that yes, except for the month of October 2010, for which payment is still outstanding, the total amount contributed by TLC is Rs26,835,033.93.

Mr Li Kwong Wing: With regard to the non-contribution of several of these operators, can the hon. Minister inform the House what sanctions are provided under the law and why is it that the sanctions have not been applied or is it that some operators are above the law and will the hon. Minister also inform the House when this server system is going to be installed in all the premises of these operators as per the agreement that has been made with all the operators to have the server installed?

Mr Pillay-Chedumbrum: Mr Speaker, Sir, as I have just mentioned we cannot lodge a case only for the sake of lodging a case. We have to get evidence and the evidence is material. Being given that it is of a criminal nature as I have mentioned before..

The Deputy Speaker: Yes you mentioned that.

Mr Pillay-Chedumbrum: Already they are contemplating to initiate actions, but as I have mentioned before all the operators now have agreed for the installation of that mechanism and on 08 December itself, this year, MT has agreed to have it installed and we believe that by next year we will be in a good position to decide when it will become operational.

Ms Deepalsing: There was part of my question that was not answered by the hon. Minister and I have asked also if the hon. Minister can inform the House who are the operators who have not contributed to the USF account, this account being the money that is paid for the benefit of the State of Mauritius. Who are those who have not paid?

Mr Pillay-Chedumbrum: In so far as the USF account is concerned they are paying almost all of them.

Ms Deepalsing: Who?

Mr Pillay-Chedumbrum: The operators.

The Deputy Speaker: All the operators, next question.

PUBLIC SECTOR DEBT

(No. B/979) Mr K. Li Kwong Wing (Second Member for Beau Bassin & Petite Rivière) asked the vice-Prime Minister, Minister of Finance and Economic Development whether, in regard to the external public sector debt, he will state the total amount thereof contracted, as at end November 2011, indicating -

- (a) the amount of money;
 - (i) disbursed;
 - (ii) undisbursed, as at to date;

- (b) if servicing costs are incurred for the undisbursed amount, and
- (c) the steps taken for risk minimisation.

The vice-Prime Minister, Minister of Finance and Economic Development (Mr X. L. Duval): Mr Deputy Speaker, Sir, as at end of November 2011, the amount of foreign loans contracted by Government stood at around Rs42.3 billion out of which Rs11.9 billion has been disbursed. The end disbursed balance of Rs30.4 billion comprises of an amount Rs16.4 billion in respect of Budget Support Loans and Rs14 billion regarding Project Loans. Similarly for the same period, a foreign loan amounting to Rs7.8 billion was contracted by one of the public enterprises namely Airports of Mauritius Ltd for the airport terminal extension project. Of this amount around Rs4.1 billion was undisbursed as at today's date.

With regard to part (b) of the question, Mr Deputy Speaker, Sir, I am informed that the end disbursed amount in respect of the Budget Support Loans is not subject to the payment of Commitment Fees.

In regard to budget loans payment of a commitment fee is not applicable to the majority of loans, thus, out of 24 project loans contracted by Government as at to date only three loans carry provisions for payment of a Commitment Fee.

As regards the foreign loan secured by AML, it is not subject to the payment of a commitment charge. For the year to date an amount of Rs11.1 m. has been paid as commitment charge on the end disbursed amount of external loans.

With regard to part (c), the House may wish to note that disbursement from project loans is linked with a pace of project implementation therefore to minimise risk of payment of Commitment Fee, Government is taking steps to ensure timely preparation processing an implementation of investment projects on various points including strengthening the planning frameworks, improving linkages between planning and budgeting and procurement, building capacity at level of public bodies to ensure adequate preparation of projects, reforming the public procurement legislation to secure efficiency gains.

Mr Bérenger: May I ask the hon. vice Prime Minister and Minister of Finance whether the undisbursed amounts of foreign loans - specifically the Airport of Mauritius loan from China - are taken into consideration when the Ministry works out the public debt as a percentage of GDP. In that specific case we've been given figures in the Budget Speech, can we know whether the undisbursed amounts are taken into consideration?

Mr Duval: I cannot say, for sure, Mr Deputy Speaker, Sir. I can find out and let the hon. Leader of the Opposition know, but there is a calculation and some of the parastatals take into account and some don't, depending on commercial viability etc. But I will provide the information if he requires it.

Mr Bérenger: I am very surprised that the hon. Minister does not know the answer because it makes a big difference. Will he, therefore, tell us whether the undisclosed amounts were taken into consideration when we were given figures for public debt as a percentage of GDP and what, if not, when they are taken into consideration and what are the figures?

Mr Duval: Mr Deputy Speaker, Sir, to be fair this question does not relate to public debt, but out of politeness, I am happy to provide the information. It does not form part of this question, but I am very happy to give the information to the hon. Leader of the Opposition.

The Deputy Speaker: No, it is properly in order.

Mr Li Kwong Wing: With regard to risk minimisation, it is not on the undisbursed element of a loan, it is in relation to the disbursed element of a loan and the commitment to draw the foreign loan for which provision should be made for fluctuation in currency. I mean, if we take, for example, the loan in Chinese Yuan, it is expected to go up in the future. So what risk minimisation policy is taken by the Debt Management Department of the Ministry of Finance to minimise the risk when we know that the profile of the repayment for these Chinese Yuan loans will be to the disadvantage of Mauritius, which does not earn Chinese Yuan in its export receipts?

Mr Duval: Mr Deputy Speaker, Sir, there is a risk to any exchange movement, there may be a gain, there may be a loss and we all know that Mr Deputy Speaker. When actually determining the debt portfolio of the country there is lot of factors that are taken into account, for instance, the desirability or not of crowding out the local borrowing requirements, they need to attract foreign exchange for our currency requirement etc. and all these come with a certain risk and that is a risk that is mentioned by the hon. Member. I must say Mr Deputy Speaker, Sir, that our foreign external debt is relatively low at around 20% of our total debt.

Mr Li Kwong Wing: My question is whether the Minister of Finance is carrying out any currency risk management through hedging, through currency swap, through forward contracts because there are ways to manage this foreign currency risk? And does the hon. Minister have any plan to consolidate his Debt Management Department with the necessary expertise and

capacity building for risk management or are they just buying at spot terms the currencies that need to be repaid in time?

Mr Duval: Mr Deputy Speaker, Sir, I think this morning at the PNQ stage, hedging in itself - although it is a nice word - has its own problems. As far as I am aware, we do not do so at the Ministry of Finance, but we will take into account what the hon. Member is saying and it is obvious that no one can foretell the future and whichever method you do there is a cost associated with any method of risk minimisation and, at the end of the day, can you really foretell what is going to happen as we saw for STC it was not possible?

Mr Bérenger: That response from the hon. Minister is unacceptable Mr Deputy Speaker, Sir. If there is one currency that is expected and that is appreciating and that is expected to appreciate massively in the years to come, it is the Chinese money Yuan, everybody knows that. Therefore can I ask the hon. Minister whether he does not think that we should have the – the World Bank works on everything especially when he cannot reply, he does not know basic things that a Minister of Finance should know...

(Interruptions)

Giggling like a little boy!

The Deputy Speaker: Put your question please.

Mr Duval: Ask your question.

Mr Bérenger: Everybody knows the risk that we are taking and we are told that those loans are of very low interest. There is a reason that we paid massive sums as the Chinese money appreciates in the month and years to come. Therefore, has the World Bank or anybody else, a consultant of international repute be recruited to look into that very seriously and to try and project what is in the making for us?

Mr Duval: Mr Deputy Speaker, Sir, if everybody knows that the Chinese currency is going to appreciate, no one will want to hedge because no one will want to lose. So, it does not make any sense. If everybody knows that a currency is going to move in a certain direction, no one will provide insurance against that movement. That is why I was laughing, Mr Deputy Speaker, Sir. As far the rest is concerned, certainly I will check whether we have people who can advise us better. But, it does not make any sense to hedge against a certainty. There is no such thing as that. That is why I was laughing.

Mr Uteem: Mr Deputy Speaker, Sir, the Yuan is a problem because for loans which are in dollars and euros, we receive income in euros and dollars. So, we have a reserve in foreign currency to meet these repayments. But we don't receive any Yuan. So, this is why, specifically for Yuan, I think there is a case and I will ask the hon. Minister to look into the matter to see how we can minimise the risk. There are hedging opportunities, despite what the Minister is saying because there are people willing to take the risk to hedge against the Yuan. May I make an appeal to the hon. Minister to take this very seriously because we are very concerned about the Yuan and our exposure to that currency?

Mr Duval: That is a better question. Mr Deputy Speaker, Sir, of course, there is not just the very low interest rate that we pay on Chinese loans. We have often, as was recently signed with the vice-Minister of Commerce, grants. We receive quite a lot of grants, which are completely free. We also receive interest free loans. So, all these must be taken together in looking at our financial relationship with China, Mr Deputy Speaker, Sir.

Mr Li Kwong Wing: Mr Deputy Speaker, Sir, as the hon. Minister, I think, has no intention to do any hedging and will buy at spot terms to repay Chinese loans, can I ask him whether he is ready to consider negotiating with the Chinese Government, as the Government of Zambia has done, to obtain the loan denominated in local currency, in order to avoid that risk?

Mr Duval: Mr Deputy Speaker, Sir, as I mentioned, if the hon. Member wants to provide the hedging we will take it from him. I explained that before, but I mention again that it is obviously a possibility. I am not making a political issue of this. There are some suggestions; if there is a possibility to get it in local rupees, - I don't know whether it has been sought before or not - I can look at it.

PHOENIX-ST JEAN - THIRD LANE - CONSTRUCTION

(No. B/980) Dr. R. Sorefan (Fourth Member for La Caverne & Phoenix) asked the vice-Prime Minister, Minister of Public Infrastructure, National Development Unit, Land Transport and Shipping whether, in regard to the construction of the third lane from Phoenix to St Jean, he will -

- (a) state if the pavement along the bridge over Rivière Sèche has been narrowed down on the third lane heading south and, if so, indicate the reasons therefor, and
- (b) lay, in the Assembly, copy of the designed plan of the third lane where major works are being carried out, near the St Jean roundabout heading north.

The Minister of Environment and Sustainable Development (Mr D. Virahsawmy):

Mr Deputy Speaker, Sir, with your permission, I will reply to this question. There is no pavement along the bridge over Rivière Sèche.

As regards to part (b) of the question, a copy of the layout plan for the third lane is being tabled.

Dr. Sorefan: Mr Deputy Speaker, Sir, unless I'm blind, I live in Constituency No. 15, the work is being done and there is no pavement on that bridge. I must be blind.

The Deputy Speaker: But this is what the hon. Minister stated. There is no pavement.

Mr Virahsawmy: There is no pavement. You have seen wrongly. What you have seen is called a shoulder. If I have to give you a lesson in infrastructure, this is called a shoulder and not a pavement.

CPE EXAMS 2011 - ARABIC PAPER – STANDARD - REPRESENTATIONS

(No. B/981) Mr R. Uteem (Second Member for Port Louis South & Port Louis Central) asked the Minister of Education and Human Resources whether, in regard to the Arabic Paper of the recent Certificate of Primary Education examinations, he will, for the benefit of the House, obtain from the Mauritius Examinations Syndicate, information as to if it has received representations complaining about the standard thereof and about mistakes therein and, if so, indicate the steps taken in relation thereto.

Dr. Bunwaree: Mr Deputy Speaker, Sir, yes, I am informed by the MES that it has received representations from a few organisations and some parents with regard to the Arabic paper of the CPE Exams 2011 related mainly to the level of the question paper, the reading passages, vocabulary used and the essay topic.

However, I wish to point out that, according to the MES, no mistake has been reported in the Arabic question paper, but there were a few new words utilised. Following receipt of the complaints, the MES investigated into the matter. Furthermore, a sampling exercise was carried out prior to the marking exercise, involving some 600 scripts, to look at the performance of candidates. A range of responses to the different questions were compiled and analysed to identify areas of difficulty, and the marking scheme was adjusted to take into account any difficulty encountered.

However, it has been found that the new words did not cause any unexpected consequence on the performance of candidates. MES has also informed that it has taken

appropriate measures, so as not to penalise any candidates and to ensure fairness to all candidates. It has further reported that the Arabic paper has respected the norms designed, and the overall standard of the paper is within the level of the CPE pupils. In fact, 71.08% of the candidates have passed the examination in the subject this year; a performance which is comparable to that of previous years.

Mr Uteem: Mr Deputy Speaker, Sir, I heard the hon. Minister saying that there was no mistake in the paper. But, according to my information, and a copy of the letter which I have received, which was sent to the MES, it is stated clearly that at least one question - part v of the question - could not be answered since an important piece of information was missing from the passage unlike a similar question in the Urdu, Hindi and other CPE Oriental languages where that sentence was there. For the Arabic paper, there was one sentence missing and, therefore, students were not able to answer that question.

Dr. Bunwaree: I am not aware of the particular point raised by the hon. Member. I would like to have a copy of this letter. I have been told that all precautions and all steps were taken, so that no child be penalised.

Mr Uteem: The Arabic paper was the one but last paper; there was a paper the next morning, which is the Mathematics paper. Has the MES looked into whether the distress that students sitting for the Arabic paper have suffered was carried forward and affected their performance in the Mathematics paper?

Dr. Bunwaree: I don't think this has been done, but the results are known today and the percentage of passes reflects the fact that there could not have been any penalisation.

Mr Fakeemeeah: Can the hon. Minister state to the House whether the MES has officially come forward with a standardised form of designing and setting the CPE Arabic paper as well as for other Oriental languages for this year specifically?

Dr. Bunwaree: Yes, Mr Deputy Speaker, Sir, and I think it is a good thing.

Mr Uteem: On the same issue of standardisation, being given that the papers are being standardised, could the hon. Minister confirm whether all textbooks also are being standardised? Because I understand that this is not the case at the moment.

Dr. Bunwaree: The syllabus is standardised, Mr Deputy Speaker, Sir.

Mr Fakeemeeah: Although the hon. Minister has confirmed here, yet, according to my information, there are potential differences in the setting of the Arabic paper of this year as

compared to other Oriental languages. I would like to ask the hon. Minister whether *il va ouvrir une enquête indépendante et situer les responsabilités et, par conséquent, prendre des actions*, so that next year such crime is not committed to our students?

Dr. Bunwaree: I won't go into what has been mentioned by the hon. Member as a crime, but I must say that the Director of the MES did receive, I think, all those people who made complaints, discussed with them, and there was satisfaction at the end of the meeting. But still, I will take into consideration the point that has been raised.

Mr Fakemeeah: But, is the hon. Minister aware that the result, just published this morning, reflects the prejudices and the trauma caused to the students who took part in the Arabic language examination of this year?

Dr. Bunwaree: I said it was the contrary, but if the hon. Member can substantiate, he can come and see me.

MAURITIUS/INDIA - DOUBLE TAXATION ANTI AVOIDANCE TREATY

(No. B/982) Mr R. Uteem (Second Member for Port Louis South & Port Louis Central) asked the Minister of Foreign Affairs, Regional Integration and International Trade whether, in regard to the Double Taxation Anti Avoidance Treaty between Mauritius and India, he will, for the benefit of the House, state if -

- (a) it is being renegotiated, and
- (b) any study has been carried out to assess the impact of a change therein on our economy.

(Withdrawn)

PIGLETS – IMPORTATION

(No. B/983) Mrs F. Labelle (Third Member for Vacoas & Floreal) asked the Minister of Agro-Industry and Food Security whether, in regard to the piglets imported since 2006 to 2010, he will state the number thereof, indicating the number of pig breeders who have benefited therefrom and the number of piglets given to each of them.

Mr Faugoo: Mr Deputy Speaker, Sir, I wish to refer the hon. Third Member of Vacoas and Floreal to my replies made to PQ B/457 in May 2009 and to the recent PQ B/887 of 15 November of this year, whereby the requested information has been given and even tabled.

In summary, 3,420 heads comprising of 3,000 weaners, 400 gilts and 20 boars were imported from South Africa in January 2009. 68 pig breeders altogether benefited an average of 50 heads each.

Mrs Labelle: I think the hon. Minister mentioned that 3,420 were imported and these have been distributed. Has the hon. Minister taken into consideration the number of pigs which were lost during quarantine?

Mr Faugoo: I am informed, Mr Deputy Speaker, Sir, that some of the piglets died on board the flight while coming from South Africa due to change in environment, and also due to stress. Some of them died at the quarantine. I don't have any information regarding lost piglets.

Mrs Labelle: Mr Deputy Speaker, Sir, may I ask the hon. Minister – since I have not seen this figure – how many piglets were given to each breeder?

Mr Faugoo: I answered in my main answer: 68 breeders benefitted around 50 heads each.

Mrs Labelle: Mr Deputy Speaker, Sir, excuse me to insist. This is where my confusion is. Because if there were 3,000 piglets imported and the hon. Minister has given 68 to 50 breeders, I think this gives me 3,400 and out of the 3,000 imported, according to my information, 34 were lost or died in quarantine. I am a bit confused how the hon. Minister has been able to distribute 2,966 to 50 breeders with 68 per breeder.

Mr Faugoo: If you add up, Mr Deputy Speaker, Sir, it does not come to 3,420. This is where I said I have been advised for the difference in number, those which were distributed and the total imported, they have either died on board or they passed away in quarantine.

Mrs Labelle: Mr Deputy Speaker, Sir, the number of piglets imported were 3,000.

Mr Faugoo: 3,420!

The Deputy Speaker: 3,420.

Mrs Labelle: 3,420, but the number which died in quarantine was 54.

Mr Faugoo: I don't know. I didn't give you the number.

Mrs Labelle: This is the figure. May I ask the hon. Minister whether he could check these figures?

Mr Faugoo: I will check.

(No. B/984) Mr P. Jhugroo (First Member for Mahebourg & Plaine Magnien) asked the Minister of Tourism and Leisure whether he will, for the benefit of the House, obtain from the Mauritius Tourism Promotion Authority, information as to if one Mrs B. has been offered employment at its office in London and, if so, indicate the date and terms and conditions of her appointment.

Mr Yeung Sik Yuen: Mr Deputy Speaker, Sir, I am informed by the MTPA that, following an advertisement in a newspaper in December 2005 and an interview exercise carried out, one Mrs B. was recruited for the post of Receptionist/Secretary at the MTPA office in London for an initial period of one year. She assumed duty on 01 May 2006 and her contractual appointment has since been regularly renewed.

Mr Deputy Speaker, Sir, concerning part (b) of the question, I am tabling the terms and conditions of the appointment of Mrs B.

Mr Jhugroo: Can the hon. Minister inform the House whether his attention has been drawn to the fact that this lady is not attending work as per the terms and conditions of her contract and, if so, what action has been taken?

Mr Yeung Sik Yuen: Mr Deputy Speaker, Sir, with regard to the terms and conditions, she has 21 days of annual leave and 21 days of sick leave.

Mr Jugnauth: Is the hon. Minister aware that she has, in fact, absented herself for many more days than what the hon. Minister is saying?

Mr Yeung Sik Yuen: There is only one extra day of absence and there is a medical certificate.

(Interruptions)

Mr Jugnauth: Is the hon. Minister aware that, for example, for the month of September that lady absented herself on the 05, 06, 12, 13, 14, 15, 16 and, in fact, travelling allowance was refunded to her?

(Interruptions)

Mr Yeung Sik Yuen: Mr Deputy Speaker, Sir, I have just said; it is still in order according to the number of days which I mentioned...

(Interruptions)

The Deputy Speaker: Order!

Mr Yeung Sik Yuen: 21 days as annual leave and 21 days as sick leave.

The Deputy Speaker: Yes, hon. Ms Anquetil!

Ms Anquetil: Merci, M. le président. Est-ce que l'honorable ministre pourrait indiquer à la Chambre si les procédures ont toujours été respectées lors des exercices de recrutement au bureau de la MTPA à Londres ?

(Interruptions)

The Deputy Speaker: No! We ask specific question on a specific appointment, but not a general question.

(Interruptions)

Order !

(Interruptions)

Mr Yeung Sik Yuen: Can I?

The Deputy Speaker: No, this is a specific question.

(Interruptions)

Order !

Mr Jugnauth : Is the hon. Minister aware that the lady has, in fact, even made divert calls ...

(Interruptions)

The Deputy Speaker: Order!

Mr Jugnauth: Is he aware that there was call diverted on her telephone at the office and, therefore, she was staying at home and answering to phone calls?

Mr Yeung Sik Yuen: Mr Deputy Speaker, Sir, I did not answer the first question.

(Interruptions)

The Deputy Speaker: Order!

Mr Yeung Sik Yuen: I am informed that one Mr B. was recruited on 01 October 2010 as Information Executive.

(Interruptions)

The Deputy Speaker: Order!

Mr Yeung Sik Yuen: It is to be noted that no advertisement was made for the post in the newspapers, ...

(Interruptions)

The Deputy Speaker: Order! I can't hear the reply!

Mr Yeung Sik Yuen: ... nor any interview was conducted for this recruitment.

(Interruptions)

The Deputy Speaker: Yes, hon. Ms Anquetil! No, please! I call hon. Anquetil.

Ms Anquetil: Thank you, Mr Deputy Speaker, Sir. Can the hon. Minister...

(Interruptions)

The Deputy Speaker: Order!

Ms Anquetil: Can the hon. Minister inform the House who is Mr B.?

Mr Yeung Sik Yuen: Mr B. is Mr Bala.

(Interruptions)

The Deputy Speaker: We can't go out of the standing order! Yes, hon. Jhugroo !

(Interruptions)

Mr Jhugroo: Is the hon. Minister satisfied with the performance of that lady as officer at the MTPA?

(Interruptions)

The Deputy Speaker: Order!

(Interruptions)

Mr Yeung Sik Yuen: Mr Deputy Speaker, Sir, normally she reports to the Desk Officer responsible for the UK Market.

(Interruptions)

The Deputy Speaker: Order! Hon. Jhugroo!

Mr Yeung Sik Yuen: I can tell you that there is no complain, so far.

(Interruptions)

The Deputy Speaker: Hon. Jhugroo, Order! Next question, hon. Bhagwan !

(Interruptions)

Order! Hon. Mrs Bappoo and hon. Jhugroo, I am calling both of you to order! I'll now call the next question.

(Interruptions)

Mr Bhagwan: I won't say. I will let the hon. Minister say.

SUNIDHI CHAUHAN - INDIAN SINGER - DIVALI NIGHT

(No. B/985) Mr R. Bhagwan (First Member for Beau Bassin & Petite Rivière) asked the Minister of Arts and Culture whether, in regard to the Indian singer Sunidhi Chauhan, he will state the date on which the approval of Government/and/or of the Ministry was given for her to perform for a special Divali night, indicating the –

- (a) number of performances effected, indicating the dates and cost thereof, and
- (b) conditions of the contract in relation thereto, indicating
 - (i) the date the contract was signed, and
 - (ii) if advance payment was effected and, if so, when

The Minister of Tourism and Leisure (Mr M. Yeung Sik Yuen): Mr Deputy Speaker, Sir, with your permission I shall reply to this question.

I am informed that in the context of the celebration marking the Divali Festival, Government was, on 16 September 2011, apprised of a cultural programme to be organised by the Ministry of Arts and Culture, in collaboration with the MTPA on 23 October 2011 at Bon Accueil.

The show was to include the participation of local artists as well as the renowned Indian singer, Sunidhi Chauhan, accompanied by her group of 18 musicians.

Mr Deputy Speaker, Sir, with regard to part (a) of the question, I am informed that the artist agreed to perform on that occasion for a *cachet* of Rs2,750,000. However, on 11 October 2011, she informed the MTPA that due to flight connectivity problems she would not be able to arrive on time for the show on 23 October 2011. In view thereof, a postponement of her concert was agreed upon by the parties concerned.

With regard to part (b) of the question, I am informed that the contract between the MTPA and the artist was signed on 24 September 2011. In accordance with the payment modalities of the contract, an upfront payment to book the artist, an equivalent to 30% of the project value was payable by 24 September 2011.

A further payment equivalent to 50% of the project value was effected on 07 October 2011.

I am further informed that the postponement of the live concert has not entailed any additional costs to the MTPA. The singer has confirmed that she will be performing at the Municipality of Port Louis on 16 December 2011 whereupon the remaining balance of the contract will be paid to her.

Mr Bhagwan: Will the hon. Minister inform the House when the Board of MTPA gave approval for payment of the project?

Mr Yeung Sik Yuen: According to the information I have, it is around 24 September 2011.

(Interruptions)

The Deputy Speaker: Please, let the hon. Minister answer!

Mr Yeung Sik Yuen: But, first of all, Cabinet has approved for the organisation of this event on 16 September. Concerning the payment, if you organise an event, you have to book for the artists.

Mr Bhagwan: Can the hon. Minister inform the House whether an air ticket was given to the artist to come and how much has been paid initially to Air Mauritius? I would also like to know whether there has been any cancellation fee because of her not coming to Mauritius initially and how much has been paid to Air Mauritius.

Mr Yeung Sik Yuen: Mr Deputy Speaker, Sir, there is no cancellation fee. The cancellation fee was waived.

Mr Bhagwan: Can I know from the hon. Minister when the cancellation fee was waived, whether it was waived after my raising the question at Committee Stage?

Mr Yeung Sik Yuen: I don't think so, Mr Deputy Speaker, Sir.

Mr Bhagwan: Can the hon. Minister inform the House whether, prior to getting this artist to come to Mauritius, there was any prospector mission sent to India? I would also like to know who went to India to choose the artist.

Mr Yeung Sik Yuen: In fact, Mr Deputy Speaker, Sir, the artist has an agent in Mauritius.

Mr Bhagwan: Can we know, Mr Deputy Speaker, Sir, whether people of the MTPA went to India specifically for that purpose and how much was paid?

Mr Yeung Sik Yuen: Nobody from the MTPA went to India.

Mr Bhagwan: Can the hon. Prime Minister lay on the Table of the National Assembly, Minutes of the Board meetings of the MTPA relating to all the issues we are raising here as far as the arrival of the artist is concerned?

Mr Yeung Sik Yuen: I will check if it is legally in order. If it is legally in order, I will do so.

Mr Bhagwan: Can the hon. Minister inform the House whether members of the Board of the MTPA were not agreeable to the way the MTPA proceeded with the choice of the artist and the way payments were made?

Mr Yeung Sik Yuen: I am not aware, Mr Deputy Speaker, Sir.

Mr Lesjongard: Mr Deputy Speaker, Sir, we understand from the hon. Minister that the artist will perform at the Municipality of Port-Louis on 16 December. May we know why the Municipality of Port Louis and why on 16 December? Do we have any special event on the 16?

(Interruptions)

Mr Yeung Sik Yuen: Well, in fact, when we agreed to have...

(Interruptions)

The Deputy Speaker: Order!

Mr Yeung Sik Yuen: ...another event, we have discussed together between two Ministries and we have chosen the Municipality of Port Louis.

(Interruptions)

The Deputy Speaker: Order! Order!

Mr Jhugroo: Can I ask the hon. Minister what criteria have been used to choose this singer among so many other singers?

(Interruptions)

Mr Yeung Sik Yuen: Mr Deputy Speaker, Sir, the singer is one of the most famous singer in Bollywood.

(Interruptions)

The Deputy Speaker: Order! Hon. Jhugroo, you put your question. I expect you heard the answer. Yes, hon. Mrs Labelle!

(Interruptions)

Hon. Jhugroo, you have put your question; another person is putting his question, please!

Mrs Labelle: Mr Deputy Speaker, Sir, may I ask the hon. Minister whether it is the policy of MTPA to include a penalty clause in a contract between MTPA and the artists for postponement and cancellation?

Mr Yeung Sik Yuen: We can consider it in the future, Mr Deputy Speaker, Sir.

The Deputy Speaker: Last question, hon. Bhagwan!

Mr Bhagwan: I have two questions, Mr Deputy Speaker, Sir.

Mrs Labelle: I asked whether it is actually the policy of MTPA to include it in a contract because in a contract between two parties, in case of cancellation or postponement, usually there is a penalty clause. I am just asking whether this is the case actually at MTPA.

Mr Yeung Sik Yuen: I will check with the MTPA.

The Deputy Speaker: Last question, hon. Bhagwan!

Mr Bhagwan: I have two last questions.

The Deputy Speaker: No, last question. I will consider, please, start.

Mr Bhagwan: Can the hon. Minister inform the House whether the contract signed between the MTPA and the artist was made on the same basis as other contracts, that is, as a standard contract? And, if yes, is the Minister, at least, prepared to lay copy of the contract on the Table of the National Assembly.

Mr Yeung Sik Yuen: Again, Mr Deputy Speaker, Sir, if it is legally in order, I will do so.

NATIONAL WOMEN COUNCIL - WOMEN'S ASSOCIATIONS - GRANT

(No. B/986) Mrs. P. Bholah (First Member for Piton & Rivière du Rempart) asked the Minister of Gender Equality, Child Development and Family Welfare whether, in regard to the grant of Rs2000 to Women's Associations from the National Women Council, she will, for the benefit of the House, obtain from the Council, information as to eligibility criteria to benefit therefrom indicating if women co-operative societies duly registered with the Ministry of Co-operatives are entitled thereto and, if not, the reasons therefor.

Mrs Martin: Mr Deputy Speaker, Sir, concerning part (a), I wish to inform the House that the grant of Rs2000 is donated to women associations by my Ministry and not the National Women's Council.

On the other hand, the National Women's Council is responsible for the compilation of the list of women associations that are eligible for the grant, and recommends payment thereof to my Ministry.

The eligibility criteria are -

- (1) Women associations registered with the Registrar of Associations, and
- (2) Women associations registered as members of the Regional Committees of the National Women's Council.

In regard to part (b), Women Co-operative Societies duly registered with the Ministry of Business, Enterprise and Cooperatives can benefit from the grant if they meet the prescribed eligibility criteria.

Mrs Bholah: Mr Deputy Speaker, Sir, if such is the case, can the hon. Minister review the situation as it seems unfair since in the past the Women Co-operative Societies were receiving the grant?

Mrs Martin: Well, as I explained in my answer, Mr Deputy Speaker, Sir, if those women's associations respond to the eligibility criteria, then only they can benefit from the grant.

Mrs Hanoomanjee: Mr Deputy Speaker, Sir, how can the Minister explain that in the past they were responding to the criteria, has the criteria changed, because now they are not receiving the grant?

Mrs Martin: Yes, indeed, the criteria have changed and, in fact, it is only women who, as I have said, respond to two eligibility criteria that I mentioned before, that are now eligible. But for the women's associations who were not eligible this year, the door is still open, they can still register and then for next year they will benefit.

Mrs Hanoomanjee: Mr Deputy Speaker, Sir, can I ask the hon. Minister, which criteria the co-operative associations do not respect?

(Interruptions)

The Deputy Speaker: Order!

Mrs Martin: Actually, Mr Deputy Speaker, Sir, there are co-operative associations which have benefited from the grant...

The Deputy Speaker: Hon. Chief Whip, please!

Mrs Martin: ...because they respond to the eligibility criteria that I have mentioned before, that is, the women's associations registered have to be registered with the Registrar of Associations and the second, they have to be registered as members of the regional committee of the National Women's Council.

Mrs Hanoomanjee: Despite respecting those two criteria, those women co-operatives are not benefiting from the grant. Can the hon. Minister say whether she is prepared to reconsider it?

Mrs Martin: Indeed, I would like to have more information from the hon. Member. If she has any specific association in mind, of course, if she reverts to us, we will see what we can do.

(Interruptions)

The Deputy Speaker: Order, please! Yes, next question! Mrs Bholah!

POINTE DES LASCARS – BARACHOIS - POLLUTION

(No. B/987) Mrs. P. Bholah (First Member for Piton & Rivière du Rempart) asked the Minister of Environment and Sustainable Development whether, in regard to the barachois at Pointe des Lascars, he will state if he has been informed of cases of pollution by leachate thereat, emanating from animal breeding in the vicinity thereof and, if so, indicate the remedial steps that have been or will be taken.

Mr Virahsawmy: Mr Deputy Speaker, Sir, following a site visit effected on 15 September 2011 by Dr. hon. Beebejaun, the Deputy Prime Minister, Minister of Energy and Public Utilities. Hon. Bachoo, vice-Prime Minister, Minister of Public Infrastructure, NDU, Land Transport and Shipping, Dr. hon. Hookoom, PPS and myself and also site visits effected on 17, 18 and 19 November 2011 by officers of my Ministry, no source of pollution by leachate from animal breeding has been noted in the vicinity of Pointe des Lascars, barachois.

However, it was noted that one inhabitant was rearing three cows, a few goats, chickens and ducks and all waste and leachate were collected in a pit and no odour nuisance was discerned on site.

Samples of water from the barachois were also collected by the National Environmental Laboratory, test results show that parameters are within the prescribed limits for guidelines for coastal water quality and there is no sign of pollution in the barachois.

Mrs Bholah: Can the hon. Minister inform the House if he has the intention to develop the Barachois for the benefit of the inhabitants of Pointe des Lascars?

Mr Virahsawmy: Well, unfortunately, the MP has got to check the procedures. Barachois are not under my responsibility.

HYDROPONIC AGRICULTURE - PROMOTION

(No. B/988) Mr N. Bodha (First Member for Vacoas & Floreal) asked the Minister of Agro-Industry and Food Security whether, in regard to, he will state the steps taken for the promotion thereof.

Mr Faugoo: Mr Deputy Speaker, Sir, there are currently 498 greenhouses under hydroponic production in various regions and these are being operated by 281 farmers. The vegetable crops produced under hydroponic include tomatoes, sweet pepper, English cucumber, melon, lettuce and ornamental crops such as roses and gerbera. The annual production of vegetables therefrom is around 3,352 tonnes.

As regards production of hydroponic agriculture, my Ministry has taken various actions, namely –

- (i) farmers and agro-entrepreneurs are encouraged to embark in hydroponic agriculture through fiscal incentives put in place by the Government such as the duty exemptions on greenhouses, loan facilities to farmers and entrepreneurs at concessionary rate of interests at the DBM; an exemption of duty on accessories. As announced in the Budget 2012, producers will now be eligible for VAT exemptions on imported hydroponic/greenhouses.
- (ii) AREU is providing ongoing support in terms of –
 - (a) technical support for problem solving in production line;
 - (b) training and advisory services to producers in hydroponics; over the last five years, 189 planters have followed advanced training course in hydroponics at the Farmers Training School and Model Farms at AREU. 462 new promoters have followed an introduction course in hydroponics to date;
 - (c) research and development support to hydroponic production. The objective is to reduce costs and to promote new technologies, including high yield in varieties, more effective pest and disease control and more effective use of inputs, and
 - (d) on site demonstrations and advisory visits on cultural practices, pest and disease management, greenhouse management and post- harvest technologies.
- (iii) AREU has produced 8 technical booklets on hydroponic cultivation for the benefit of the farmers and agro-entrepreneurs, and
- (iv) Agricultural programmes on hydroponics have been delivered on radio and TV as well as with the support of the Mauritius College of the Air and this is an ongoing feature.

My Ministry is also promoting climate smart agriculture through protected production systems similar to hydroponics. The onion curing unit is also a protected structure for curing of onions and can, at the same time, be used as a nursery for production of seedlings. My Ministry has demonstrated the system during its launch in August this year and has donated certain such units as prototypes to cooperatives engaged in onion cultivation.

Mr Deputy Speaker, Sir, my Ministry has also launched a new loan scheme for sheltered farming in November this year whereby a farmer may benefit 90% of the investment as loan up to a maximum of Rs180,000 with a view to access facilities and infrastructure for production of food crops under sheltered conditions.

I also wish to inform the House that there is a hydroponic village set up in year 2006 by my Ministry at Cluny, Bee Manique to encourage farmers to produce high quality vegetable crops. Out of 31 units, 15 greenhouses are currently fully operational and foodcrops such as tomato, cucumber, sweet pepper, water melon and melon are being produced.

Mr Bodha: I have two questions, Mr Deputy Speaker, Sir.

The Deputy Speaker: Start by one.

Mr Bodha: Yes. The first one, has the hon. Minister considered the possibility of having simple adaptable hydroponic structures because this is one of the most cost expensive *intran*t in the hydroponic system? Can he consider this possibility? Have they been working on it for some time? Is he aware of what has happened so far?

Mr Faugoo: It will be considered, Sir.

Mr Bodha: The second one is: whether he has any specific measures with regard to women entrepreneurs in the hydroponic agriculture.

Mr Faugoo: In the Budget Speech, we have announced a series of measures which concern women. They will be encouraged to come as entrepreneurs especially in the agricultural field. We will take on board as far as hydroponic is concerned also.

Mrs Hanoomanjee: Can the hon. Minister say whether there is any research ongoing for other crops besides those that have been mentioned by the Minister?

Mr Faugoo: I am sure there is research being done by AREU, but I am not in a position to say exactly for which crops, Mr Deputy Speaker, Sir.

LA VANILLE BRIDGE, VACOAS - RECONSTRUCTION

(No. B/989) Mr N. Bodha (First Member for Vacoas & Floreal) asked the Minister vice-Prime Minister, Minister of Public Infrastructure, National Development Unit, Land Transport and Shipping whether, in regard to the La Vanille bridge, in Vacoas, he will state the progress of works thereof.

The Minister of Environment and Sustainable Development (Mr D. Virahsawmy): Hon. Mrs Sheila Bappoo and hon. Ms Stephanie Anquetil have carried out several site visits at La Vanille Bridge in Vacoas. Its reconstruction is also almost complete and is expected to be operational in January next year.

(Interruptions)

The Deputy Speaker: Please!

(Interruptions)

Mr Virahsawmy: They put the question; they should listen to the reply. What do they want?

(Interruptions)

The Deputy Speaker: Next question!

FIRE OFFICERS – RETURNING LEAVE - PAYMENT

(No. B/990) Mr D. Nagalingum (Second Member for Stanley & Rose Hill) asked the Minister of Local Government and Outer Islands whether, in regard to the returning leave payable to Fire Officers who worked continuously over 24 hours, he will, for the benefit of the House, obtain from the Government Fire Services, information as to –

- (a) since when same has not been paid, and
- (b) if steps will be taken for the payment thereof and if so, when.

Mr Aimée: Mr Deputy Speaker, Sir, I am informed and that in accordance with paragraph 3.2.2 of the Human Resource Management Manual, officers of the Disciplined Forces are not eligible for payment of overtime and allowances. Officers of Government Fire Services who work beyond their normal working hours are therefore compensated by a system of time off in lieu of extra hours commonly referred to as “Returning Leave”. Such leaves are granted at the discretion of Management and subject to the exigencies of the organisation.

I am informed that it was not possible in the year 2010 to grant time off/Returning Leave due to an acute shortage of Firefighters. As soon as I was made aware of this problem, I have

conveyed two meetings with the Management of Government Fire Services and Fire Fighters Union to look into the matter.

Consequently, approval was exceptionally sought from the Ministry of Civil Service and Administration Reforms for the payment of an allowance equivalent to overtime rate in lieu to excess hours worked. Approval was obtained in December 2010 for the payment of Returning Leave amounting to a total of Rs1,411,309 up to a maximum of 24 hours for each Firefighter. However, as funds were not available, additional funds were sought from the Ministry of Finance and Economic Development and same has been made available in financial year 2011. I am informed that payment of the allowance has already been effected.

For year 2011 as well, it has not been possible to grant Returning Leave and again the Firefighters of the Fire Service Department will make a case as it was done last year, to the Ministry of Civil Service and Administration Reforms for the payment of allowance in lieu of time off. If authorisation is obtained, payment will be made in the year 2012.

It is to be noted that it has not always been possible for Management of Fire Services Department to be responsive to the requests of Firefighters for the time off because the department does not have the required number of personnel. Even the filling of 41 vacancies this year and 23 next year will not materially solve the problem of shortage of Firefighters. Ideally the total number of 127 existing vacancies for the post of Firefighters should be filled, but the financial resource is a limited factor.

LE MORNE HERITAGE TRUST FUND - ACTIVITIES

(No. B/991) Mrs J. Radegonde (Fourth Member for Savanne & Black River) asked the Minister of Arts and Culture whether, in regard to the Le Morne Heritage Trust Fund, he will, for the benefit of the House, obtain from the Trust Fund, information as to the activities organized by the Fund over the past three years, indicating the expenses incurred in relation thereto, on a yearly basis.

Mr Choonee: Mr Deputy Speaker, Sir, I am tabling a list of the activities organised by the Le Morne Heritage Trust Fund over the past three years.

I have been informed by the Le Morne Heritage Trust Fund that it is compiling the expenses incurred in relation to these activities. I shall arrange for a copy thereof to be placed in the Library of the National Assembly.

Mrs Radegonde: Mr Deputy Speaker, Sir, may I ask the hon. Minister to table a detailed breakdown of the expenses incurred for each activity?

Mr Choonee: Yes. This is what I will be doing, Sir.

Mrs Radegonde: May I also ask the hon. Minister whether these activities are open to general public or reserved to the inhabitants of Le Morne only?

Mr Choonee: It is open to all Mauritians.

Mrs Radegonde: Can the hon. Minister table a list of activities which have been open to the general public?

Mr Choonee: This is what I will do.

Mrs Radegonde: Thank you.

RRA – DISSOLUTION - PROCUREMENT PROCEDURES

(No. B/992) Mr J. F. François (Third Member for Rodrigues) asked the vice-Prime Minister, Minister of Finance and Economic Development whether, in regard to Rodrigues, he will state if consideration will be given for the circulation of financial instructions under the Finance and Audit Act to have all new procurement procedures frozen as from the date of the dissolution of the Regional Assembly till the election of the new Regional Assembly.

The vice-Prime Minister, Minister of Finance and Economic Development (Mr X. L. Duval): Mr Deputy Speaker, Sir, section 35(4) of the Rodrigues Regional Assembly Act provides that the Executive Council shall continue to discharge its functions during any period that the Regional Assembly stands dissolved.

Accordingly, as from the date of the dissolution of the Regional Assembly till the election of the new Regional Assembly, the Executive Council will have to continue to operate under the present mandate and implement projects already approved by the Regional Assembly and National Assembly in Budget Estimates 2012, until a new mandate is given to future elected Members and the Executive Council. This approach is essential in order not to disrupt the smooth and effective running of all the services in Rodrigues.

Mr Deputy Speaker, Sir, it would therefore not be appropriate to issue specific financial instructions with regard to procurement procedures as from the date of the dissolution of the Regional Assembly.

Furthermore, with due regard to its autonomy as highlighted in the provisions of the Rodrigues Regional Assembly Act 2001, I believe that we should allow the Executive Council to

stand guided by the Code of Conduct that the Electoral Supervisory Commission normally issues in such circumstances.

Mr François: Is the hon. vice-Prime Minister aware that all and the different finance sections and departments of the Rodrigues Regional Assembly are worried with regard to exaggerated approval of projects, with *effets d'annonce* I will say, where no funds are being earmarked for this financial year and also not even for the next financial year which is contrary to the Public Funds Management Bill and will he look seriously into that matter?

Mr Duval: Mr Deputy Speaker, Sir, I will have somebody look at it.

Mr François: Mr Deputy Speaker, Sir, is the hon. vice-Prime Minister agreeable that there was the 2006 episode where projects have been earmarked, for example, for the Budget 2006/2007? Some projects were not completed for the period of five years as regards to misuse and dilapidation of public funds, for example, the construction of a community school at Mont Charlot which cost Rs28 m. at that time and now it is costing four or five times more. Will the hon. vice-Prime Minister reassure and guarantee the House that such irregularity will not be allowed to repeat with regard to proper public finance management during the course of the next regional election?

Mr Duval: Mr Deputy Speaker, Sir, I must say - I'll let the hon. Member go on - that he is making a sweeping statement of which I have no knowledge. I cannot confirm whether it is true or untrue. I will have a look at it, but at this point in time, Mr Deputy Speaker, Sir, I really do not know whether what he is saying is actually factual or not.

TOURISM AUTHORITY - SKIPPER LICENCE - ISSUE

(No. B/993) Mr K. Ramano (Second Member for Belle Rose & Quatre Bornes) asked the Minister of Tourism and Leisure whether, in regard to the skipper licence, he will, for the benefit of the House, obtain from the Tourism Authority, information as to the names of the persons who have been issued therewith, since 2005 to date, indicating –

- (a) their respective profession, and
- (b) the date they successfully passed the qualifying examinations therefor, indicating the
 -
 - (i) names of the officers responsible for the holding of the examinations, and
 - (ii) nature of the examinations.

Mr Yeung Sik Yuen: Mr Deputy Speaker, Sir, the information is being compiled and will be placed in the Library of the National Assembly as soon as possible.

Mr Ramano: M. le président, est-ce que je peux savoir du ministre, en ce qui concerne l'épreuve qui a eu lieu en 2010, juste à la veille des élections générales, la date exacte et aussi le lieu où les examens ont eu lieu ?

Mr Yeung Sik Yuen: I do not have the information for 2010. The information that I have, the last one was held in December 2010, that's all.

(*Interruptions*)

I will circulate the information.

Mr Ramano: M. le président, est-ce que je peux savoir du ministre si un *attendance list* a été dressé pour ceux qui ont participé à ces examens ?

Mr Yeung Sik Yuen: Let me answer the last question. The examinations in French and English languages were held at the Royal College of Port Louis.

Mr Ramano: M. le président, est-ce que je peux savoir du ministre si un *attendance list* a été dressé pour ceux qui ont participé à ces examens ?

Mr Yeung Sik Yuen: I think so.

Mr Ramano: M. le président, est-ce que le ministre peut confirmer que le ministre Xavier Duval, M. Rault et M. Robert Palani, *Chairman de la Tourism Authority*, à l'époque, sont les bénéficiaires du *skipper licence* ?

(*Interruptions*)

The Deputy Speaker: Order!

Mr Yeung Sik Yuen: Mr Deputy Speaker, Sir, let me read, first of all, a line of the Tourism Authority Act of 2006.

“The Tourism Authority Act 2006 provides for any person to operate a pleasure craft to hold a skipper licence”.

Mr Bérenger: Can I ask whether Mr Robert Palani and so on, have been granted skippers licences? I want to be more precise. I think the hon. Minister should be very careful. Will he check whether they were granted licences without having sat for the examinations?

(*Interruptions*)

Mr Yeung Sik Yuen: Without....?

The Deputy Speaker: Yes, please!

Mr Bérenger: Whether he will check whether these people were issued licences without having sat for exams and what evidence ...

(*Interruptions*)

.. I am not giving way, on a point of order, if he asks I'll give way on a point of personal explanation, but be careful.

That is why my colleague asked whether there was an attendance sheet, what evidence can be produced, if any, that they did sit for that examination?

Mr Duval: Mr Deputy Speaker, Sir, *c'est un plaisir pour moi*, I will provide the personal explanation, he said he will give way and he mentioned my name, I will give the explanation...

The Deputy Speaker: On a point of explanation!

Mr Duval: I sat. I listened to all the classes. There were about 50 people listening to all the classes. I passed the exams, like I passed all the other exams. Everybody was there and I did, Mr Deputy Speaker, Sir, my practical exams also, there were many people watching.

(*Interruptions*)

The Deputy Speaker: Let the hon. Minister answer!

(*Interruptions*)

Please!

Mr Duval: So many witnesses at any time and big guys.

The Deputy Speaker: No, so far as you are concerned, there is no problem, but the Minister

(*Interruptions*)

Yes, order!

Mr Yeung Sik Yuen: I can answer. Mr Deputy Speaker, Sir, there is no exception concerning the skipper licence. They have to go through examinations first.

(*Interruptions*)

The Deputy Speaker: Order!

Mr Yeung Sik Yuen: Then, they get the skipper licence whoever they are.

Mr Bhagwan: Sir...

(*Interruptions*)

The Deputy Speaker: Yes, you address the Chair!

(*Interruptions*)

No cross-talking, please! Hon. Leader of the Opposition! Hon. Bhagwan has the floor.

Mr Bhagwan: I am just asking my question.

The Deputy Speaker: Yes, I am listening to you.

Mr Bhagwan: You must allow me.

The Deputy Speaker: Yes, I am listening to you.

(*Interruptions*)

No cross-talking!

Mr Bhagwan: The question I am asking...

(*Interruptions*)

The Deputy Speaker: Hon. Minister Duval, please!

(*Interruptions*)

Hon. Minister Duval, please!

(*Interruptions*)

I will ask hon. Assirvaden to leave the House.

(*Interruptions*)

You leave the House.

At this stage, hon. Assirvaden left the Chamber.

The Deputy Speaker: Yes, hon. Bhagwan.

Mr Bhagwan: *Sa meme ti dire toi pas quitte MSM/PSM.*

The Deputy Speaker: Yes!

(*Interruptions*)

Mr Bhagwan: *Ine dire pas quitte PSM rentre dans travailliste...*

The Deputy Speaker: Yes, please, you put your question.

Mr Bhagwan: Sir, the vice-Prime Minister and Minister of Finance has given a personal explanation and we trust him, but he has not stated whether he has been given the exams before the exams.

(*Interruptions*)

The Deputy Speaker: No, no, no.

(*Interruptions*)

On a point of personal explanation, there can be no supplementary.

Mr Duval: Obviously, hon. Bhagwan does not have the same standard as hon. Assirvaden.

(Interruptions)

The Deputy Speaker: Last question, hon. Jhugroo!

Mr Jhugroo: Can I ask the hon. Minister whether any Members of this House have been granted this skipper licence?

Mr Yeung Sik Yuen: Mr Deputy Speaker, Sir, they have to go through examinations first and then they get the skipper licence.

(Interruptions)

The Deputy Speaker: Hon. Jhugroo, do you want to join hon. Assirvaden?

(Interruptions)

Yes, hon. Minister of Health!

CLINIC (PRIVATE) – MR B. C. V. - DEATH

(No. B/994) Dr. S. Boolell (Second Member for Curepipe & Midlands) asked the Minister of Health and Quality of Life whether, in regard to one Mr B. C. V., aged 24, who passed away operatively in an Upper Plaines Wilhems private clinic, on 02 October 2011, he will state if an inquiry has been carried out thereinto, and if so, indicate the outcome thereof and if any foreign doctor is involved therewith.

Mr Bundhoo: Mr Deputy Speaker, Sir, I am informed that on 02 October 2011 at 11.45 hours, late patient B. C. V., aged 24 years, passed away following complications developed after undergoing a surgical operation at Clinique Fortis Darné. The dead body was referred to the Police after post-mortem examination by the clinic.

The Principle Police Medical Officer carried out an autopsy and concluded that the death was due to haemorrhagic shock following perforation of the right common iliac artery. I am informed that four medical practitioners, including one foreigner from South Africa were involved in the surgical intervention.

My Ministry referred the alleged case of medical negligence to the Medical Council of Mauritius as far back as 04 November 2011 for investigation and for submission of a report on the case. The report is still being awaited.

Dr. S. Boolell: Mr Deputy Speaker, Sir, can the hon. Minister who is responsible for the Medical Council, give a time frame to have a report from the Medical Council because far too often *cela reste lettre morte, il n'y a aucun rapport qui arrive?*

Mr Bundhoo: Mr Deputy Speaker, Sir, there is, in fact, no time frame in the law. But I can always ask officers in my Ministry, especially the Director General, to impress on the Medical Council to expedite matters in these tragic cases.

Dr. S. Boolell: Mr Deputy Speaker, Sir, may I ask the hon. Minister how did that foreign Doctor get into Clinique Fortis Darné to operate? Through what method was he initially recruited, was it as adviser to the Ministry of Health or did he get in through the BOI?

Mr Bundhoo: As far as I understand, he has a valid permit to work in Mauritius and he is attached to the Clinique Fortis Darné. But, I must also say that very often he undergoes surgery free of charge for different operations at the Victoria Hospital. And he has been doing that for the last three, four years probably.

Mrs Hanoomanjee: Can we know from the hon. Minister whether that foreign Doctor is still in Mauritius, or he has left Mauritius or whether he has already been declared *persona non grata*?

Mr Bundhoo: This foreign Doctor came here on a temporary basis. He has already gone overseas. But I am sure the Medical Council will do everything that it has to do in order to ensure that we have a report from him and as he deponed in front of the Medical Council. I am sure the Medical Council of Mauritius is going to inform about the incident with the Medical Council where the Doctor is originally based.

**DR. A. G. JEETOO HOSPITAL - NEW WING– EMERGENCY
EXIT/ENTRANCE**

(No. B/995) Dr. S. Boolell (Second Member for Curepipe & Midlands) asked the Minister of Health and Quality of Life whether, in regard to the new wing hospital complex at the Dr. A.G. Jeetoo hospital, he will state if an emergency exit/entrance was provided for in the original plans, and if so, if it is being used and, if not, the reasons therefor.

Mr Bundhoo: Mr Deputy Speaker, Sir, I am informed that there is provision in the original plan of the new Dr. A. G. Jeetoo hospital for an emergency exit and entrance.

Following representations made by the inhabitants in the immediate vicinity we have requested the authority concerned to have a fresh look at the original proposal. We are still awaiting their recommendations.

Mrs Hanoomanjee: We are already nearing completion of that project. Can the hon. Minister say - because there will be several patients and it is a question of security - whether a time frame has been put in place and what is the situation right now?

Mr Bundhoo: In fact, the supervision officer, who is presently on vacation leave, is going to resume tomorrow, Wednesday. I have already requested that he chairs a committee in order to finalise the issue of sorting out the emergency entrance/exit for the A. G. Jeetoo hospital.

Dr. S. Boolell: Is the hon. Minister aware that all the authorities had been obtained for that emergency exit/entrance and something came up at the last minute to change that decision. Does he know why it changed?

Mr Bundhoo: I said we have got representations from inhabitants of the locality and this is precisely why we are having a fresh look at the emergency exit/entrance of the Dr. A. G. Jeetoo hospital.

Mr Uteem: Can the hon. Minister confirm whether the objections related to the provision of methadone at the hospital and that is why they requested that the back entrance should not be used? And if this is the case, shouldn't the Ministry look to other places where this methadone can be distributed not to cause problems to the vicinity?

Mr Bundhoo: As far as I understand, the inhabitants in the vicinity of the hospital are not on methadone. I am sorry to say that.

(Interruptions)

I can assure the hon. Member that it has nothing to do with the distribution of methadone. It has something to do with the inhabitants of the immediate vicinity of the hospital.

RRA – DISSOLUTION – SOCIAL HOUSING DELIVERY

(No. B/996) Mr J. F. François (Third Member for Rodrigues) asked the Minister of Social Integration and Economic Empowerment whether, in regard to Social Housing delivery by the National Empowerment Foundation in Rodrigues, he will, for the benefit of the House, obtain from the Foundation, information as to if consideration will be given for the freezing of all the activities related thereto, as from the date of dissolution of the Rodrigues Regional

Assembly till the election of the new Rodrigues Regional Assembly, in the name of good governance.

Mr Dayal: Mr Deputy Speaker, Sir, the House may wish to note that social housing constitutes one of the core programmes of my Ministry regarding poverty alleviation.

I am informed by the National Empowerment Foundation that the construction of some 196 housing units are currently ongoing in Rodrigues. The construction of 96 units started in September 2011 and will be completed on or about the end of December this year.

I am further informed that the construction of the remaining 100 units has started last week and will be completed on or about March 2012.

Mr Deputy Speaker, Sir, as I pointed out, the project for the construction of 196 housing units is an ongoing project and cannot be suspended at this stage in order not to delay the process as well as cause undue hardship to the prospective beneficiaries.

As a matter of propriety, I can assure the House that the provisions of any Code of Conduct that may be elaborated in connection with the next ensuing RRA Elections will be strictly adhered to.

Mr François: I thank the hon. Minister for his kind answer. Mr Deputy Speaker, Sir, despite the code of conduct to be worked out being given the political nature that prevails in Rodrigues, the hon. Minister will agree with me that we do not do politics on poverty. Is he aware that some politicians equally do have a list of potential beneficiaries in hand and are using this to influence beneficiaries in exchange of votes for the coming elections and will he seriously look into that matter?

Mr Dayal: Mr Deputy Speaker, Sir, this is not to my knowledge. As I have just stated when there will be election, no official functions or activities will be organised.

CWA – LEGAL ADVISERS

(No. B/997) Dr. R. Sorefan (Fourth Member for La Caverne & Phoenix) asked the Deputy Prime Minister, Minister of Energy and Public Utilities whether, in regard to the full time and part time legal advisers whose services have been retained and approved, since July 2005 to-date, by the Central Water Authority, he will, for the benefit of the House, obtain from the Authority, information, in each case, as to -

- (a) their names, date of appointment, terms and conditions of appointment and the payments effected, and

(b) the number of overseas trips undertaken, indicating in each case, the -

- (i) cost
- (ii) destination, and
- (iii) purpose therefor.

The Deputy Prime Minister: Mr Deputy Speaker, Sir, with your permission, I am tabling the information in respect of part (a) of the question.

With regard to part (b), I am informed by the Central Water Authority that none of the legal advisers have undertaken overseas trip on behalf of the CWA.

The Deputy Speaker: We have got a question which has been redirected. B/962, hon. Jugnauth!

STC – INSIGHT FORENSIC LTD - INQUIRY

(No. B/962) Mr P. Jugnauth (First Member for Quartier Militaire & Moka) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to the State Trading Company, he will state if Government has requested Insight Forensic Ltd. to carry out an inquiry into alleged irregularities thereat, on or about November 2010 and, if so, indicate the outcome thereof.

The Minister of Industry, Commerce and Consumer Protection (Mr C. Sayed-Hossein): Mr Deputy Speaker, Sir, with your permission, I shall reply to the question.

I am informed that following a decision taken by Government, the State Trading Corporation commissioned an inquiry by Insight Forensics Ltd to assess the present state of affairs of the State Trading Company Mauritius (STCM) Ltd. and to establish whether irregularities or malpractices may have taken place in specific areas of its business.

The draft report of insight forensic was submitted on 18 February 2011 to the General Manager of the State Trading Corporation and the final report was submitted to the then Minister of Industry and Commerce in May 2011.

Excerpts of the report, in its draft form, have actually been leaked out to the media (press and private radios) and have also been subject of Parliamentary Questions and Private Notice Questions.

It is to be noted that the final report has been examined by myself and officials of my Ministry.

Mr Deputy Speaker, Sir, I must inform the House that of its own admission the Report contains quite a number of limitations.

The main ones are, I quote -

- (a) Reliance has been placed upon documents, explanations and other information provided by the STC. These have not been independently verified in all cases. Our findings may change if further information were to come to light.
- (b) The procedures carried out in performing the work that forms the basis of this report did not constitute an audit, whether statutory or other for the STC. This report is not intended to be a comprehensive review of the systems, processes and procedures within the STC and should not be considered in the context of the scope of the review as detailed in the terms of reference.
- (c) the contents of this report do not constitute the provision of legal advice;
- (d) we have not interviewed the counter parties referred to in this report, as they are not within the scope of the review authorised by the STC. Similarly, we have conducted only a number of limited interviews with the management and staff of the STC. We have not interviewed the ex-General Manager of the STC, and
- (e) we have placed reliance on the extract of the Board minutes made available to us and, in some cases, the full Board minutes provided by the Secretary of the STC and STCM. We could not, however, determine the authenticity of the Board minutes, some of which are not in line with established procedures. In some cases, the Board minutes were held in soft copies, and were printed and handed over to us. This is precisely why the STC has enlisted the services of a barrister at law to analyse the report and to determine whether the alleged irregularities and/or malpractices should be scrutinised by an independent fact finding committee, and/or whether the different transactions mentioned in the report should be reported to the police. In his final report submitted on 05 December 2011, the independent legal adviser highlighted *inter alia* -

- (a) Insight Forensics Limited has concluded that there were alleged malpractices and irregularities by basing itself on facts, which are as yet not proven by tangible evidence;

- (b) Insight Forensics Limited has clearly indicated that there were some limitations in conducting the inquiry, and that the information provided by the State Trading Corporation has not been independently verified, such that the credibility of the recommendations is questionable;
- (c) a few of the commercial transactions were analysed without taking into account the public law element.

Mr Deputy Speaker, Sir, based on the opinion of the legal adviser, my Ministry is now finalising the setting up of a full fledged inquiry committee to be chaired by a person of legal background, preferably a magistrate, to determine whether the transactions carried out by the STCM Ltd were done in good faith, in accordance with section 13 of the STC Act, by the Board and its staff.

In the light of the findings of this committee, I shall consider the desirability of submitting the whole case to ICAC.

Mr Jugnauth: Mr Deputy Speaker, Sir, I am very surprised. In view of the fact that there are a number of...

The Deputy Speaker: Put your question!

Mr Jugnauth: My question is: in view of the fact that there is a number of clear cut cases of mismanagement, fraud, whereby the STCM has lost millions of rupees, would the hon. Minister consider, for these cases at least, to report the matter to the authorities like the police for inquiry and, for the other issues that probably need to be confirmed by other testimony or verified other documents, then probably have another inquiry to be conducted?

Mr Sayed-Hossen: Mr Deputy Speaker, Sir, I am not going to repeat my answer again. I have clearly brought out the limitations, which the report itself admits that it contains, and these are major limitations. We have decided to appoint an independent inquiry committee chaired by a magistrate, following which, in case bad faith does aver, I have said and I repeat that little bit - 'in the light of the findings of this committee, I shall consider the desirability of submitting the whole case to ICAC.' But we cannot, on the basis of conclusions, which themselves explain their own limitations, act and go to the police.

Mr Bérenger: Can I ask the hon. Minister the name of the barrister who was asked by the STC to inquire into that?

Mr Sayed-Hossen: Maître Koomara Payendee, M. le président.

(Interruptions)

Mr Deputy Speaker, Sir, can I reply to what the hon. Leader of the Opposition just said?

The Deputy Speaker: No, hon. Uteem has got the floor. Let him put his question.

Mr Uteem: The hon. Minister just mentioned that he is going to set up a committee headed by a magistrate to look into the operations of STCM, but Insight Forensics Ltd report covered other cases and not just the STCM. It covers matters about Betonix, hedging, petroleum stocking facilities. Would the hon. Minister confirm whether this committee will also look into all these other matters that are the subject matter of the report?

Mr Sayed-Hossen: I do confirm, Mr Deputy Speaker, Sir, that the independent committee of inquiry will look into all the matters which have been referred to Insight Forensics Ltd, according to the terms of reference established by the STC.

The Deputy Speaker: Last question!

Mr Jugnauth: Let me give one example because the hon. Minister is saying that we need to inquire further. There is a case of purchase of packing machines for pulses, whereby the Board has approved for the purchase from one company Changzhou Tom Packaging Machinery Co. Ltd for USD30,250, but somebody who was at the STC...

The Deputy Speaker: No, please, the hon. Member should not provide information. He should ask questions!

Mr Jugnauth: Yes, but to enlighten the hon. Minister...

The Deputy Speaker: Yes, the hon. Member should be brief because time is over.

(Interruptions)

Mr Jugnauth: Then, somebody who is actually the adviser ...

(Interruptions)

The Deputy Speaker: Order!

Mr Jugnauth: ...in a Ministry went to China and bought a different machine from a different company for USD55,540. The machine is lying idle because it cannot be operated and cannot be assembled here. Do we need further inquiry on this matter?

Mr Sayed-Hossen: I do not want to repeat myself again, Mr Deputy Speaker, Sir.

(Interruptions)

The Deputy Speaker: No, do not repeat yourself.

Mr Sayed-Hossen: The hon. Member has been vice-Prime Minister and Deputy Prime Minister, and he knows that, in matters of State, we cannot act otherwise than according to the existing laws. Section 13 of the STC Act, Mr Deputy Speaker, Sir, very clearly stipulates that no liability, civil or criminal, binds an official of the STC unless bad faith is proved, and bad faith is not proved in that particular case, which is why we ...

(Interruptions)

... are establishing that committee of inquiry to establish whether there is good faith or bad faith.

The Deputy Speaker: Time is over!

MOTION

SUSPENSION OF S.O. 10(2)

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

The vice-Prime Minister, Minister of Finance and Economic Development (Mr X. L. Duval) rose and seconded.

Question put and agreed to.

STATEMENT BY MINISTER

EIILM UNIVERSITY - CAMPUS - MAURITIUS

The Minister of Tertiary Education, Science, Research and Technology (Dr. R. Jeetah): Mr Deputy Speaker, Sir, with your permission, I will make a state further to PQ No. B/925 with regard to the application made by EIILM University to set up a local branch campus in Mauritius. I am tabling all the documents required by the hon. Member.

(Interruptions)

Thank you, Mr Deputy Speaker, Sir.

At 4.41 p.m. the sitting was suspended.

On resuming at 5.19 p.m. with Mr Speaker in the Chair.

PUBLIC BILLS

Second Reading

THE FINANCE (MISCELLANEOUS PROVISIONS) BILL

(No. XXXI of 2011)

&

**THE ECONOMIC & FINANCIAL MEASURES (MISCELLANEOUS PROVISIONS)
(NO. 2) BILL
(No. XXXII of 2011)**

Mr Speaker: Hon. Members, before we start the debate on these two Bills, I would like to remind you that the debate will be restricted to the clauses and not on policy, as has been the practice in the House for several years.

Order for Second Reading read.

The vice-Prime Minister, Minister of Finance and Economic Development (Mr X. L. Duval): Mr Speaker, Sir, I move that the Finance (Miscellaneous Provisions) Bill (No. XXXI of 2011) and the Economic and Financial Measures (Miscellaneous Provisions) (No. 2) Bill (No. XXXII) of 2011 be read a second time. With your permission I am taking both Bills together.

Mr Speaker, Sir, the Finance (Miscellaneous Provisions) Bill of 2011 provides for the implementation of measures announced in the Budget Speech relating to taxation and national finance, and matters consequential or incidental thereto.

The Economic and Financial Measures (Miscellaneous Provisions) (No. 2) Bill of 2011 also provides for the implementation of measures announced in the Budget Speech, but relating to economic and financial matters and for other miscellaneous economic and financial measures.

I will first focus on the Finance Bill. It amends 18 enactments covering the following -

- o Environment protection;
- o Personal and corporate income taxes;
- o Land duties and taxes;
- o Value Added Tax;
- o Tax administration;
- o Contribution to the National Pensions Fund and National Savings Fund, and
- o Portability of pensions.

Mr Speaker, Sir, as regard the environment, the annual fees for billboards and other advertising structures are being raised to an amount ranging from Rs30,000 to Rs70,000 depending on the size of the structure.

A consequential amendment is being brought to the Local Government Act 2003 to remove from the purview of a local authority the liability for payment of the annual fee and to entrust the same to MRA.

Only hotels, guest houses and tourist residences that are generating profits exceeding 5% of turnover during income year 2012, will now have to pay the environment protection fee of 0.85% of turnover.

The Bill also regularises a number of transitional measures for smooth transition towards operation of the new system of carbon dioxide levy and carbon dioxide rebate on motor cars, following enactment on 13 July 2011.

Our attention has, however, been brought to the practical difficulties encountered by an importer to comply with the legal requirement for production of a certificate of the actual level of carbon dioxide emission of a second hand car and by customs to enforce same.

It is now proposed to remove the requirement for an alternative measurement in case the measurement in accordance with Regulation 101 of the Economic Commission for Europe of the United Nations is not applicable in that exporting country. The Regulation 101 is the international standard for measurement of carbon dioxide emission and the latest information reveals that all the exporting countries of second-hand motor cars do apply the measurement of Regulation 101. For greater consistency and transparency, the amendment provides that the CO₂ certificate used for the purposes of computation of the CO₂ levy and rebate, in the case of an imported second-hand motor car, be the same as the manufacturer's specification of that car at the time it was manufactured.

In respect of a second-hand motor car of a returning resident, it is provided that no CO₂ certificate would be required if the car has been manufactured before 01 March 2001. Being given that Regulation 101 came into operation on 04 April 2005, it is proposed to extend the time limit from 01 March 2001 to 01 July 2005. To that effect, I propose to move at Committee Stage the necessary amendments.

Mr Speaker, Sir, the amendments at Clause 8 relate to Income Tax. They provide for the abolition of the Solidarity Income Tax on dividends and interest income; the abolition of income tax on gains from sale of immovable property and a number of other tax measures.

As a consequence of the policy change, the previous provisions relating to exemptions of income in respect of land development projects to recoup specific costs are being reinstated.

Mr Speaker, Sir, after further consideration, the 10% solidarity levy on profits of management companies in the Global Business Sector proposed in the Budget Speech will be replaced by increases in their annual license fees as well as on those of GBL 1 companies.

In the case of Offshore Management Companies, the license fees will be raised from 3,000 USD to 5,000 USD. For companies holding category 1 license (GBL 1), the increase will be from 1,500 USD to 1,750 USD.

The Finance Bill also provides for -

- (a) The increase in the income exemption threshold for each category of taxpayers by Rs 15,000;
- (b) The extension of the solidarity levy on telecommunication companies for one additional year to 2013;
- (c) The abolition of the double deduction for overseas marketing and promotional expenses. However, in the case of an SME, a grant will now be provided up to a maximum of Rs100,000 per year to finance its participation in an international fair;
- (d) The extension of the income tax exemption to Freeport operators for an indefinite period;
- (e) Giving a protected cell company the option to prepare its financial statements on a cell or consolidated basis and pay tax in accordance with the option exercised;
- (f) Treating any distribution to a beneficiary of a Trust as a dividend paid to the beneficiary;
- (g) Removing the exemption of the income derived by a casino operator, a gaming house operator or gaming machine operator under the Gambling Regulatory Authority Act. Such income will, therefore, be subject to the normal corporate tax, and
- (h) Clarification is also being brought for dividends or other distributions paid by a company in the Global Business sector to another company in the same sector to be exempt from income tax.

The increase in the monetary values of benefits in kind and other fringe benefits announced in the Budget Speech will be implemented by way of Regulations to the Income Tax Act.

The Land (Duties and Taxes) Act and the Registration Duty Act are being amended at clauses 9 and 15 respectively to provide for incentives for construction by a company, of housing estates targeting the middle income group.

To benefit from the incentives, the project must be registered with the MRA prior to 01 January 2014 and construction of at least 5 residential units completed on or before 31 December 2014.

The State Lands Act is amended at clause 16 to provide for an updating of the annual rental values of State lands, based on a valuation exercise carried out recently by the Valuation Department. The increases will range from 6.25% to 37.5% and apply to letters of intent issued as from 05 November 2011. The new rental usually takes effect as from the date of issue of the letter of intent.

The Sugar Industry Efficiency Act is being amended at Clause 17 to provide for -

- (a) payment of land conversion tax in 4 consecutive equal 6-monthly installments,
- (b) exemption from land conversion tax on the conversion of land for construction of social housing by a housing development trust, or other non-profit vehicle registered with the National CSR Committee for that purpose, and
- (c) correction of an anomaly by allowing a change in purpose where a land conversion permit has already been granted at a site for a specific purpose.

Regulations will also be made to the Land (Duties and Taxes) Act, Registration Duty Act, Transcription and Mortgage Act and other legislation to provide for the -

- (a) removal of registration duty ranging from 1,000 to Rs10,000 payable on registration of secured loans not exceeding Rs1 m.;
- (b) abolition of inscription fee (Rs200) leviable on all registered loans;
- (c) grant of land transfer tax and registration duty exemption to a not-for-profit Housing Development Trust registered with the National CSR Committee;

- (d) removal of land transfer tax on the sale of immovable property by banks and non-bank deposit taking institutions relating to debt recovery, and
- (e) closure of the Tourism Fund.

The VAT Act is amended at clause 19 to provide for -

- (a) the operation by MRA of the VAT refund scheme on a scheduled list of equipment purchased by planters, horticulturists, breeders, apiculturists and fishermen during 2012. The list is set out in the Sixth Schedule to the Bill;
- (b) construction of a semi-industrial fishing vessels during the period 01 January to 31 December 2012 to be zero-rated;
- (c) removal of VAT on cosmetic surgery, anti-smoking chewing gum, life jackets and on commissions earned by insurance agents, brokers and salesmen;
- (d) removal of VAT on parts of footwear, including uppers, inner soles, outer soles, straps, heel, cushions, gaiters, leggings, buckles, shoe lasts and shoe welt. I should here explain, Mr Speaker, Sir, that as we abolish all specific duties on shoes and other footwear for the benefits of consumers, we are also taking measures to protect the competitiveness of local manufacturers of shoes, especially micro enterprises;
- (e) regularise the exemption from payment of VAT by diplomatic missions, embassies and their agents in Mauritius through a VAT exemption card;
- (f) VAT exemption on construction of social housing project is being extended to cover Housing Development Trusts, or any such other non-profit vehicle registered with the National CSR committee, carrying on the construction of social housing, and
- (g) a levy of 10 cents on every SMS and MMS (including Zlango or other icons) sent from a mobile or fixed telephone routed through an operator in Mauritius. This will take effect as from 15 January 2012.

The VAT Act is also being amended to provide for improvements in VAT administration as follows –

- (a) A VAT-registered person will no longer be required to issue two types of invoices, namely a VAT invoice to another VAT registered person and a non-VAT invoice to other persons. The process is being simplified.
- (b) With a view to tackling tax avoidance, provision is being made to claw back input tax on immovable properties, where a VAT registered person is deregistered. However, in case of transfer of business as a going concern, no claw back will be made to ease cash flow.
- (c) Companies submitting electronic returns will be required to submit a summary of the value of supplies made to traders. This will take effect as from 01 July 2012.
- (d) MRA is being empowered to proceed with temporary closure of a business in cases where claims have remained unpaid, as in the case of income tax.
- (e) An executive director in a private company will become accountable and liable for non-payment of VAT, as is the case for income tax.

At clause 18, there is a consequential amendment to the Transcription and Mortgage Act following the amendment being brought to the '*Code Civil Mauricien*' to extend the time limit for renewal of inscription in respect of a fixed and floating charge from 10 years to 40 years.

Tax Administration

Mr Speaker, Sir, I will now turn to the legal changes relating to tax administration. They are mainly aimed at simplification of the tax system and for improving the efficiency of tax administration.

Thus, the Current Payment System (CPS) applicable to self employed is being reviewed to facilitate small businesses and SMEs as follows –

- (a) A taxpayer deriving income from a profession, vocation or occupation and rent will not be required to file quarterly CPS returns and pay tax thereon if his gross income does not exceed Rs2 m. per annum. He will only be required to submit his annual income tax return and pay tax, if any.
- (b) A self-employed taxpayer whose income exceeds the Rs2 m. threshold but who did not have any tax to pay in his preceding income tax return will also not be required to submit CPS returns.

- (c) In the same spirit, a company with annual turnover below Rs2 m. will not be required to file every quarter a return under the Advance Payment System (APS) and pay tax in advance.
- (d) A penalty of 25 per cent will apply if a company has on purpose reduced its payment in the previous three quarterly payments under APS.

Tax Deduction at Source (TDS)

The Tax Deduction at Source (TDS) system will be extended to the following -

- (a) payments for miscellaneous civil construction works such as mechanical and electrical works undertaken by a contractor or a sub-contractor (at the rate of 0.75 per cent);
- (b) payments for services provided by a doctor, a dentist, an attorney, a solicitor, a barrister and a legal consultant (at the rate of 3 per cent);
- (c) payments made to a non-resident for services performed in Mauritius (at the rate of 10 per cent), except those subject to the provisions of a double taxation avoidance agreement;
- (d) interest payments by a person, other than banks and non-banks deposit taking institutions or a company in the Global Business sector, to a non-resident (at the rate of 10 per cent);
- (e) payments in respect of rental or other consideration for board and lodging made to the owner of a bungalow, villa and other residence including under the IRS and RES, other than a hotel, through a tour operator or travel agent or other intermediary interfacing with the tenant or tourist (at the rate of 5 per cent), and
- (f) payments made by a Ministry, Government department, local authority, the Rodrigues Regional Assembly and a statutory body in respect of procurement of goods and services, as follows -
 - goods only, payment exceeding Rs100,000 at the rate of 1 per cent
 - services only, payment exceeding Rs30,000 at the rate of 3 per cent
 - goods and services, payment exceeding Rs300,000 at the rate of one per cent.

Mr Speaker, Sir, the Bill provides for the implementation of new tax schemes.

It amends the Income Tax Act and the Value Added Tax Act to implement two new schemes relating to tax amnesty to be operated by MRA: a Voluntary Disclosure of Income Arrangement (VDIA) and an Incentive Scheme for VAT registration.

These two new schemes being introduced now are aimed at granting a last opportunity to taxpayers to regularise their undeclared or under declared income in whatever form it has been kept or invested, including overseas assets. They will operate for 6 months and end in June 2012.

The main features of the (VDIA) are as follows –

- no penalties on the undeclared or under declared income;
- no interest will apply if the unpaid tax is paid before 30 June 2012;
- a person who has been assessed to tax and who has made an objection thereto, or lodged a representation to the Assessment Review Committee, or made an appeal to the Supreme Court/Privy Council may also avail of the scheme provided he withdraws his objection, representation or appeal.

The Incentive Scheme for VAT registration targets persons in business, service providers and professionals who have not registered themselves with the MRA for VAT purposes. The main features of that scheme are as follows -

- Those persons will have to register on or before 31 March 2012 and pay VAT due, if any, only for the 2 years preceding their registration.
- They will be allowed to deduct any input tax from their output tax. In case the claim for input tax cannot be substantiated, a deemed tax credit will be allowed on the inputs, the rate of which will depend on the line of business.
- The penalty for late payment will be waived and no interest will apply if the unpaid tax is paid before 30 June 2012.

In addition, the Income Tax Act, the Gambling Regulatory Authority Act and the Value Added Tax Act are being amended to operate another Scheme that aims at faster recovery of tax arrears, namely the Tax Arrears Settlement Scheme (TASS).

The VDIA, Incentive Scheme for VAT registration and TASS will not apply to any person who has been convicted or against whom any civil or criminal proceedings are pending or an enquiry is being conducted into an act of dangerous drugs or arms trafficking or an offence related to terrorism, money-laundering or corruption.

Another scheme, namely the Expeditious Dispute Resolution of Tax (EDRT) is also being introduced under the Mauritius Revenue Authority Act, under which a panel set up within the MRA will review the amount of tax assessed where a taxpayer had been unable to dispute the tax claim due to inability or failure of the taxpayer to pay the 30 per cent of tax assessed on objection, to produce full records or to attend ARC hearings. The scheme targets mainly at settlement of tax debts under income tax, VAT and gambling taxes.

An application for review under the scheme must be made on or before 30 June 2012. The scheme will not apply to cases where –

- (i) the assessment was raised after 31 December 2010;
- (ii) the taxpayer had agreed to the tax claimed under the assessment or,
- (iii) the assessment has already been reviewed on objection or at the level of the Assessment Review Committee.

Under the scheme, no application will be valid unless the applicant has made a sworn statement (affidavit) that he has waived his right to initiate any proceedings before any Court in Mauritius in respect of any decision of MRA pursuant to the determination of the panel.

Local Government

Amendments are being brought to the Local Government Act at clause 10 to allow Municipal Councils to outsource on a voluntary basis collection and enforcement of general rates to the MRA against the payment of an administrative fee as may be prescribed.

Provision is also being made for the abolition of the Municipal tenant's tax effective as from 01 January 2012.

National Pensions Fund and National Savings Fund.

Mr Speaker, Sir, we have announced an innovative measure in the budget to ensure that persons in domestic service can enjoy the benefits of the National Pensions Fund. The Bill brings about the necessary amendments at clauses 12 and 13 so that this can become a reality.

Every employer who is an individual and who employs an insured person in the domestic service will be allowed to declare in his annual return of income his contributions under the National Pensions Act and the National Savings Act and to pay such contributions at one-go at the time the annual return is required to be submitted to MRA, i.e. in March/April of each year.

“Domestic service” is already defined in the National Pensions Act. It means employment in a private household and includes employment as cook, driver, gardener, *garde-malade*, maid or seamstress.

Once an employer chooses to pay his contributions to MRA, he will have to continue to pay his contributions there and no change will be allowed.

Where an employer does not declare and pay his contributions to MRA, he will have to continue to pay his contributions every month to the Ministry of Social Security, National Solidarity and Reform Institutions.

For financial year 2011, an employer who has not been registered with the Ministry of Social Security will be allowed to pay his contributions without surcharge to MRA in his annual return of income which is required to be submitted in March/April 2012.

The system now being proposed, Mr Speaker, Sir, is a simplified system which will avoid employers the hassle to make a formal choice in a separate form to be addressed simultaneously to the Ministry of Social Security and the MRA. I am also proposing to move at Committee Stage a few amendments to allow only those employing insured persons in the domestic service to pay their contributions to MRA.

The proposed amendments also provide in the National Savings Fund Act for employees who earn remuneration which exceeds Rs3,000 in the aggregate from all his or her employers to inform his or her employer from whom he or she receives less than Rs3,000 so that the employer can deduct the relevant contributions. Similar provisions have been made in the National Pensions Act. The proposed amendments at Committee Stage have already been circulated.

Where the earnings of an insured person who is in the domestic service or is an agricultural worker (a field worker or field labourer) do not exceed, in the aggregate, Rs3,000 during any period in a month from an employer or concurrently from that employer and any other employer -

- (a) no deduction in respect of the contribution of the insured person shall be made by the employer, and
- (b) Government will pay the 3% contribution under the NPF and the 1% contribution under the Transition Unemployment Benefit (TUB) of the insured person into the NPF and NSF, respectively.

Provisions have been made where the spouse of a person disappears at sea or is missing, the person shall, subject to regulations, become entitled to the pension after the expiry of a period of 3 months from the date the case was reported to Police.

The National Savings Fund Act is also being amended to provide for the whole or part of the contributions of an employee into the Fund to be transferred, at the written request of the employee, to a health insurance scheme set up under the long-term insurance policy under the Insurance Act.

Mr Speaker, Sir, in the Budget we spoke of the importance of portability of pension benefits to improve productivity. The Bill amends the Pensions Act at Clause 14 to make provision for any portable pension benefits of qualified public officers to be paid from the Consolidated Fund instead of the Portable Pension Fund as from 01 January 2012.

Accordingly, the Portable Pension Fund under the Finance and Audit Act will be wound up.

Excise Duty

Clause 6 amends the Excise Act to provide for new definitions for a number of products, namely anhydrous ethanol, hydrous ethanol and blended mogas in the context of our commitment to set a framework for use of ethanol in motor spirit. The amendments will make these products become excisable goods which will be subject to Customs control.

New definitions are also being introduced in respect of fortified admixed wine, fortified Island wine and fortified made wine to cater for proposed entry of new alcoholic products on the market.

Following representations received from importers of outboard motors regarding the rate of excise duty, the zero duty rate will apply on outboard motors up to 150 horsepower instead of 140 horsepower provided for in the Financial Resolution. This change will be made by way of Regulations to the Excise Act. Moreover, to prevent any duty avoidance, a provision is being made in clause 6 for an outboard motor imported as part of a boat to be subject to the 50 per cent excise duty, if it exceeds 150 horsepower.

Gambling

Clause 7 of the Gambling Regulatory Authority Act provides for Amusement Machines with Prizes (AWP machine) to be renamed as “Limited Payout Machines”. Such machines

should be in compliance with technical standards to be prescribed by the Gambling Regulatory Authority and include only games that are approved by the Authority.

Provision has also been made for a transitional period regarding validity of an AWP machine licence that has already been issued. All existing licences in respect of an AWP machine will lapse on their expiry date or on 31 December 2012, whichever is the earlier.

Mr Speaker, Sir, I now come to the Economic and Financial Measures (Miscellaneous Provisions) (No. 2) Bill No. XXXII of 2011.

Asset Recovery Act

Clause 2 of the Asset Recovery Act is being amended to provide for a Restraining Order against an alleged offender subject to a criminal enquiry to continue having effect, if the alleged offender is subsequently charged with a criminal offence as a result of that enquiry, until the conclusion of the criminal process, including any appeal, in respect of that offence.

Bank of Mauritius Act

Section 6(1) of the Bank of Mauritius Act is being amended at clause 3 to -

- (a) allow the Bank of Mauritius to set up a development fund for the benefit of small and medium enterprises (SMEs) and to require commercial banks that fail to meet agreed lending targets to SMEs to deposit thereto the difference between their actual lending and the agreed target with the Bank, at no interest;
- (b) to allow the Bank to issue a Gold Certificate in such form and subject to such conditions as may be determined by the Bank to represent a certificate of ownership of any gold bar held in custody by the Bank in favour of the person who has purchased it;
- (c) enable the Financial Services Commission to sign the International Organisation for Securities Commission (IOSCO) Multilateral Memorandum of Understanding by allowing the Bank to disclose information to the Financial Services Commission;
- (d) allow the Bank to print currency notes in materials other than paper, like for example, in polymer which provides better security;
- (e) allow the Bank to credit or debit from the Special Reserve Fund any unrealised gains or losses in any financial year of the Bank arising from

changes in the valuation of Investments held by the Bank in accordance with International Financial Reporting Standards (IFRS);

- (f) review the composition of the Monetary Policy Committee (MPC). The Committee shall now comprise (apart from the Governor) of 3 senior officers of the Bank appointed by the Governor and 5 other persons not being Directors or employees of the Bank appointed by the Minister after consultation with the Governor;
- (g) provide for the MPC to publish a Code of Conduct which will govern its meetings and to report once a year to the Board of the Bank regarding its compliance with the Code. Furthermore, members of the Committee may henceforth be allowed to participate in meetings through teleconferencing, and
- (h) provide for the Bank to publish, as soon as practicable, after every meeting of the Committee, the gist of the monetary policy to be conducted by the Bank and to publish not later than 2 weeks after the date of the meeting, the minutes of the meeting.

Banking Act

Clause 4 amends the Banking Act -

- (a) in section 34(6) to allow financial institutions not having a website to publish financial statements in at least 3 daily newspapers;
- (b) in section 37(6) to bring it in line with section 9(2) of the Borrowers Protection Act regarding disclosure of information on credit facilities granted to a person;
- (c) in section 39(1) to bring it in line with section 195(1) of the Companies Act regarding appointment of auditors at each annual meeting of a financial institution;
- (d) in section 57(5) to be in line with the cheque truncation system;
- (e) in section 64(1) to allow service providers to make declaration of confidentiality;
- (f) in section 64(9) to include "The Enforcement Authority" set up under the Asset Recovery Act 2011 to allow financial institutions to disclose information to the Enforcement Authority;

(g) in section 97(9) to allow the central bank to apply penalties on non bank deposit taking institutions.

Code Civil Mauricien

The ‘Code Civil Mauricien’ is being amended at Clause 7 to provide for an appropriate framework which will govern leasing of both immovable and movable property, under a finance lease (‘*crédit-bail*’). This will establish clearer regulatory parameters for any institution engaged in leasing operations and enable leasing of immovable property under a finance lease.

This provision is meant to facilitate access to credit and will boost entrepreneurship. For the time being, leasing of immovable property under a ‘*crédit bail*’ will be limited to business enterprises. Additional consultations are required with stakeholders prior to allowing such financial instrument to cover non-business because of the risks of the lessees losing their homes in cases of default.

Construction Industry Development Board Act and Professional Architects Council Act 2011

Clause 8 amends the Construction Industry Development Board Act to make operational the registration of foreign consultants and contractors and enable them to offer their services in Mauritius.

Anhydrous ethanol blended with mogas

Clause 9 amends the Consumer Protection (Price and Supplies Control) Act to empower the Minister responsible for the subject of consumer protection to fix the percentage of anhydrous ethanol to be blended with mogas. The modus operandi for the blending will be laid down in regulations.

Financial Services Act

Clause 12 amends the Financial Services Act to enable the Financial Services Commission to seek information from companies holding a Global Business Licence in discharging its obligations under an agreement or arrangement for the exchange of information. This would enable the Commission to sign and be compliant with the International Organisation of Securities Commission (IOSCO) Multilateral Memorandum of Understanding requirements.

Fisheries and Marine Resources Act

As a business facilitation measure, permits for the importation of fish or fish product are being abolished by amending the Fisheries and Marine Resources Act at Clause 13.

Information and Communication Technologies Act

Clause 14 amends the Information and Technologies Act to allow the Information and Communication Technology Authority (ICTA) to intervene more effectively to ensure competitive pricing of ICT services as and when required. Currently, the Authority cannot intervene to regulate pricing unless an operator files a request for review of tariffs. ICTA will undertake a market study and analysis to determine operators with Significant Market Power. The Market Definition & Analysis shall become the basis of regulation from a competition perspective through a public consultation exercise.

Medical Council Act (Clause 18)/ Dental Council Act (Clause 10)

The Medical Council Act and the Dental Council is amended to set a time limit of 21 days (2 months for Dental Council) from the date of receipt of application for the Registrar to notify the applicant who have been registered. In addition, if the Council refuses a temporary registration to a non-citizen applicant, the Registrar shall, within that time limit, notify the applicant accordingly, stating the reasons for the refusal, as is the case for a Mauritian applicant.

Public Procurement Act

Amendments are being brought to the Public Procurement Act at clause 24 to allow procurement to be undertaken –

(a) pursuant to an agreement or arrangement between Mauritius and a foreign State which allows Mauritius to benefit from the expertise and development experience of that foreign State in a particular field, where the procurement is undertaken by the foreign State or by or through an entity designated by the foreign State.

(b) where such procurement is in respect of an information and communication technology project which requires interfacing with different existing systems and in view of confidentiality of sensitive information and potential risks in the execution of project, the supervising officer of the Ministry considers that, in order to protect the safety or interests of Mauritius, it is necessary that the project be executed by an entity which has initially developed the system or which has previously developed a similar system.

(c) through a framework agreement which is an agreement or other arrangement between one or more public bodies and one or more suppliers which establishes the terms and conditions under which the supplier will enter into one or more contracts with the public body in the period during which the agreement or arrangement applies. Efficiency will increase through

this process by eliminating repetitive bidding exercises and reduction in procurement lead time. Moreover, it will be possible to reap the benefit of economies of scale.

Statutory Bodies (Accounts and Audit) Act

Clause 28 of the Statutory Bodies (Accounts and Audit) Act is being amended to extend the time limit for submission of the annual statement of a statutory body from 2 months after the end of every financial year to 3 months in order to give appropriate time to prepare such statement for submission to the Board. Accordingly, the time limit for submission of the financial statement for auditing is being extended by one month to 30 April.

Mr Speaker, Sir, Opportunity has been taken to –

- (a) bring, at clause 15, a clarification in the definitions of “netting agreement” and “office” in the Insolvency Act;
- (b) empower, at clause 16, the Minister responsible for the subject of industry to make regulations to regulate the exportation of jewellery and melted precious metal and for the Minister, by regulations, to better regulate the sale of second hand jewellery;
- (c) provide, at clause 19, for the National Productivity and Competitiveness Council to be brought under the purview of the Ministry responsible for the subject of economic development;
- (d) amend the Notaries Act, at clause 21, to specify one of the elements in the formatting of a notarial deed and which was left out in the last amendment, and this in the context of the standardisation of documents required for the implementation of LAVIMS;
- (e) amend the Road Traffic Act, at clause 25, requiring the Registrar- General to keep originals of transfer of ownership of vehicles for a period of not less than 5 years instead of 20 years. The purpose of this amendment is to do away with unnecessary archiving of documents at the Registrar General’s Department;
- (f) provide, at clause 27, for the extension of the benefit derived by small planters under the Small Planters Welfare Fund to small breeders; the Fund being henceforth known as the Small Farmers Welfare Fund and another new definition of “agro-processing activity” being introduced and also to provide for the Minister to approve such other activity relating to agro-processing; and finally
- (g) amend the Tourism Authority Act, at clause 29, to provide for the introduction of a fixed penalty system whereby those in contravention with the provisions of the law would be

required to pay a fixed penalty within a specified time limit. This measure would, in addition to being a deterrent to committing offences, also be a tool which will contribute to the effectiveness and efficiency of the enforcement officers of Tourism Authority when carrying out their monitoring duties.

Mr Speaker, Sir, I should like to conclude by reiterating our conviction that the policies, measures and actions announced in the Budget Speech 2012 are for the Greater Good. The provisions of the two Bills will help to take us a major step ahead to meet our development goals and the aspirations of our people.

Mr Speaker Sir, I now commend the two Bills to the House.

The Deputy Prime Minister rose and seconded.

(5.57 p.m)

The Second Member for Beau Bassin and Petite Rivière (Mr K. Li Kwong Wing):

Mr Speaker, Sir, the two Bills before the House, the Finance (Miscellaneous Provisions) Bill and the Economic and Financial Measures (Miscellaneous Provisions) (No. 2) Bill provide for the implementation of measures that have been announced in the recent Budget. While most of the Budget measures that have been announced have been put into the law, we must also say that some of these measures have been only partially introduced without any specific reasons. Some have been recalled altogether like the measure to tax the Offshore Management Companies further, while others have just not been put in the amendments either because they have been forgotten or they have been unintentionally mislaid.

Let us take the Finance Bill first, which covers the main tax measures. If we look at the personal income tax, what are the main features of these amendments? There is, first, the removal of the solidarity income tax on dividend and interest which is a reversal of the former policy. There is also the removal of 10% tax on gains on the sale of immovable property and the tax deduction at source on the bank deposits is also made non-applicable by Government under the Bill.

Mr Speaker, Sir, if you look at the features of the personal income tax on which I will elaborate further, the CPS is now no longer applicable where the individual taxpayer income consisting of rent or turnover is below Rs 2m. per year. While, on the other hand, distributions from a trust to beneficiaries are treated like dividends in the hand of beneficiaries and, therefore, are now tax-free. These measures are welcome, Mr Speaker, Sir. But, in the case of corporate

income tax measures, one still has the feeling that there is a lot of confusion in Government policy. It has been claimed that the tax rate will be uniformised at 15%, but we have in this Bill now different tax regimes where free port operators are now totally exempt from tax, indefinitely, while the solidarity levy on telecommunications companies are extended to the end of 2013 and also the PCC, Protected Cell Companies are now optionally taxed on a cell by cell basis.

The other features or changes in the corporate income tax Mr Speaker, Sir, refer to the tax deduction which banks are now benefiting for debts due by SMEs that are written off even without any legal action, while in the case of VAT, Executive Directors are now made accountable and liable for payment of the VAT owed by the company as in the case of income tax, which makes the lives of Corporate Directors, Company Directors very very difficult. So, this is a measure in line with international practice. So, that's why it is added in this Bill.

If we look at the other taxes, Mr Speaker, Sir, there has been a list of customs duties where certain products have now been exempted like beauty care, cosmetics, footwear and others. The economic rationale is not very clear, but one can understand the political rationale. However, the economic rationale is very clear in the case of the increase in excise duty on alcohol and tobacco products. This is mainly to raise revenue and does not help to raise economic growth.

Mr Speaker, Sir, let me turn to some of the tax items which need certain comments. We are all for the elimination of the tenant tax, which is long overdue. But, we have certain clarifications to ask from the hon. Minister concerning the carbon tax and the gaming tax. If you look at the excise duty amendment, the carbon tax now requires that there is a CO2 emission certificate that will need to be issued by a car manufacturer for clearance of any new vehicle. This is quite acceptable and this is a simple matter because all new cars manufacturers can issue a proper CO2 emission certificate.

But, with regard to second hand vehicles there is need for an inspection certificate stating CO2 emission as computed according to the UN regulation 201 mentioned by the hon. Minister. However, where the measure is not computed according to the United Nations regulations, the law, the amendment adopt a method that may be approved by the Director General of the MRA.

Mr Speaker, Sir, therefore, in respect of second hand vehicles, this leaves the door open to arbitrariness and even to possibility of corruption and therefore it will have a direct impact on

the revenue. One must ask oneself in this context, what happens to the MID concept? What is Government doing to encourage hybrid vehicles, green vehicles, electric vehicles because there used to be a 50% duty remission on such vehicles until July this year when this carbon emission tax came into effect and, therefore, wiped out completely the hybrid advantage.

This carbon tax, in fact, is much in favour of European cars because it favours mainly diesel cars. Countries in Asia, like Singapore and Japan no longer follow this route because they are more concerned with the effects of NOX, that is, gas causing lung cancer and therefore they favour more the petrol engines, the hybrid cars and the electric cars. And this is why second-hand car importers are having a lot of difficulties because they import mainly from Japan and it is this element in the law which allows the Director General of the Customs to approve the measure of the carbon emission which will be used and is a loophole that may be used by second hand car importers in order to obviate the disadvantage of the Japanese second-hand car to the European cars. In brief, Mr Speaker, Sir, this carbon tax requires a very professional and transparent treatment.

With regard to the gaming tax, we have, during parliamentary questions, queried the gaming machines which have been disguised as amusement machines. It is good that the hon. Minister has come with the new law with an amendment, which now defines these amusement machines as a limited pay out machine, which is a quasi- gaming machine. When we look at the law, it is clear that these are almost like, but are not machines, so the licence and the gaming tax applicable to these machines are much lower than for a gaming machine. But if you look at the ground situation what do we find? At current time, there is a monopolist that is covering the market, who has more than 1000 outlets all over the island and he has also controlled all the strategic places by a very tight contract. So, it means that by legalising this machine, which is a quasi- slot machine, gaming machine, we are in fact, making this country an island wide casino because these outlets are licensed in such a way that they can be near schools, near market fairs and near markets. This is, in fact, legalising gambling at your very doorstep. So, attention must be drawn to the Minister's notice concerning this part of amendment.

With regard to the tax administration now, it is true that by raising the threshold of CPS and APS to Rs2 m. per year, self-employed taxpayers and small enterprises will no longer have to file their quarterly returns which is, in fact, an administrative hassle and also is a problem for their cash flow. This is welcome.

On the other hand, the extension of the TDS to a lot of services provided by owners of bungalows, by doctors, dentists and lawyers, will increase the compliance obligations of the payers and the payees and, therefore, the MRA should be able to make timely refund of any excess payments. Talking of timely refund and excess payments, this leads me to the issue where under the APS (Advance Payment System) by the companies, excess corporate tax paid will now under this amendment be allowed to be set off against future tax liability. However, if you look at the reality, what happens? A company may have made an excess payment for a previous quarter and when it pays for the current quarter, it would want to set off what it paid in excess previously to what it is going to pay now. Under the law, this is not allowed. So, the amendment will correct this. But then, what happens if there is that excess payment that is still carried over? It very often happens that it is not refunded in time. So, for a small operator, he has to wait more than six months which is normally the time limit granted. In practice he will get refunded therefor much later. The law provides that interest is automatically paid by MRA if there is late refund, but if it is not being refunded in time, who is that small operator that can challenge the MRA, go there and ask MRA to pay the interest. It so happens that very often although the law now makes the matter clear it does not enforce it so that the MRA is made to pay within time and pay the late refund with the interest penalty.

With regard to the expeditious dispute resolution of tax, this is now provided under the amendment and there are, in fact, a lot of cases where people dispute the tax assessments of the MRA. In such cases, we are made to pay 30% of the tax: pay now and complain later. Under this new amendment - expeditious dispute resolution of tax, it is said that the MRA will set up the panel to review the case so that you can have an early settlement. In the case where the taxpayer has not deposited the 30% and there has been no tax review, it is expected that the MRA will first do the tax review before they settle on the amount to be resolved expeditiously. Hopefully, that will be the approach of the panel of the MRA.

There is another item regarding tax administration that has not been canvassed by the Minister and this relates to the MRA tax ruling. Very often, even if it is provided in the law that the MRA will make a tax ruling within a month, the MRA drags its feet and we don't have the ruling even after several months. In such a case the law should have provided that if the taxpayer does not get the ruling in time within a month, then the interpretation of the taxpayer should prevail if it is not obtained within the one month limit. Therefore, Mr Speaker, Sir, it is true that

a lot of these measures do make the tax administration easier and more smooth. In the case of the protected cell companies, each cell will submit its annual return separately causing the PCC to have several annual tax returns for its several cells. In such cases, the MRA needs to expedite matters and make sure that the practical application of the law is smoothed. The other aspect of the amendment where it is allowed now for a company to pay in different currencies is also most welcome because it allows now a company to pay in the currency in which it reports to the MRA and therefore it does provide easy administration.

Mr Speaker, Sir, I will now come to the other aspects of the Bill where the National Pension Fund is involved. An incentive is now given to encourage people working in the informal sector to join the National Pension Fund and Government will now contribute the NPF for the workers so long as they earn up to Rs3,000 per month. This will enable the worker to benefit from pension after retirement and also from recycling in case of redundancy, but we need to remember that employers who pay workers below Rs3,000 per month are normally in the informal sector and they nearly always operate without permit and do not like to go through the hassle of getting permits. They know they will wait for 2-3 years they will not get their permit. These employers are normally reluctant to pay their share of the NPF even if Government is ready to contribute the NPF for the workers. So there is need to incentivise these employers in the informal sector; to legalise their status through different treatments either through tax incentives or through tax amnesty or otherwise. If the informal sector is formalised and these small operators go into the formal sector through Government incentive, then it will definitely increase the GDP and the Minister will be happy. He will be raising the anaemic economic growth without creating anything because he is just making an informal producing sector become a formal producing sector and capturing all the output in the statistics. It will be a win-win situation for everybody; for the economy, for the workers and for the employers.

Another amendment refers to the use of the National Savings Fund for contribution to a Medical Insurance Scheme. Workers can now opt out of a NSF Scheme in favour of a Medical Insurance Scheme, but one has to bear in mind that these are two different things and they serve two different purposes. Savings contribution in order to provide for the future is different from a contribution to a medical scheme which is for an eventuality that might happen to him in case of illness. Also by taking his contribution in the NSF to contribute to the medical insurance, you deprive the worker of his accumulated lump sum in the future when he retires where he will

require most that lump sum either to repay an outstanding loan or in case of an unforeseeable expense at his retirement age. Therefore, here again Government should rather incentivise the employers to provide their own free medical schemes rather than taking money out of a National Savings Fund to contribute into any Medical Insurance Scheme. In fact, the Budget has provided for a lot of saving awareness campaigns and budgetary sums are provided to encourage and create awareness towards savings. When we look at the savings towards retirement, most of the approved pension schemes by individuals are taxed twice – once, when they contribute to the scheme with no possibility of tax reduction or relief and later again, when they receive the pension benefits at retirement because there is an exemption of only Rs1.5 m. on his pension lump sum.

Here I make an appeal to the Minister, not for this time but for the future to either raise the pension lump sum exemption limit to Rs10 m. or completely remove the tax limit on this pension lump sum. I know hon. Bhagwan asked a question last time on the CEB pensioners which refers to the same thing where they will be taxed heavily, because their pension retirement sum exceeds the R1.5 m. So much on the savings, and in order to encourage savings, therefore, we need to bear in mind that it is a good thing to exempt savings from tax, because now interests on savings have been exempted under this law. But, it is better still if the savings can be utilised for more productive purposes by encouraging corporate bonds or by encouraging unit link retirement schemes.

I come to the question of pension portability. Under this amendment, the minimum qualifying or vesting period for pension portability for civil service has been reduced from five years to one year. So, this makes employers more keen to retain the worker if the pension can be portable so long as he has had one year of service. However, it would have been still more useful if this can be extended to the private sector and also make pension portability without any qualifying period for the private sector workers and for civil servants.

The final point that I would like to make on the question of personal income tax is the income exemption threshold. The income exemption threshold has been increased by a flat sum of Rs15,000 for all categories of taxpayers. This is because when wage increases, the workers/the taxpayers now fall into a higher bracket and they are taxed more. But, although the income exemption threshold has been increased, this increase will depend on the income level and on the number of dependents of the taxpayer. The taxpayer, with a large number of

dependents and also with more children still at school, will get the same fixed sum of Rs15,000 income exemption threshold increase as the taxpayer who is without dependents. So, a percentage increase for the income exemption tax threshold rather than a flat sum would have been much fairer in view of increase in inflation.

Mr Speaker, Sir, I, now, turn to the Economic and Financial Measures (Miscellaneous Provisions) (No. 2) Bill. The first item which I would like to take is the Bank of Mauritius Amendment which provides for the setting up of a Development Fund for SMEs which is part of the package which has been worked out by the Government with the Mauritius Bankers Association in the sum of Rs3 billion for three years to finance SMEs at 8.5%. Given this amendment, it is to be asked whether we have come back to the old regime of credit control and credit directive. What does it say? It says that the Central Bank will set up a Development Fund and requires a bank that fails to meet an agreed lending target to SMEs to contribute to that Development Fund by depositing with the Central Bank at no interests the difference between the actual lending and its agreed target. So, this brings us back to the days of credit control and, my learned friend, hon. Uteem, will later comment on the questionable constitutionality of this provision under this Bill.

While the Development Fund recognises that some banks are unable to lend to SMEs the agreed target, it provides also that they have to deposit the money at the Central Bank at no interest and, therefore, they will be required to lend their excess liquidity to a competing bank. Whether this is fair or is practicable is another issue. But, the idea of this package was that we needed to get the banks to use their excess liquidity and their super profits to assist the SMEs. But, what happens now is that, their excess liquidity is now left with the Central Bank and they take no risks because the capital, which is left at the Central Bank at zero interest, is preserved, whereas if they have been asked and encouraged to lend to small entrepreneurs, SMEs, they would have taken a risk, whereas here the money is safely stuck in the Central Bank at zero rate. So, it looks like being counter-productive.

The other point is that while the package requires that the Central Bank monitors the targeting of the lending to SMEs, it also has to monitor the use of the credit, because the package provides that part of the credit is used to recycle existing loans and part of the credit is used for new loans. The reason being that the Government is underwriting a guarantee of 35% and also the Government is giving them tax deduction on the amount that will be written off. So, the

question here is whether the scheme will work to the advantage of the banks, or whether the SMEs will really get the benefit of that package, especially when we see that the repo rate has been reduced by an infinite decimal 10 basis point, whereas the rate of interest here has been reduced to 8.5%, while the DBM is already lending at 5% and giving equity participation through the SME Partnership Fund.

I talked about the maybe unintentional misplacing of certain aspects of the budget measures. Here, I have in mind the DBM change of status. The Minister mentioned that the DBM will be changed into a bank. But we have seen nothing concerning this, although it is in relation to a huge package which he called a Marshall Plan for SMEs and we hear nothing about the DBM. So, what a short change!

The Minister also mentioned the establishment of an ombudsman for financial services, precisely, because banks are charging usurious rates and making super profits, but we still do not see anything coming on this score. Where is the ombudsman for financial services? Maybe, it is an *effet d'annonce*. The Bill also mentions the compliance with IOSCO requirement whereby the Central Bank is required to exchange information with the Financial Services Commission where there is an exchange of information agreement with a foreign country. This is in line with the OECD requirement and international best practice. So, we have no quarrel with that.

However, there is, under the Securities Act Amendment, a more serious change where the FSC, under the law can request any information from any licensed operator regarding any securities transactions. While we have no problem on the exchange of information, this will have to be carried out under the due process of law and under appropriate safeguards in order to prevent foreign States and foreign agencies to come to Mauritius on fishing expedition for information. There are already, under existing law of mutual legal assistance, and other laws provisions to have information submitted under the protection of the court. So, by leaving it wide open for the FSC to have that power to ensure that information is provided on securities transactions, without these safeguards is a step that is dangerous to take for the country, especially at a time when the offshore sector is facing head winds with the problems with the DTA with India.

While there is no problem with exchanging information, it is important that it should be done under the due process of the law, under the protection of the court and with due safeguards because we are not sure that the foreign legal enforcement agencies, the foreign regulatory

Bodies and other foreign agents have the same standard of rigour and have the same equivalent standards and best practice as our jurisdiction. This is a note of caution which I would like to sound to the Minister.

Again, with regard to the Bank of Mauritius Act, we have now a change in the Monetary Policy Committee. The Board membership has changed and now the MPC will not have any more directors on its Board because the MPC will now consist of a Governor and three senior officers appointed by the Governor instead of the two Deputy Governors. And instead of having two independent directors of the Board of Bank of Mauritius in the MPC, now there are no more directors of the Board in the MPC and there would be now five non-directors who would be appointed by the Minister, but after consultation with the Governor. So, it is important that this MPC really has a Board which has independent persons of wide experience in finance and economics and also that it does not become a department of the Central Bank.

The Bill also provides for the Minutes of the MPC to be published within two weeks of the meeting and disclosure of the voting preferences of the members of the MPC. This is also a step in the right direction. And another amendment in the law also provides that the MPC should function in a way as to determine the Monetary Policy to be conducted by the bank in order to implement the objectives of the bank. One object is to determine the accepted range of the rate of inflation and also to implement appropriate policies to promote economic activities having due regard to domestic and international economic developments.

However, it needs to be mentioned here that this function of the MPC is in relation to inflation targeting, that is, the law provides that an inflation range is determined; the Minister has announced that a committee will determine that inflation target range. But the law of the Bank of Mauritius already provides that the Minister can consult the Governor and determine the inflation range, but the Minister has preferred it to be done by a committee. So be it! Let's hope that the committee will set to task very quickly now that we have these changes in the MPC operations and functions.

I now turn to the Banking Act. With regard to the Banking Act, there is one provision that is worth mentioning, which is the possibility for replacing or rotating auditors at each annual meeting rather than from time to time. This is also a step in the right direction because we know, especially after the financial crisis, that there has been a lot of criticisms of the role of audit firms

because there are only four big audit firms that corner the market and it is good that we have rotation of auditors not only among the four big ones but also with additional smaller ones.

With regard to the Jewelry Act, the Bill here provides that the Jewelry Act will be amended in order to license dealers in export of jewelry and in melted precious metals. Mr Speaker, Sir, it is important for me to mention that this law is quite inadequate and it is long overdue. Just licensing a dealer in order to control its operations with regard to export of jewelry and melted precious metals is not enough. The law should be made more severe to deal with this problem as in the case of scrap metal and copper wire. The House will remember that once the new law concerning scrap metal and copper wire was put in place, this trade has been drastically reduced. We need to change the law not only to control such dealers, but also to stop all this aggressive marketing and advertising which appear in the newspapers and on radio where foreign jewelry merchants have outlets all over the island in order to buy gold jewelry, whether used or not. In fact, these foreigners are now licensed to operate in Mauritius as a jeweler, but what they do is not to do craft jewelry, but they are only buying gold. They are not even selling jewelry, Mr Speaker, Sir. So, the law should be strengthened to deal with these categories of foreign operators in this gold trade. In fact, it is giving a very bad image to our tourist industry and to our Mauritius destination, and Mauritius has now been called a hub for stolen and melted gold as important as Dubai.

In fact, it is not too strong to require that a Commission of Inquiry be set up to inquire into the whole trade in used jewelry. The role of the Central Bank as the sole importer of gold, the role of the MRA to track down all those who are dealing like a gang for their fast accumulation of wealth and the role of the Assay Office should all be reviewed. Mr Speaker, Sir, this small amendment to Jewellery Act is really very inadequate for such a big problem.

I come now to the other amendment item regarding the Limited Partnership Act 2011 which was just passed recently. I remember I mentioned to the hon. Minister that Mauritius offshore jurisdiction has been labelled as a place with little substance. It is important that we show in our legislation that what we operate is a platform, a gateway which has substance and which can provide services both in Mauritius and outside Mauritius. It is not just an offshore operation. It is an operation of substance both in Mauritius and from within Mauritius and outside Mauritius. It is a good move from the hon. Minister that he has made the amendment to the Limited Partnership Act.

Another commendable measure is the amendment to the Non-Citizens Property Restriction Act. Again, it is good to put on record that I did mention in one of my interviews that in Singapore, foreigners are not allowed to buy freehold property in prime site or, what they call, a town villa. In fact, in Singapore, the Government has a policy to encourage foreign investors to buy apartments or penthouses on a multi-storeyed building. It is good that in order to prevent land speculation, Government has taken on board this suggestion.

The other item which needs to be mentioned is the amendment to the Public Debt Management Act with regard to the definition of the ceiling of the public sector debt. In fact, the Act provides that for the definition of the public debt ceiling, certain public enterprise debt can be discounted or even disregarded in the total stock of public debt. But what criteria are used to discount or to disregard certain debts which are contracted by public enterprises? This has to be done in a very transparent way. Unfortunately, nothing has been put in the legislation to make it more transparent and to make the disclosure in publications on when and how the discount has been made. However, the amendment just provides for the introduction of a new member to the committee that will review the public debt ceiling in the person of a Director of the office of Public Sector Governance. One would have wished that it is the Director of Audit who would be put on Board, but that is the wish of the Government and so be it.

Finally, Mr Speaker, Sir, I come to the Public Procurement Act. With regard to the Public Procurement Act, we have to bear in mind that the Act is based on three main principles. Firstly, to make sure that we have an open competitive bidding. That is the process of public procurement; we need to have the best value for money. Secondly, to ensure that there is transparency in the issue of the tender, in the examination of the tender and the award of the tender. The third important thing is to provide for a mechanism for appeal, for grievances and for redress. That is why we have a Public Procurement Act. What do we see now? The Government is flouting all these principles and amending this Act by introducing other arrangements under this Public Procurement Act. What are these arrangements? These arrangements have the smell of, what is called, a Tied Aid. It is an arrangement or agreement which is G to G (between Government to Government) where it is presumed that the contract will benefit from the expertise or the development experience of a foreign country in a particular field. In this case, a contract can be awarded directly to a foreign country through its chosen corporation. This, Mr Speaker, Sir, flouts all the basic principles of public procurement because it does not allow for

open competitive bidding and we are not sure that we get the best value for money and also we are bound, we have our hands tied with contractors chosen by the foreign government.

The second arrangement which bypasses the process of public procurement is the case where you have again a kind of an unsolicited bid from a foreign country or a foreign organisation and the relevant Ministry is given the powers on its own to do the procurement when it concerns an ICT project, that is, a project in relation to telecommunications and communications. In cases where it is claimed that sensitive information is involved which requires interface between different IT systems, an award for a contract can be done directly to a firm which has shown that it has experience in developing the IT system. How does this work? It works through a ministerial committee where the Ministry responsible for the project will submit a report to a high-powered committee consisting of the Secretary to Cabinet and certain senior civil servants, which high-powered committee will then report to Cabinet and then the Cabinet will notify the Ministry which will then decide on the public procurement. It means that it bypasses open competition; it is a process that involves public officers in the Ministry, without any transparency and open competition.

The third way in which the Procurement Act is now amended is where a contract can be awarded through, what is called, a framework agreement. It is not specifically mentioned in the law that the framework agreement would involve bulk purchases, but he did mention in his Budget Speech that it involves bulk purchases, meaning therefore that in case where you buy petroleum or cement in bulk, we do not even need to go through the full process of a public procurement, we can have a contract negotiated between a public body and any supplier so long as it falls under a framework agreement.

Mr Speaker, Sir, this is a very tall order. I think it flouts all the rules of transparency and we have very strong reservations against this amendment to the Procurement Act.

With this, Mr Speaker, Sir, I want to put an end to my intervention and I thank you very much.

(6.49 p.m)

The Minister of Industry, Commerce and Consumer Protection (Mr C. Sayed-Hossen): Mr Speaker, Sir, the provisions contained in these two Bills under consideration include many measures aiming at modernising our national economic system as well as its

different subsystems. In this case, of course, modernisation also implies creating the conditions for growth with resilience.

These provisions also include measures to strengthen our laws relating to certain specific aspects of our economic activities, among others, but not exclusively, land transfer, trading in gold and jewellery, regulation of tourism related activities, the overall objective of which is to strengthen the rule of law and accountability.

Before processing further to canvass a few of these points, Mr Speaker, Sir, I would like to comment on a few points raised by hon. Li Kwong Wing, to whom I just listened. I must thank and commend him actually for his intellectual honesty and for his very moderate and professional tone and for recognising the many wise and positive measures that are contained in the Bill. Of course, he has some reservations, but he does recognise the value of most of these measures and I wish to give him recognition being given that I am speaking after him.

However, I still wish to make a few points and remarks, which were made by the hon. Member. Very briefly, he talked about corporate tax, uniformisation at 15% and suspects now that there might be differentiation, taking, for example, the Freeport. We know, Mr Speaker, Sir, that the Freeport over the past few years has been suffering from quite some problems for a very simple reason. It is because Asian countries, mainly China and India, have been going massively direct from China and India to the eastern seaboard of Africa, thereby literally by-passing the Freeport. It is high time, of course, for us to cause the Freeport to be revived. The best way to do this is to give incentives and through the measures, which are included both in the Budget Speech and the Finance Bill.

Hon. Li Kwong Wing also mentions tax deduction for banks on sum dues by SMEs. Mr Speaker, Sir, we are living in a country by national consensus. We are living in a country where we agree that we have a liberal mode of economy, where we respect private property and where we have the rule of law. Of course, it has to be a win-win situation. It has to be a give and take situation. For banks to play the game with SMEs, Government also has to play the game with the banks. But, still I will come back to the comments of hon. Li Kwong Wing on the amendments brought to the Bank of Mauritius Act. I am happy to see that the hon. Member does recognise that the *responsabilisation* of company directors is a very positive thing.

Concerning the amendment to the Bank of Mauritius Act, section 3, which is on page 4 of the Economic and Financial Measures (Miscellaneous Provisions)(No. 2) Bill. I am very much

afraid that hon. Li Kwong Wing might have misread or only read part of the amendments which are proposed. The amendment reads as follows –

“The Bank of Mauritius Act is amended –

- (a) in section 6(1) –
- (i) by inserting, after paragraph (a), (...)"

The whole paragraph, which hon. Li Kwong Wing did quote -

“(...) set up a development fund for the benefit of small and medium enterprises and require a bank that fails to meet agreed lending targets to small and medium enterprises to contribute to the development fund by depositing, with the Bank at no interest, the difference between its actual lending and the agreed target.”

which unfortunately, my good friend, hon. Li Kwong Wing, qualifies as credit control.

However, if we continue, Mr Speaker, Sir, and we read paragraph (ab) and still in the same section -

“where any amount has been deposited in accordance with paragraph (aa), (...)"

which I have just quoted -

“direct that it shall be on-lent to a commercial bank that has met its target on such terms and conditions as may be prescribed by regulations made by the Minister, after consultation with the Governor.”

sous entendu the Bank of Mauritius.

This, of course, does not at all mean what hon. Li Kwong Wing stated just now that the banks, which have not met its target will see its money placed, may be, at 0% interest, but safely in a bank because the amendments very clearly provide for that sum of money to be on-lent to a commercial bank, which has already met its target.

The fifth point, which I would like to comment, Mr Speaker, Sir, is the comments made by the hon. Member on the amendment brought to the Jewellery Act. Indeed, if we look at the Bill, the amendments brought to the Jewellery Act are very small amendments concerning the exports of melted precious metal. Hon. Li Kwong Wing thinks that the law should be more severe and strict and I completely agree with him. I am in total agreement with what he says and with the views that he expresses except that maybe the hon. Member doesn't know, but these amendments had to be passed before new regulations to control the trading in gold whether

locally or export are adopted. These regulations, which are quite hefty regulations and which impose a very severe control on either trading for cash or exchange of gold against new jewellery as well as export of gold. We have very strong and very strict new regulations which are ready, but which couldn't be passed until these amendments have been brought. So, these regulations are almost ready and I can assure the hon. Member that once this Bill is passed and proclaimed, we will come forward with these regulations, which I am sure will go in exactly the same direction as he mentioned as desirable.

Mr Speaker, Sir, I will now canvass a few points from the two Bills combined. First of all, on the Advertisements Regulation Act amended thereto and I refer more specifically to section 3(2)(b) of the amendments. Of course, it is very clear, Mr Speaker, Sir, that we have in Mauritius now a proliferation of billboards of all sizes and manners, which have converted even our very pristine landscapes into jungles of commercial and consumable baiting and section 3(2)(b) of the Bill actually describes very clearly and very vividly the discordant note that these billboards bring to the landscape in Mauritius. These regulations will hopefully, I am sure, reduce the number of billboards and restore harmony in the landscape.

Section 9 of the Finance Bill, Mr Speaker, Sir, land duties and taxes act, I would like to comment on the great importance that we attach to the suppression of the capital gains tax, which is positive for property development and investment in housing infrastructure. As the French say: '*Quand le bâtiment va, tout va.*' Actually construction is one of the economic activities with the widest array of ripple effects, both upstream and downstream, Mr Speaker, Sir.

Furthermore, we know that we have in Mauritius a shortage of supply of housing for the middle class. We do have a shortage of housing for lesser privileged categories, but we know, unfortunately, that it is difficult to get private developers to invest in low cost of housing because of the cost, because of the credit, because of the difficulties of credit recovery, because of the low profitability and because of high risks. The new sub sections (9a) and (9b) in the amendment Bill constitute major motivations for the development of housing for the middle class. This, of course, Mr Speaker, Sir, demonstrates this Government's determination to have an even handed attitude in terms of policy vis-à-vis all categories of the population and exactly the same motivation lies behind the amendment to the SIA Act, I refer specifically to section 17 of the Bill.

I would like to say a few words on section 9 of the Bill, Consumer Protection, (Price and Supplies Control) Act, which makes provision for the eventual generalisation of the use of a blend of mogas and anhydrous ethanol as fuel for motor vehicles, Mr Speaker, Sir.

This amendment aims at bringing our fuel consumption pattern in line with –

- (i) our commitments with the European Union in the context of the reform of the sugar cane sector;
- (ii) the maximisation of the environmental benefits through the use of ethanol directly relevant to the materialisation of the MID project, and
- (iii) the eventual reduction of our Fuel Import Bill through the substitution of imported MOGAS by a more or less equivalent volume of locally produced ethanol.

Mr Speaker, Sir, I mentioned the concept of modernisation at the beginning of my intervention. Modernisation actually is one of the key objectives of this Government, and modernisation goes together with internationalisation, with opening up, and no country in the world, not even small Mauritius is an island anymore. Opening up may mean more competition, may mean harsher competition, but opening up internationalisation also brings new ideas, international networking, more modern techniques, more modern technology and, maybe, reduced costs through higher competition and, of course, the opening up of Mauritius to foreign professionals, whether they be dental surgeons, medical doctors or architects .

Mr Speaker: That is policy, the hon. Minister must comment on the provisions of the Bill.

Mr Sayed-Hossen: Thank you Mr Speaker, Sir, anyway I have finished canvassing this and I was just going to say that the same motivation lies behind section 20 of the Bill, The Non-Citizens Property Restriction Act, which was mentioned by hon. Li Kwong Wing.

Section 27, Small Planters Welfare Fund Act. This measure recognises the parity of contribution to our agricultural output of planters and breeders, as well as, processes and the extension of benefits formerly granted to small planters now to small breeders and also to small processes under the general heading of farmers now, is a very positive thing, Mr Speaker, Sir.

Indeed, Mr Speaker, Sir, there has been an evolution in our agricultural pattern from what was formally, basically sugar which was an export cash crop to now a fairly wide array of agricultural and livestock production with a substantial processing component and this combination points to the modernisation of our agricultural set up. The reduction to a certain

degree of potential food insecurity crises and the generation of higher value addition and these measures take all these considerations on board, brings a high degree of equity in the treatment of farmers and sets the basis for ensuring a higher degree of food security.

Mr Speaker, Sir, I would still like to say a few points about the Jewelry Act. I responded to what the hon. Li Kwong Wing said just now, but I wish to point out that the hon. Prime Minister some time ago in Parliament announced measures to come for the control of the very widely publicised trading in gold. Indeed, there has been a proliferation of media advertising to buy gold and we have seen a combination of two things: the number of cases of sellers not getting a fair deal in selling their gold has increased, literally short of cheating and we have also had reports of an increase in the incidence of jewelry thefts. Officials of my Ministry, as I have said just now, have almost finalised the new regulations to check and stall such a negative trend and following this amendment that we are voting today, new regulations, therefore, will be brought for stricter control in gold trading including export of melted gold. I agree with what the hon. Li Kwong Wing said that there is an international network of gold collection leading to export of melted gold and there is a sort of probably international mafia and this amendment will strengthen control over that particular export activity.

A last word, Mr Speaker, Sir. The Budget Speech of the hon. Minister of Finance is seeing its materialisation through these measures now and although there are certain measures which have been announced in the Budget Speech that aren't featured in these two Bills, it is not necessary that all the measures have to be made clear, that all the measures that featured in the Budget Speech should be included in primary legislation. A number of these measures can be included through administrative measures and this is as simple as that. I thank you for your attention.

At this stage, the Deputy Speaker took the Chair.

(19.06)

Mr P. Jugnauth (First Member for Quartier Militaire & Moka): Mr Deputy Speaker, Sir, we are debating the Finance Bill and the Economic and Financial Measures (Miscellaneous Provisions) (No. 2) Bill which are, in fact, the implementation side of the Budget which, as I have said, before shows the whole philosophy of this Government with the return of the policy of *ultra libéralisme*. There is a backdrop difficult international financial situation. The hon. Minister has said, we agree and I would have expected that in this situation where we are asked,

everybody of us *de faire un effort*, I would have expected that the provisions that are being translated into legal measures would have required, at least, for those who are very rich to make their contributions, but instead we see that the middle class and the poor are asked to make sacrifices.

Let me come to the measures, the first one being the SMS tax. A provision which is made to put a levy on the SMS, MMS a tax of 10 cents. Now this is one of the measures that poor people will have to incur. The hon. Minister has, in the course of the Budget, made an estimate of how much revenue that will bring to Government, around Rs150 m. probably I think it is going to be more than that, but those who are going to be *directement affectés par cette mesure seront surtout les jeunes et comme je dis d'un côté une taxe pour l'ensemble de la population, surtout pour les jeunes et d'un autre côté, on a enlevé deux taxes*, solidarity and the capital gains tax who have been giving ...

The Deputy Speaker: May I remind the hon. Member that we are not debating against the Budget, for the purpose of laying down his argument, I am allowing him to make some comments, but he should stick to the provisions of the Bill.

Mr Jugnauth: Yes Mr Deputy Speaker, Sir, I am coming to the reason why to me there should not have been this tax ...

The Deputy Speaker: No, the hon. Member has to give his point of view on the implementation of the decision which has already been taken and voted by the House, whether it is not in line with what was stated in the Budget Speech or whether it is more extensive, these can be raised, but he cannot go on the policy itself.

Mr Jugnauth: Mr Deputy Speaker, Sir, I believe that the hon. Minister has said that the effect of this tax is going to cost to the people 10 cents. I strongly believe that, in fact, it will raise much more revenue and will bring to Government much more than that Rs150 m. that have been earmarked.

In regard to the amendment that is being made for the small planters, the measure of the refund of the VAT for the purchase of equipment, I see that there is a limitation. Again, I wonder how many small planters will be able to buy tractors but, anyway, let's assume those who are going to be able to avail themselves of this measure; I see that the date limit is 31 December 2012. I believe this is not appropriate because for the few ones eventually who will be able to buy equipments and ask for refund, there are probably a number of them who will not

be able to buy all the equipments. There can be cases where one equipment is bought in this financial year, and you can have equipment that will complement this equipment. Therefore, we see that this measure makes only provision for a date limit of 31 December 2012. I believe that, for those very few, it should have been extended to 31 December, let's say, 2015, so that there is a sense of predictability to those entrepreneurs and, in fact, give at least a boost to them.

As I said, what happens to a farmer who buys equipment in one year, where he benefits from the refund, and what happens for the next year? What happens as regards to spare parts? Because we expect that machinery, tool can be used and it's not going - very unlikely - to break down or the need for spare parts to be changed. What happens in the years to come? That measure that is being provided does not make a provision.

I come to the issue of the tax. *La taxe sur les chaussures importées qui a été enlevée.* There has been an outcry with regard to this from those producers. In all fairness, I would have expected the hon. Minister to say whether there have been consultations in order to see to it how there can be a win-win situation. But, I hope the hon. Minister, in his summing-up, will tell us whether there have been consultations in the meantime, as from the date this measure has been announced, and if there have been proposals. I am told that there have been proposals from the representatives of this sector and, probably, we could have come with a more staggered reduction of this tax, in order to allow them to cope with the situation.

I heard the hon. Minister saying that he has taken - and I have noted down - a number of measures to improve the competitiveness of the shoemakers. We have not been told what measures have been taken in order to help the shoemakers.

Let me come to the issue of the amendment that is proposed for the National Savings Fund at section 5(2). The hon. Minister has, in his Budget, mentioned the figure of Rs3,000 in regard to those employees. I see that in the Additional Remuneration Bill that we are going to debate, a full compensation is being given to those people earning a salary of Rs5,000. Again, why Rs5,000? There must have been a reason for assessing; probably the fact that, for really the poor people, Rs5,000 would have been a ceiling. Why is it that here it's only Rs3,000? But, what I find more disturbing is the fact that we have not again been told how many people will benefit from this measure. It's a good measure, yes. But how many people earn up to Rs3,000? I wonder, because we have the figures from the Central Statistical Office, and I would have expected the hon. Minister to tell us, at least, how many people are going to benefit.

At sub section (d), the words that are being put in the Bill are 'and to the availability of funds'. I find that a bit unfortunate and, in fact, it is far less than the *effet d'annonce* policy. I need not say again that the trade unions have opposed this measure, because they say they have not been consulted. When we are talking about availability of funds - subject to sub section (2) and to availability of funds - *c'est très intrigant, M. le président*. What will happen? Are there some employees who are going to benefit? We are talking about the payment of contribution to health insurance scheme. In Sub section (1), you provide that 'subject to sub section (2) and to the availability of funds'. I don't interpret it that way. 'Subject to availability of funds' means to me that there can come a situation when no funds are available. I don't know, but this is not clear. So, I hope that the hon. Minister will clarify.

Again, with regard to the abolition of the Solidarity Tax and the Capital Gains Tax, as I said, in difficult times, at least, these taxes should have remained. Anyway, this is the policy of Government.

Let me turn to the voluntary disclosure of income. This measure was already implemented some time back by another Minister of Finance, and now it is coming back again. I wonder how many people, how many institutions or how much are involved in regard to this. I am sure there must have been an estimate. Probably, it would have been transparent for the hon. Minister to tell us what sum we're talking about and why is it that this measure is being implemented, more so that it was implemented just the few years back.

Let me come to this issue of the GRA and, if you will allow me, Mr Deputy Speaker, Sir, I will try to, at least, give some information to the House because unfortunately, I don't see - unless I have not read the Budget well - that measure was mentioned and canvassed at Budget time. Therefore, since this measure is now being included, I hope I will be able to shed some light on this measure. In fact, in 2009, Government decided to regularise the situation of around 500 operators of amusement places which are located, in fact, at different parts of the island. Subsequently, the GRA Act was amended in the Finance Miscellaneous Provision (No. 2) Bill in 2009 to include the definition of Amusement Machines with Prize - what we call AWP. The amendments were proclaimed in December 2010 and became operational in January 2011. I can still remember, at that time, I was Minister of Finance and that my officers were still preparing the conditions for the licensees when I learned that the Board has already approved, in fact, another license and I gave instructions that they should not issue any new license until all the

groundwork was done, that is, the inspection of machines, hours of operations and so on. But again, despite my instruction at that time another license was approved by the Chairperson of the Board to the same company.

Mr Deputy Speaker, Sir, what is to follow, in fact, proved that my decision was correct. The reports from the inspectors of the GRA and the officers of the MRA were, in fact, both adamant that 99% of the machines that were in operation in the country were not compliant to the provisions of the law. In fact, most of those machines had only the elements of luck whereas the definition of the AWP machine must contain an element of skill; skill alone or skill linked up with luck. These AWP machines were, in fact, disguised slot machines. The officers even reported that the payout in many cases exceeded the provision that contained in the law – that was Rs 3,000 - and the picture, in fact, is very clear because have the 500 or more disguised casinos operating the disguised slot machines. This was also creating an illegal and unfair competition to those who were paying the high license and taxes for the running of the proper slot casinos.

I can still remember, at that time, we had three choices –

- either to close all of them
- to force them to comply with the law or
- to amend the law so that it suits their activities.

Mr Deputy Speaker, Sir, I remember after bold decisions that we took to close down the Ti Vegas, I urged the authorities to apply the law and, today, the hon. Minister is doing exactly what I refrained from doing, that is, to amend the law to suit those operators who have been, in fact, flouting the law and have taken advantage for more than 15 years of being outside the ambit of the law. Now, we see that the element of skill attributed to these machines has been removed completely by this amendment, and now, operators will introduce slot machines directly.

I can tell the hon. Minister to watch out for the mess that is going to be created, because we are creating an uneven playing field. There is going to be outcry from the operators who, I remind again, are paying really heavy taxes for the operation of the slot machines.

In a nutshell, this measure will help to propagate all those illegal slot machines in the island and will encourage, in fact, a culture of gambling to even reach the remotest part of the island, very much contrary to what I did when I was at Finance. This is further confirmed by amendments that are being brought to section 165, where, now, defaulters in the horse betting

industry, will get a 75% or 100% reduction in penalty chargeable. *Comme je dis c'est un changement de politique.*

Let me come to the amendments that are being proposed at section 28, paragraph 14 –

“The Director-General shall not refer an application under paragraph (a) to a panel unless the person applying for the review has voluntarily made a sworn statement, in such form as may be prescribed, that he has waived his right to initiate any proceedings before any Court in Mauritius in respect of any decision of the Director-General pursuant to the determination of the panel.”

Again, with the reasoning at the stand, with regard to the Equal Opportunities Act, I fail to see why we are preventing somebody from availing himself of the right to go to Court. To me, he should be able to have his case referred before the Director-General and also, to be able to have, as a matter of right, to take this case before a Court of justice, as well. I heard the hon. Minister saying that in regard to his announcement at paragraph 364 of the Budget speech, the Solidarity Levy that was going to be imposed on the management companies, today he says that he is not going ahead with this measure and, in fact, they are going to increase the license fees. Well, to me those who have, unfortunately, they require the influence; probably, the necessary power to put pressure. I believe they have done so. *Le ministre est en train de reculer.* Therefore, instead of solidarity which I expected in difficult times, unfortunately, *il y a un recul.*

I see that there is a very small amendment, but it will have a very big impact - this Income Tax Act, section 50 (k) and (l) in regard to CSR. Again, when we expect those who are the most fortunate ones, those who are, in fact, making more money, should be able to contribute in difficult times, instead of the 2% that is being charged on book profits, now there is an amendment whereby it will be applied to chargeable income. Therefore, meaning less money for CSR purposes and we all know the objects for CSR.

Let me come to the amendment in regard to the Customs Act. I see again - and I hope that the hon. Minister will probably enlighten us - the possible sales by a duty-free shop. I see that it is situated at port and airport. I have no problem with that, but I need clarification as to the location of another duty-free shop. I don't want to speculate on why. But how are we going to determine another duty-free shop? Is it going to be inland? Who will be eligible? What kind of mechanism will be put in place, not only for that shop to be able to sell at duty-free prices, but for the effective efficient control also?

With regard to the Excise Act that is being amended and which has to be read, in fact, along with clause 9 of the Economic and Financial Measures (Miscellaneous Provisions) Bill, I see clause 6 defines the terms 'anhydrous ethanol', 'blended mogas' and 'hydrous ethanol'. Clause 9 provides for the fixing of the percentage of anhydrous ethanol to be blended mogas. But there is no firm commitment as to who will implement the ethanol project as yet, where the plant will be located, what will be the percentage of blending, what are the risks with each possible level of blending, will the blending be mandatory or optional nor is there any clarity on the price of molasses. An eventual operator, the planter or the consumer, the oil companies and the insurance companies are all, in fact, in the dark in regard to that amendment and the whole of what I mentioned should have been included in the Economic and Financial Measures (Miscellaneous Provisions) Bill and, in fact, made known to all the stakeholders, including - I think more important - the European Union and all the international financial institutions.

The phasing in of the ethanol project which, according to the ERCP, should have commenced in 2012 is not a backyard affair but one which I consider as being a national pride, and I must say I am worried. The ethanol issue as well as the cess reform issue are, in fact, linked to the receipt of accompanying measures. And I would invite the hon. Minister to ensure that all the projects are, in fact, implemented in time because we stand to gain billions of rupees and so far I must say things have dragged on and the only issues that have been resolved are those in fact that I introduced in the ERCP and which, fortunately, I must say are being maintained.

Let me come to clause 9 of the Bill, in regard to land, duties and taxes which, in fact, will have to be read alongside clause 15 B of the Registration Duty Act. Now, this relates to the incentive in respect of medium income first-time buyers. Now, I have a few points here.

Firstly, the measure requires a time span longer than the one provided. The 5-year horizon would have been more appropriate for those persons and such a time span would encourage operators to better plan their projects. Secondly, it must be ensured that the cost of the houses matches the loan limits to which the middle-income earners are entitled to, and thirdly, the authorities must ensure that buyers obtain value for money and that they are not given houses which have many defects. There may be need to introduce some kind of production of quality certificates for eligibility to the fiscal concessions and will there be agreement to sell before construction is finalised in these cases or would the buyers only cash in after the State is ready or certified and be entitled to credit facilities. Therefore, it would be useful for the hon. Minister to

clarify those points. In regard to the sub-clauses 1, 1C and 2, I see the date limit, as I said, that have already been dealt with, in regard to the extension of the limit.

Now, in regard to the amendment that is being brought to procurement, I listened carefully to the answer that has been given this morning by the hon. Minister. In fact, when I was Minister, I circulated a proposal; it was in a form of a White Paper; it was discussed and it was going to be publicised. I think there is urgency because we can't move along in a piecemeal way. This is what Government is doing. There is an amendment today in regard to public procurement and, at the same time, there is going to be lengthy discussions about a new Bill that will come to this House. Therefore, I think it is not the proper way of moving forward and I am also skeptical in regard to the provisions that are before the House today. I had the same worries, as has been mentioned by hon. Li Kwong Wing and I won't repeat because they are the same issues. So, I hope the hon. Minister will assure us that Ministries will not make an abuse of these provisions.

M. le président, en passant, cela me fait un peu sourire aussi à l'amendement qui est proposé au *National Productivity and Competitiveness Council*. Je vois que le ministre aura plus de pouvoir sur cette institution. Ce qui n'est pas mal aussi. J'espère que le ministre va pouvoir mettre bon ordre parce que nous savons très bien qu'entre le président du conseil d'administration et son directeur, ils s'en est fallu de peu qu'ils viennent aux mains pour une affaire d'argent. J'espère que le ministre va mettre bon ordre.

Let me come to the amendment relating to the Bank of Mauritius. Now, section 54 subsection (1) proposing a change in the Monetary Policy Committee and I take note. I don't know why there is this amendment to remove the two Deputy Governors and to give a free hand to the Governor to decide on the representation with regard to three officers of the bank. I believe that at least one Deputy Governor should be part of that committee because the Governor is not going to be, let say, all the time around. We hope that he stays, but let's say he is not available and there is an urgent need for the MPC to meet, at least there should be like a follow-up and one Deputy Governor should have been part of that committee. But anyway!

Now, I welcome the way that this MPC is going to function in regard to the works that they will do, they are going to publish because it is good, it is transparent, people should know, how and why and motivate their decisions. I would also expect the setting up of the committee at the level of the Ministry of Finance. I have doubts about the way it is going to work with the Bank of Mauritius, because this committee, I understand, will set the range for inflation.

Now, just like the MPC, I believe there are going to be serious people there and there are going to be competent people. Let them also come up with the reasoning and the motivation and why they have decided and recommended to the Bank of Mauritius this range of inflation. Probably they could publish their work also. Let people know so that everybody is informed and more so the people who are in the business sector, because, of course, they are not the only one who are going to be affected, but I think it would be another step in the right direction in regard to transparency.

En ce qu'il s'agit des prêts concernant les petites et moyennes entreprises, je vois qu'il y a beaucoup d'interrogations à ce sujet, M. le président. *Si je comprends bien la Banque de Maurice prendra possession des montants des banques commerciales qui n'ont pas été empruntés par les entrepreneurs. Alors, je voudrais savoir peut être à quel frais s'il y en a, et la question de: what is going to be the target? Is it going to be set every year or for three years?* Mention has been made that there is going to be three billion available for three years. How does the cost of the money that is being lent by the Bank of Mauritius out of the deposits of the bank that has failed to meet its target to a bank which has met its target, will impact on the cost of the lending to the SMEs? I think it is important that we know about this. Let me en passant faire une remarque sur la clause 27(c) – definition that refers to agro-processing enterprises. The Minister has put a limit of a turnover of ten million rupees. I don't know how this can be reconciled with the SME limit of Rs50 m. that are spelt out in the Budget.

The last point that I want to make is, in fact, in the form of a few questions because I feel that we must move with care. It is clause 14 with regard to the ICTA. Have there been consultations with the stakeholders and also at national level in the formulation of these amendments? What will be the impact of these amendments on the telecom market and will the industry be market driven following those amendments? How and to what extent these amendments will, in fact, contribute to bring down the telecom tariffs to the benefit of the customers and how will the customers and the citizens benefit also from these amendments? Mr Deputy Speaker, Sir, these are my observations and, of course, I will look forward to the few issues that I asked in terms of clarifications and questions. I will look forward that the hon. Minister, in his summing up, will answer.

Thank you.

(7.42 p.m.)

Mr R. Uteem (Second Member for Port Louis South and Port Louis Central): Mr Deputy Speaker, Sir, I will talk on the Economic and Financial Measures Bill and I will cover four amendments.

Incidentally when I read the Explanatory Memorandum, there is a list given of the objects of this Bill and none of the four amendments I am going to talk about is mentioned as an objective.

The four amendments I will talk about relate to the amendment to the Securities Act, the Public Procurement Act, the Bank of Mauritius Act and the Civil Code. Concerning the amendment to the Securities Act, this essentially, Mr Deputy Speaker, Sir, relates to the offshore sector. The Chief Executive Officer of the Financial Services Authority is given wide powers now to request information from people. There was a similar provision in the existing legislation. But what this Bill does is to increase the list of people from whom he can get information; the list of people to whom he can communicate those confidential information and the type of information that he can divulge. Mr Deputy Speaker, Sir, this amendment comes at a time where the offshore sector is going through area of turbulence, where our treaty with India is being called in question. Today itself there is a delegation from India who has come to Mauritius and there is a lot of uncertainty.

At this point, it has to be reminded to the House that confidentiality is the bedrock of the financial sector; confidentiality does that mean criminality. The fact that you want to keep your business secret and confidential does not mean that you have something to hide, that you are doing something illegal. I will like to quote what the Chief Justice, Mr Sik Yuen, said in the case of Technology Soft Corporation Ltd. versus ICAC so that they come to know what the law says about confidentiality. The general rule is that confidentiality is the very foundation of business and more especially in the financial services sector. Justification for confidentiality ranges from capital flights, from the risk of war, oppressive government, to exchange control and protection from legal judgements. Confidentiality while being the main strength of our offshore industry is also its greatest weakness. A control of the offshore sector is, therefore, necessary in the public interest since it preserves and promotes the integrity of that sector. Confidentiality should, therefore, not be invoked to shield criminal activities which undermine economic and stability. There is, therefore, a duty on everyone involved in the offshore sector to act responsively so that no fishing expedition for information which are otherwise protected be undertaken and

disseminated on mere suspicion. This last sentence, Mr Deputy Speaker, Sir, is a crucial part. No fishing expedition for information which are otherwise protected be undertaken and disseminated on mere suspicion.

Today by amending the Securities Act, we are doing precisely this. We are increasing the area of people to whom we can divulge confidential information, the type of information we can divulge and the persons from whom we can request. Unfortunately – and I'll say that very much so – while giving such wide ranging powers to the FSC, nothing is said in this amendment to protect the legitimate rights of individuals against a fishing expedition from a foreign entity, a foreign body.

The other amendment I would like to talk about is in respect to Public Procurement Act that is being amended. This morning, the hon. Minister of Finance, himself, was telling us the importance of the review being undertaken by his Ministry and the public procurement policy. Procurement is very important, Mr Deputy Speaker, Sir, and I will quote from the then Minister of Finance answering to a PNQ on 17 August 2010. This is what he said -

‘Mr Speaker Sir, the challenge that all Governments across the world face with public procurement is how to strike the right balance between speed, transparency and equity.’

Then he went on to say that it is a permanent learning curve and the Procurement Policy Office had obtained assistance from COMESA and the World Bank and the main recommendations were to revamp our legislation to align it fully with the United Nations Commission for International Trade Law model and the COMESA procurement directives.

Today, what do we see, Mr Deputy Speaker, Sir? We see that this legislation is going to amend the Public Procurement Act to increase the circumstances where a Minister, a Ministry, a public body will not have to go through the procurement procedures set out in the Public Procurement Act. Previously, under section 3, the only exemption was where procurement needed to be bypassed to protect national security or defence. Now there are two new grounds. The first one, clause 24 Public Procurement Act amended, states –

“(b) pursuant to an agreement or arrangement between Mauritius and a foreign State which allows Mauritius to benefit from the expertise and development experience of that foreign State in a particular field;”

So, that is the situation where State to State, one donor country which is going to provide us with financial assistance imposes on us the person who is going to do the contract and we have seen this has happened before. The problem is: how do we ensure in such circumstances that we are getting real value for money? So, the amendment goes on and says that in relation to that provision where you are bypassing the procurement because of the Government to Government agreement and in that circumstance, it says –

“(1B) The conditions referred to in subsection (1A) shall be –

(a) in relation to a procurement referred to in subsection (1)(b), the procurement is undertaken by the foreign State or by or through an entity designated by the foreign State;”

So, this confirms that we do not have a say in it, it is the foreign State that is going to do the procurement, however obscured, however ineffective that maybe, we do not have a say. But then, that is the surprising part, the amendment goes on to provide that –

“(b) in relation to a procurement referred to in subsection (1)(b) or (c) – so that include (1)(b) the State to State agreement –

(i) the Ministry responsible shall –

(A) perform due diligence, with such assistance as it may request from the Board, to ensure that the procurement constitutes value for money;”

We have just stated that the procurement will be done by the foreign State. How can we then state that the Ministry is going to perform due diligence, with such assistance as it may request from the Board, to ensure that the procurement constitutes value for money? And then, the Ministry will submit its recommendations to a High-Powered Committee. That High-Powered Committee would be chaired by civil servant, namely the Secretary to Cabinet and is replacing as it were the Central Procurement Board which is supposed to be independent, now the role of a Central Procurement Board will be undertaken by this High-Powered Committee staffed by civil servants headed by the Secretary to the Cabinet. That High-Powered Committee what it will do? It will make recommendations, it will not even direct the Ministry whether they agree or not with the procurement method, with the allocation of the contract, it has only recommendatory powers. But what is more objectionable to the amendment, Mr Speaker, Sir, is the second new instance where you can actually bypass public procurement. It states –

- “(c) by any Ministry, acting on its own or on behalf of another public body, where –
 - (i) such procurement is in respect of an information and communication technology project which requires interfacing with different existing systems, and
 - (ii) in view of confidentiality of sensitive information and potential risks in the execution of the project, the supervising officer of the Ministry considers that, in order to protect the safety or interests of Mauritius, it is necessary that the project be executed by an entity which has initially developed the system or which has previously developed a similar system.”

This is what, Mr Speaker, Sir, we call tailor-made, tailor-made to enable a Minister in the Information and Communication Technology to award a contract, to provide a situation where you are dealing with confidential and sensitive information. If this amendment is not meant to cover the National Identity card, why do we have this amendment, Mr Speaker, Sir? This is tailor-made so that the Ministry of Information and Communication does not have to go through the international tender procurement system. What is more important is the last word, the person that is going to select needs to have carried out the project in Mauritius. It is sufficient that he has previously developed a similar system. So, there is no restriction, he can go to Singapore and say: “Oh, Singapore you develop ID card, I am going to give you the contract without procurement”. It can go to any system and this is extremely dangerous. We, on this side of the House, strongly condemn this attempt to bypass the procurement method in order to allocate the contract for National Identity card.

The next amendment I would like to talk about refers to the amendment to the Bank of Mauritius. This is the amendment to give effect to the decision of the Government to help SMEs, the famous Rs3 billion loans which the banks are going to give to SMEs and which we know that through PNQs that it was really a give and take, *donnant donnant* type of arrangement. In an answer to the PNQ on 18 November 2011, this is what the hon. vice-Prime Minister stated –

“The Mauritius Bankers Association, as representative of all the banks in Mauritius, has written confirming their agreement to the scheme. However, to ensure compliance, in the coming Economic and Financial Measures Bill we are bringing amendments to the Bank of Mauritius Act to give the Bank of Mauritius power to enforce the agreement.”

This is what he stated: “We are giving power to the Bank of Mauritius to enforce the agreement”. When the hon. Leader of the Opposition asked him to table a copy of the agreement, this is what he added –

“Mr Speaker, Sir, I must say that the letter came some time ago, because this has been going on for some time and it was a letter on the regional conditions, but it has not changed vastly from this and we know, Mr Speaker, Sir, that this will be applied. I am giving a guarantee to the House that this will be applied and, in fact, it would be applied not in one year’s time, in the coming weeks (...)"

Again, the hon. Minister of Finance seems to suggest that very soon we would be given a copy of this agreement between all the banks because, according to the hon. Minister, there would be 14 commercial banks in the first banking segment which are concerned by this measure. Each one of them will come, sign the agreement and he will table a copy of this agreement so that we can debate. Today, we have not heard anything of the sort. Instead, we are told that the Bank of Mauritius Act would be amended. It would be amended to do what? It would be amended and I read –

“3. Bank of Mauritius Act amended

(aa) “set up a development fund for the benefit of small and medium enterprises and require a bank that fails to meet agreed lending targets (..).”

Banks which fail to meet agreed - that’s the crucial point –“agreed lending targets”

When did the bank agree to meet the target? Where is the letter saying that the commercial banks have agreed to meet the target? And yet the law is being passed to tell them that: “If you do not meet the agreed lending target, we are going to force you to contribute to a development fund by depositing with the Central Bank at no interest, the difference between your actual lending and your agreed target. We are going to take that money from you, give you no interests.” For how long, indefinitely, for a week, for a month, for a year? Nothing! Just we are going to take it and give you no interest. And worse! What we are going to do with it, is we are going to take that money now, we are going to give it to your competitors. Those who have been good enough to meet their target, they will get this money on such terms and conditions as may be prescribed by regulations made by the Minister, after consultation with the Governor. So, the Minister has the power to reward the good banks and use the funds of the defaulting banks

and give them to their competitors. We don't know at what terms, we don't know what will be the interest rate and we don't know how favourable that would be. That is the only amendment today before us to implement what the Government has been going around saying that he is getting Rs3 billion. Up to today nothing, no agreement, nothing in writing. But the bad news, Mr Deputy Speaker, Sir, is that a bank can have real ground to go and challenge this decision in court. A bank who has not signed the agreement can go and say that by taking this money and giving them no interest, on no terms, you are compulsorily acquiring a property without compensation. You are getting nothing in return. The Central Bank is just taking the money, putting it in a development fund and using it for their competitors. In our opinion, there is ground to attack the constitutionality of the proposed amendment. Of course, if the bank has freely agreed; that it agrees to do this, it agrees that if it does not meet the target this will happen, this is a different matter. But as at today, there is no agreement. We haven't seen any agreement. We are all being told that the Bankers' Association, on behalf of all banks, has been negotiating. We haven't seen anything in writing. This is very dangerous, Mr Deputy Speaker, Sir.

The last point that I want to make, and is probably the most important, and for me the most shocking one, is the amendment that is proposed to be made to the Civil Code. In my humble opinion, Mr Deputy Speaker, Sir, I think that this amendment is so important that it should have been the subject of a separate debate. At least, then Members would have focused on what this Government is trying to do and what they are doing in the leasing sector.

Let us step back one minute, Mr Deputy Speaker, Sir. Today, if a Small and Medium Enterprise wants to get financing to buy equipment, a car, a computer or whatever it is, it has three options. The first one is that he goes to a conventional bank, takes a loan, the loan agreement will state how much interest he has to pay, what are the terms. He takes the loan, he buys the car, the car is in his name, he can use it or do whatever he wants. If there is a default, the bank steps in, depending on the type of security he has, he goes to court or goes through a usher in a case of a *gage sans déplacement* and seize the good. But all the way, the Civil Code provides adequate safeguard and protection. If you have a floating charge, you cannot just go in and seize. You need to make the necessary inventory list. If you have a *gage sans déplacement*, you need the usher and you can challenge the crystallisation. So, the borrower is adequately protected on the conventional loan. The second means is that they can go and enter into a hire purchase agreement. If, for example, they want to buy a computer, a laptop or a printer, they can

enter into a hire purchase agreement. This is governed by a specific legislation, the Hire Purchase and Credit Sales Act. Again, there are very detailed provisions about what needs to go in the contract, full disclosure by the person who is going to sell, lease the goods. We need to put all the costs, there are no hidden charges. And if tomorrow the SME defaults, you cannot just go in and seize the property. You have to go through a series of steps, including going through the court process. All the way, the Small and Medium Enterprise, that is, *le petit commerçant*, when he goes and buys a computer, he knows what are his rights, his remedies and his obligations. But the Hire Purchase Act clearly states that it does not apply to leasing contract. Leasing contract being defined as a leasing agreement entered into by an institution who is licenced by the Financial Services Commission to provide leasing facilities by a bank. So, what happens in a case today of a leasing agreement, if you go to a leasing house? They ask you for a down payment, they buy the goods on your behalf, in their name. So, they become the legal owner and then they allow you to use it and they ask you to pay the installments. If you default, they go to court to take back the goods.

As at today, leasing is done only through conventional agreement between the parties governed by the Civil Code. There is no prescribed law. It is purely contractual what the parties agree. But what it means, Mr Deputy Speaker, Sir, is that when you enter into a contract which is governed by the Civil Code, you get all the protections which the Civil Code gives to the contracting party, including protection against *abus de droit*. The leasing company cannot abuse of its position. *Droits d'adhésion*, when there is a system where the customer does not have a right to negotiate, the court takes that into account that you did not have a right to negotiate the terms of your leasing agreement, it was take it or leave it.

Clause Leonine, if the lion's share of the contract goes to the leasing company, the court has the power to go and intervene. There are so many powers and protections to the consumer. If you have a penal clause which is unreasonable and disproportionate, the person can go to court and ask protection from the court against the leasing company which is enforcing such an abusive provision, such a penal clause. Today, we are here to get rid of all these and have a new framework to govern leasing.

Mr Deputy Speaker, Sir, it really pains me when I read this. I was reading it again last night to see what a missed opportunity it is. Really, Mr Deputy Speaker, Sir, when I did my speech on Budget, I was thinking that this is the most pro capitalist Budget that we have heard

here, but reading what we have in this amendment goes far beyond what I had imagined in my worst nightmare. It is totally one-sided. It is as if the Minister had only listened to the leasing company and to those who have the economic means and not consulted any SMEs or any consumer protection officers. This law, if it goes through, will be the new Eldorado for financing institutions and the poor SMEs will sit down and cry. It's just like the Governor of the Central Bank who decides last week the banking for making indecent profits at a time of economic recession, indecent profits when there is no sharing of risks, when the banks are not going hand in hand as business partner with the SMEs. Today, we come in this assembly with a Bill which is going to add a nail in the coffin of the Small and Medium Enterprises in this country.

Mr Deputy Speaker, Sir, don't take my word for it, I will take you through some of the provisions of what is being proposed today. And I hope that hon. Members read carefully because they will have to answer for the decision for their vote.

1831 alinéa 8 -

« Le crédit-bailleur qui n'est pas intervenu dans le choix du fournisseur ou dans le choix du bien loué ou de ses caractéristiques, est exonéré de toute responsabilité résultant du retard dans la livraison de ce bien ou des vices qui pourraient affecter celui-ci. »

The leasing companies are totally exonerated; they have absolutely no liability for late delivery or for vice. Absolutely no liability! Contrast this with, for example, the Hire Purchase Act, which gives certain protection, reps and warranties for the benefit of the consumer. Here, nothing! Total exoneration! No risk, but double reward! Article 1831, alinéa 17 -

« Les parties déterminent d'un commun accord et mentionnent sur le contrat de crédit-bail le montant du loyer qui rémunère à la fois l'avance de fonds consentie par le crédit-bailleur pour l'achat du bien mobilier et l'utilisation de ce bien par le crédit-preneur. »

Double reward! If you go and take a loan, the bank factors you the cost of financing. It borrows from the Central Bank at repo plus X and lends it at a margin. That is its profit; only the cost of financing. Here, the leasing company charges you for the cost of finance, for the cost it is acquiring the equipment, the car for you, and then it charges you a second time for the use that you are going to make of it. Double reward! The clause even goes further -

« (...)le contrat peut prévoir une clause d'indexation. »

That is not enough. They can even increase the reward! Full reward, double reward, no risk!

Then we move to the next section, *alinéa 19*. This grants the lessee the option of buying the equipment, which is one of the fundamental principles of the lease; you should be able to buy the equipment. But, here, you can only exercise this right after *trois-quarts de la durée convenue*. If your lease is for ten years, you cannot exercise your option until you have paid them for 35% of the time. You cannot do it. You have to pay them with interest, with their cost and their double reward. If you decide to go for early termination of the lease, what is the consequence? You will have to pay *une indemnité de résiliation calculée sur la base de la valeur financière résiduelle, telle quelle résulte du tableau d'amortissement annexé au contrat*. I have no qualms about this. You are going to pay based on the amortisation scheduled, so that when you enter into a contract and you know you are going to have an early termination, this is what you are going to pay. But the Article does not stop here. It goes on to state -

« (...) majorée d'un certain nombre de mensualités de loyer, ne dépassant pas le montant d'une année de redevances. »

So, on top of having to pay the cost, on top of having to pay the amortisation amount, you will now have to pay additional instalments. What does that mean, Mr Deputy Speaker, Sir? That would mean that you do not have the product, you do not have the equipment, you do not have the computer, you do not have the car, and you still have to pay for one year for the use of something that you do not have! Is this how we are protecting small and medium enterprises? Is this how we are being fair? Is this how we are saying to small and medium enterprise that we are a caring Government which is going to help them?

The next clause is with regard to if the lessee, for any reason, decides not to exercise the option but asks someone else to exercise the option. The SME is in difficulty, someone else comes over and takes the lease, there is a liquidator or a restructuring; the textile industry is in difficulty, *nous avons un preneur*, and so he comes in and decides to exercise the option *d'achat*. What happens? This provision in *alinéa 20* says that the original SME, the original lessee remains liable even if he has nothing to do with it. Even if he has done a transfer towards a new acquirer, he remains personally liable for the obligation to buy by the person who is taking over.

We have spoken about the situation where the SME voluntarily terminates; early termination event. What happens in the case where there is an event of default beyond the control of the lessee? This is covered in *alinéa 22* -

« En cas de défaillance du crédit-preneur, le crédit-bailleur peut percevoir les loyers échus et impayés... »

This is totally in order. You have to pay whatever amount is outstanding.

« ainsi que des intérêts moratoires. »

You have agreed for penalty interest.

« et des dommages-intérêts. »

But this does not stay here; it goes on to state -

« Le crédit-bailleur peut également exiger le paiement anticipé de la valeur des loyers à échoir, lorsque le contrat de crédit-bail le prévoit, sous réserve toutefois de l'application par le juge des dispositions de l'article 1152, alinéa 2. »

So, the contract can provide that, in addition to all the indemnity, you have to keep paying me for the instalments, as if there was no event of default. Whereas for the case of voluntary termination the maximum you could charge was one year, here there is absolutely no maximum. If there are ten years remaining, you will pay ten years; eight years, you will pay eight years, even if you don't have use of the property.

The next paragraph states -

« A défaut de paiement à son échéance de la redevance ou des charges annexes et un mois après un simple commandement de payer ou d'exécuter resté infructueux, ce contrat sera résilié de plein droit, si bon semble au crédit-bailleur. »

So, if you default, you do not pay or you do not pay any charges, the leasing company can unilaterally decide to rescind the contract. The problem here, Mr Deputy Speaker, Sir, is why the SME rescinds the contract, why it is not paying. Maybe, it is not paying because the car is not working; the computer has broken down or because of spare parts. But no! The Finance House does not come into this. The moment that you do not pay, they can come and rescind the contract. We have today made history. This is what we are providing in this law. Historical move!

« En pareil cas, le crédit-bailleur peut saisir le Juge en Chambre afin de prendre possession du bien mobilier dont il demeure propriétaire. »

There is nothing wrong. But, look at what is said next line -

« Le Juge en Chambre statue dans les 2 mois de la saisine. »

Parliament is directing the Judge! You have to give a determination within two months because *Monsieur le grand capital* cannot wait! When, a few weeks ago, we raised the issue about *bail*, meaning bail in English, for fundamental rights to be taken before a court, we, on this side of the House, urged the Government to ask the Judiciary to give a judgment within a certain time. It was said 'No, we cannot do that. That is anti-constitutional; that is by-passing the prerogative of the Judiciary; we are the legislature - separation of powers; we cannot dictate the Judiciary. And, today, we are saying that the Judge in Chambers has two months to give his decision, just to please *le gros capital*!

(Interruptions)

You can rot in jail! The Judge has no obligation to give you a judgment, but for the leasing company they have two months to order the *saisie*. This is what this historical provision is saying today.

Then, Mr Deputy Speaker, Sir, it goes on to provide so many charges to be assumed by the lessee like personal insurance. I can understand that you are insuring the goods but, even for yourself, you need to enter into a personal insurance in case you die, in case of insolvency. That is why, Mr Deputy Speaker, Sir, there were so many smiles from the members of the insurance companies when there was the Budget Speech. There will be even more smiles on their face today, when they will see that, now, we are saying that all SMEs will have to take a private insurance, if they want to benefit from a leasing agreement. It is the same thing for *credit-bail immobilier*. It is even worse I should say, because in the case of immovable *credit-bail de l'immeuble*. This is what it says: 1831 alinéa 51 -

“En cas de sinistre, et quelle qu'en soit la cause, le crédit-preneur doit procéder à la reconstitution de l'immeuble ou des parties détruites ainsi qu'au remplacement de tous éléments de construction et de leurs aménagements.”

The goods have been destroyed, the house has been destroyed, the leasing company, the finance house and the mortgage house do not come into. You have to go and construct the whole thing again. Worst!

« L'incendie ou destruction totale ou partielle de l'immeuble n'entraîne pas la résiliation ni la suspension du crédit-bail ; la redevance fixée doit être intégralement payée par le crédit-preneur ».

Your house has burnt down, or there has been a cyclone and everything is destroyed, and if you apply ordinary rules of civil code -

“Lorsque l’objet du bail n’existe plus, il n’y a plus de bail.”

But here, no! There is accident, there is cyclone or your house has burnt down, you bear all responsibility and you have to continue to pay the leasing houses. This is what the Bill is saying. I can go on and on like this, Mr Speaker, Sir, but I think I have made my point that this Bill is extremely one-sided. If we need to drive home what this means to the common persons, I would like to relate a personal experience, Mr Deputy Speaker, Sir. A few weeks ago, a client came to see me. He had bought equipment on leasing. He had made down payment; he had provided personal guarantees. After a few months, the equipment broke down and it could not be used. He could not earn a penny, because his machine was down. He tried to look after the supplier, but the supplier was out of Mauritius and, of course, he could not sue him as he could not trace him; he was gone. He went to see the Finance House. What did the leasing company do? The leasing company started by telling him: “I will give you a moratorium to pay me”. And when he was not able to pay, the leasing company stepped in; they took the equipment. At that point, the equipment was worthless. Had they intervened one year ago when there was a first default, maybe there would have been a market for that. But, after one year there was no market, they got scrap value. And, then what did they do? They went after the person with his personal guarantee. Today, in this law, this is what we are saying to the leasing company. What you have done in this case is totally justifiable.

Mr Deputy Speaker, Sir, for me, this *credit-bail* is a lost opportunity, because there were so many things which we could have done to protect the SMEs. First of all, there is the range. Why do we limit it to only *mobilier corporel*, why not include *incorporel*? Why not use our imagination and, for example, allow it to cover *les fonds de commerce*? Why not use our imagination and let it cover shares of SMEs, which is the case in France. We don’t even need to have our own imagination; we could have just copied from France. Why not have extended lease on software, on intellectual property? That would have given a real boost to the starters, to the people in the ICT. But, no! Why not include Islamic leasing, *Ijarah*? We are talking about Islamic Financing. Why not have provisions to incorporate Islamic product? Nothing!

Mr Deputy Speaker, Sir, it is not too late. On behalf of this side of the House, I urge the Government, please, it is not too late. You don’t need to pass this amendment. Remove the

amendment to the civil code today. Go and take wide ranging consultation. Go and talk to the SMEs. Go and talk to the consumer protection groups and then come with a good legislation, which will make *honneur* to this country and this House.

Thank you, Mr Deputy Speaker, Sir.

(8.26 p.m.)

The vice-Prime Minister, Minister of Finance and Economic Development (Mr X. L. Duval): I want to thank all the hon. Members for having gone to all the trouble of reading these two very complex pieces of legislation and for the very valid points that have made throughout the debate, Mr Deputy Speaker, Sir, and I want to commend them on the quality of the debates.

Hon. Li Kwong Wing raised the fact that he thought we had forgotten some measures in the Finance Bill but, a little bit later, he, in fact, raised two measures, which he thought he had expected to see, but he didn't; one was DBM becoming a Micro and Small and Medium Enterprise Bank and the other one, the Bank Ombudsman. DBM becoming an SME bank, we are not yet ready for that. We are using the good offices of the IFC to help us and once we are ready, we will probably have to come to Parliament for that.

As far as the Bank Ombudsman is concerned the law is almost ready, but it will be a specific law and it will not be part of the Finance Bill, it will be a specific law on its own, Mr Deputy Speaker, Sir.

Mr Deputy Speaker, Sir, as far as the limited pay out machines are concerned, the other machines that were there before, it is a complex situation. We had to get help from overseas to come and help us because - as I think hon. Jugnauth also mentioned - a large number of these machines are already in use. We need to put order into it and see what is the difference between a gaming machine which will pay out anything, and a limited pay out machine, which will pay out up to a maximum of Rs3,000. We had to get overseas consultancy help to determine what sort of regulations we ought to have and also how we are going to check these machines and this is part of the legislation that will be coming. Later, we will see regulations coming, which will put more clarity into how the whole thing is going to be managed.

Mr Deputy Speaker, Sir, there was a point raised on informal sector and how we should try to sensitise the employers of domestic workers, employers of agricultural workers to come forward and declare their employees. In fact, we have gone the other way. We are trying to sensitise employees to come forward to say that they are working for such and such persons and

that they are not being insured with the NPF. That's what we are doing. We are doing so, Mr Deputy Speaker, Sir, by making sure that all these employees below Rs3,000, they come and they get insured at no cost to themselves. This is a big incentive. Normally, they would get insured and we would deduct the 3% and the 1%. You can imagine someone earning Rs3,000; it is quite a lot of money to lose, Rs420. So, the incentive is to encourage them and my colleague, hon. Mrs Bappoo, will be having a publicity campaign to encourage employees to come forward at no cost to themselves and declare that they are working and that way we will catch them in the net.

Mr Deputy Speaker, Sir, as far as medical health insurance is concerned, there is a trade-off that is being suggested; one is, obviously, to save up and if you get to 60 years, then you get your lump sum or whatever. Or here, you have a choice, it is not compulsory; it is a choice that you have, you can choose to have this money used for medical insurance, to make sure that you get to 60 years. So, there are two ways of doing it. It is a choice that every employee has, it is nothing compulsory. Obviously, we hope that people will take it up, but it is entirely up the person.

Mr Speaker, Sir, there was a point raised as to whether we should not give as far as income tax is concerned more deductions for taxpayers. I would like to remind the House that out of a population of 1.3 million people, a labour force of around 550,000, only 70,000 people pay tax in Mauritius. Only a few people pay tax, but they pay tax at a very small rate, it is very difficult to reduce further the tax base by giving additional deductions here and there, Mr Speaker, Sir.

As far as the bank and the lending at 8.4% - it is no longer 8.5% - is concerned, nowadays the Bank of Mauritius already has powers for directed lending. I am sure people here know that. It existed in the past. When I came to Mauritius back in 1986, the EPZ sector was entitled to have a bank loan at 11%. That was a directed lending. So, what the Bank of Mauritius is saying is that it is not hard to get the agreement of the banks because we already have the power to do so. We are saying: "Look, let's have a voluntary agreement, if you don't agree, it does not cost us anything, the Bank of Mauritius just issues the regulations and you have directed lending. So, we try to avoid directed lending by coming with the scheme which everybody is happy with and which everybody is agreeable with. And I am told that the constitutional point will not arise because it is an agreement between each bank and the Bank of Mauritius.

Again, if it does not work in three months' or six months' time, if it does not happen, then, we will go to directed lending, but I am pleased to say that my information is that the banks are complying and today I got the information from the Mauritius Commercial Bank that it gave its first loan to its first customer at 8.4%. And the other banks - especially the State Bank - are already doing so. So, in practice, you can try it yourself if you don't believe me. In practice, it is working and people are going to get the 8.4% at the rate for the amount that we have said, Rs1 billion a year and we have explained how it is going to be allocated between the banks. That has already been explained, Mr Deputy Speaker, Sir, to this House.

Of course, the carrot and the stick is, in fact, giving the excess money that you are not lending to the SMEs at this 8.4%; you give it to the Central Bank at no interest. I hope that no bank would prefer not to lend any money at the Central Bank rather than take a smaller risk and, again, in this House during the PNQ, we explained quite clearly that the risk, according to historical figures, was quite minimal as far as lending to this category of borrowers is concerned.

Mr Speaker, Sir, as far as the DBM rate of 5% is concerned, again, we explained before that it remains operational, but, in practice, it is restricted to a very small – a hundred or so – number of people. So, it is really irrelevant as far as making a major impact on SMEs is concerned.

As far as the amendments to the Monetary Policy Committee are concerned, Mr Deputy Speaker, Sir, these are being made according to a report made by Sir Alan Budd and he has suggested these be in agreement with the Bank of Mauritius. These are being put through, Mr Deputy Speaker, Sir, after careful study, not just out of a whim.

Mr Deputy Speaker, Sir, as far as Government to Government procurement is concerned, I am told that this is best practice and that we are just adopting best practice from overseas. This has been recommended to us by the overseas organisation.

As far as the information technology is concerned, I can understand the point that if you already have a supplier – for instance there are other cases – who has supplied part of your equipment, you would be much happier to have the same supplier to supply the rest and also, here, there are national security considerations.

One Member raised the point - I am not sure who it was - that we are doing this because of the National Identity Card. My information, Mr Deputy Speaker, Sir, is that the National Identity Card does not require this amendment. We are not doing it for that. It can go ahead in whichever

form; it can go ahead without this amendment. This is the information that I have, Mr Deputy Speaker, Sir.

As far as bulk purchasing is concerned, of course, the idea is to save money; the idea is not to waste money or squander money. So, it will be subject to competitive tendering process, otherwise there is no point. It has to be subjected to a competitive tendering process so that we can ensure that we buy the best at the best price. For instance, let's think about all the mobile telephones. It is well-known that companies in Mauritius, I presume, and overseas definitely, they buy minutes - the famous minutes we were talking about this morning - thousands and millions of minutes and they spread it out across their organisation and they save a lot of money from that. The same could be done. We can also think of airline tickets; we can think of a lot of other things, Mr Deputy Speaker, Sir, where we can save money. It means more trouble for us, more hard work for us in Government, but it will save money in the process.

Hon. Jugnauth raised, I think, a valid point as to whether VAT refunds that are being offered now to the agricultural sector could not be extended for more periods. If it works, sure! I think hon. Cader Sayed-Hossen stated why we have done that. We have done that to increase the competitiveness of the sector. When we are talking about productivity, it is also productivity of capital. We need to have tools to work with and I hope all of them will get it. And if they are doing so, if it is working - I can't speak for everybody, but, I for one, I would be very happy to have it extended. I see no issue as to that at all.

Mr Deputy Speaker, Sir, as far as shoes are concerned, there is, of course, this Rs80 excise duty on shoes. Now, if you take the excise duty, if you add the VAT to it, if you add your margin, you can see that, in fact, once we withdraw that excise duty, the price of shoes, once we have *une nouvelle cargaison qui arrive*, should fall substantially and we cannot deny this saving to the consumer. I really feel that we cannot deny the saving. Because we see people walking around, Mr Deputy Speaker, Sir. Look at the footwear of the poor people, you will see - and I am sure that you will agree with me - that we cannot deny this to poor people. That is why we talked about increasing the competitiveness, it is in the Bill. What we are doing, Mr Deputy Speaker, Sir, is we are removing VAT on all these inputs that are used because, in normal cases, you would not need to remove VAT because VAT is an input tax that you claim, but if you have a micro enterprise and you are not going to bother registering it with VAT - and a lot of these enterprises are micro enterprises - you will not be able to claim back the VAT. So, we've gone to

a very rare step of removing VAT on all these inputs so that even micro enterprises can benefit from that scheme, Mr Deputy Speaker, Sir.

Mr Deputy Speaker, Sir, another point was raised on the NSF by hon. Jugnauth, I think, concerning why the NSF - and this is NSF and medical insurance - would only contribute to the Medical Insurance Scheme of a particular person after having received instructions from that person, why would he only contribute upon availability of funds. I think, Mr Deputy Speaker, Sir, that the answer is clear. It is if the person has stopped contributing, for instance has stopped working, has stopped contributing for whatever reason, then the NSF is not going to get the money from somebody else's account. The NSF has plenty of money. So, it is not going to go out of funds itself. The availability of funds does not relate to availability of the global funds of NSF, but the funds available to that particular contributor, that particular saver. So, if there are no funds in that account, then, obviously, the NSF will not pay over the monthly contribution to the insurance company.

Again a point was raised by hon. Jugnauth concerning the scheme for middle income households. We can review it. If it needs to be extended, if it is working, we'll extend the benefits further along because the idea is to enable middle income households to buy property under reasonable conditions. Mr Deputy Speaker, Sir, I will come back to the leasing in a moment. But there is a difference between an operating lease and a finance lease and that should be clear. An operating lease is where you are basically renting, like a contract car which you have taken a car for a week, a month or a year. Here, by definition of the operating lease, it is the lessor that bears all the responsibilities - it breaks down. Everybody knows that it is the lessor that bears the responsibility.

A finance lease is a totally different type of lease. A finance lease is a lease where the lessee effectively has bought the property, has bought the asset. In fact, it even shows up - someone does not believe me - in the balance sheet of the lessee, not the lessor any more. It leaves the assets of the lessor and it becomes the asset of the lessee and that asset, Mr Deputy Speaker, Sir, obviously, if it burns out and all that, it is up to the lessee to insure it and it is up to the lessee to take it better. I will come back - I have some notes on that – to that in a little moment, Mr Deputy Speaker, Sir.

Mr Deputy Speaker, Sir, there is an unfortunate typing error that has crept in in clause 19(a) and I think we have circulated a small adjustment to that, Mr Deputy Speaker, Sir.

Mr Deputy Speaker, Sir, I think hon. Li Kwong Wing raised the point of the public sector debt ceiling. What was in there and what was not? In fact, Mr Deputy Speaker, Sir, there is a section in the Bill which relates to that. It is Public Debt Management Act and public sector debt ceiling at section 7. It is with regard to any debt incurred by a bank, a Government-owned or by the bank, that is, the Bank of Mauritius or if it is a Government controlled bank. There is a whole list of entities that are not, in fact, included in the public sector debt.

Mr Deputy Speaker, Sir, there is a point on the taxation of carbon dioxide and the hybrid vehicles, Mr Deputy Speaker, Sir. There is a 50% reduction which was removed, I believe, by my predecessor, not by myself. What we are doing here is that we have basically very small transitional provisions and we are not touching the main Bill really apart from the second-hand cars and on the other hand, electric vehicles, I am told, still benefit from the 50% reduction in excise duty. We are bringing an amendment at Committee Stage to bring greater certainty for second-hand cars, Mr Deputy Speaker, Sir.

Mr Deputy Speaker, Sir, there was a point being raised on the tax deduction at source. My Ministry will follow up with MRA to ensure that there is timely repayment of amounts due under TDS or under APS. For Protected Cell Companies, the MRA will issue a practice note to clarify how things will happen. As far as full portability of pensions is concerned, there is a committee which is being set up in my Ministry to look again at the whole issue because it is a very desirable thing and we would like to have this done.

I am told, Mr Deputy Speaker, Sir, that tax rulings are being issued by MRA within the delay prescribed in law. I think it is 30 days. As far as late refund of excess income tax is concerned, interest is automatically payable now by MRA in case of late refund. But again, we will look at it and see that this is being kept to a minimum, Mr Deputy Speaker, Sir.

Mr Deputy Speaker, Sir, hon. Jugnauth raised the point of the sale of goods duty-free shop to duty-free shop and, here, it is clearly stated, I am told, that a duty-free shop means a shop at a port or an airport approved by the Director General.

(Interruptions)

The sale from a duty-free shop to another shop will be subject to customs control.

As far as this requirement on the Securities Act which has given rise to a bit of debate on the FSE's right to seek information. I am told that, Mr Deputy Speaker, Sir, as I mentioned in my speech, that being a member ISCO it is a requirement for this type of provision to be included in

the law. This is standard practice and it is best practice. We are following that, which means at least that we can join that organisation. I talked about the Bank of Mauritius.

Mr Deputy Speaker, Sir, as far as the provisions of the *crédit-bail* are concerned, this was worked out by the law. It is quite an involved bit of legislation and it took quite a bit of time and effort. It is being worked out by the Law Reform Commission and there was also Professor Garon who helped us on that and I did raise the issue of the difference between the finance lease and the operating lease which we should not get confused at this stage. You know, Mr Deputy Speaker, Sir, it is being done after a lot of careful consideration.

Mr Deputy Speaker, Sir, finally the amendments to the ICT Act, I am told that consultations have been held with all the stakeholders. The proposed amendments were posted on the MCIT website and open to public consultation, feedbacks were received from MT, Emtel and other associations and individual citizens. It is on the basis of all these, Mr Deputy Speaker, Sir, that the final draft has been finalised.

Mr Deputy Speaker, Sir, how will citizens benefit from the Bill? I think it is quite obvious that they will benefit because from now on the ICTA can work on its own volition, will no longer need to receive input or request from the telecom companies that they wish to control the price.

Thank you, Mr Deputy Speaker, Sir.

Question put and agreed to.

The Finance (Miscellaneous Provisions) Bill (No. XXXI of 2011) Bill and the Economic and Financial Measures (Miscellaneous Provisions) (No. 2) Bill (No. XXXII of 2011) were read a second time and committed.

COMMITTEE STAGE

(The Deputy Speaker in the Chair)

THE FINANCE (MISCELLANEOUS PROVISIONS) BILL (No. XXXI of 2011)

Clauses 1 to 5 ordered to stand part of the Bill.

Clause 6 (Excise Act amended)

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

Mr Duval: Mr Chairperson, I move for the following amendment -

“in clause (6), in paragraph (c) -

- (i) in subparagraph (ii), in the proposed subsection (8)(a), in subparagraph (iii), by deleting the words “1 March 2001” and replacing them by the words “1 July 2005”;
- (ii) by deleting subparagraph (iii) and replacing it by the following subparagraph -
 - (iii) by repealing subsection (9).”

Amendment agreed to.

Clause 6, as amended, ordered to stand part of the Bill.

Clauses 7 to 11 ordered to stand part of the Bill.

Clause 12 (National Pensions Act amended)

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

Mr Duval: Mr Chairperson, I move for the following amendment -

“in clause 12, in paragraph (d), in the proposed new section 17C(1), by deleting paragraph (a) and replacing it by the following paragraph -

(a) Subject to this section, an employer who is an individual and who employs an insured person who is in the domestic service may declare in his annual return of income under section 112 of the Income Tax Act, his contributions due under this Act and the National Savings Fund Act and pay such contributions at the time the annual return of income is required to be submitted to the Director-General.”

Amendment agreed to.

Clause 12, as amended, ordered to stand part of the Bill.

Clause 13 (National Savings Fund Act amended)

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

Mr Duval: Mr Chairperson, I move for the following amendment -

“in clause 13, in paragraph (b)(ii) -

- (i) by deleting the words “new subsection” and replacing them by the words “new subsections”;
- (ii) by adding, after the proposed new subsection (3), the following new subsection -
 - (4) where an employee who is an insured person referred to in section 17(2A) of the National Pensions Act is employed by

more than one employer and earns remuneration which exceeds 3,000 rupees, in the aggregate, in a month -

- (a) the employee shall inform the employer from whom he receives less than 3,000 rupees in a month, accordingly; and
- (b) that employer shall deduct the relevant contribution from the remuneration of the employee.”

Amendment agreed to.

Clause 13, as amended, ordered to stand part of the Bill.

Clauses 14 to 18 ordered to stand part of the Bill.

Clause 19 (Value Added Tax Act Amended)

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

Mr Duval: Sir, I move for the amendment as circulated –

“In Clause 19 (a), in the definition of “VAT Exemption Card”, by deleting the words “section 66(1A)” and replacing them by the words “item 9(b) of the Ninth Schedule”

Amendment agreed to.

Clause 19, as amended, ordered to stand part of the Bill.

Clauses 20 and 21 ordered to stand part of the Bill.

First to Third Schedules ordered to stand part of the Bill.

Fourth Schedule

Motion made and question proposed: “that the Fourth Schedule stand part of the Bill.”

Mr Duval: Sir, I move for the amendment as circulated –

- (d) in the Fourth Schedule, in the proposed new First Schedule, in item 1(c), by deleting the words “17C(1)” and replacing them by the words “17(2A)”

Amendment agreed to.

Fourth Schedule, as amended, ordered to stand part of the Bill.

Fifth Schedule

Motion made and question proposed: “that the Fifth Schedule stand part of the Bill.”

Mr Duval: Sir, I move for the amendment as circulated –

- (e) in the Fifth Schedule, in the proposed new First Schedule, in item 2(b), by deleting the words “17C(1)” and replacing them by the words “17(2A)”.

Amendment agreed to.

Fifth Schedule, as amended, ordered to stand part of the Bill.

Sixth Schedule ordered to stand part of the Bill.

The title and the enacting clause were agreed to.

The Bill, as amended, was agreed.

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

COMMITTEE STAGE

THE ECONOMIC AND FINANCIAL MEASURES (MISCELLANEOUS PROVISIONS) (NO. 2) BILL (NO. XXXII OF 2011)

The Economic and Financial Measures (Miscellaneous Provisions) (No. 2) Bill (No. XXXII of 2011) was considered and agreed to.

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

Third Reading

On motion made and seconded the following Bills were read the third time and passed -

- (a) *The Finance (Miscellaneous Provisions) Bill (No. XXXI of 2011)*
- (b) *The Economic and Financial Measures (Miscellaneous Provisions) (No. 2) Bill (No. XXXII of 2011).*

At 8.56 p.m the sitting was suspended.

On resuming at 10.00 p.m with Mr Speaker in the Chair.

PUBLIC BILLS

Second Reading

THE PIRACY & MARITIME VIOLENCE BILL (No. XXVIII of 2011)

Order for Second reading read.

The Prime Minister: Mr Speaker, Sir, the importance of this legislation cannot be understated. There have been appeals by the United Nations in successive resolutions to all

countries, to take legislative measures, to combat what is today a real scourge. In May 2010, several countries of the region and international organisations met in Seychelles for the first regional meeting on piracy. Baroness Catherine Ashton high representative of the EU for foreign affairs and security policy and vice President of the European commission to the region attended the meeting and a joint communiqué was issued after the meeting, stating amongst other things, and I quote:

“Piracy has again become a menace on the high seas. The Indian Ocean, notably those countries in the surrounding region, is particularly affected. International trade is disrupted, security is threatened, the region’s economy is suffering, social development is endangered. Piracy is today an international problem which requires a comprehensive multilateral solution”.

Mr Speaker, Sir, Mauritius cannot remain insensitive to the threat. Other countries in the region like the Seychelles and Kenya have taken measures to combat piracy and have been conducting piracy prosecutions in the Courts since 2008, as far as Kenya is concerned and 2009 for Seychelles. Mauritius was approached by the Council of the European Union as far back as 2009. We were asked whether we would be willing to assist the international community in this endeavour. We did not rush into commitment. We took our time to examine all the implications.

The United Nations Office on Drugs and Crime, UNODC, came to us in January 2010 to see whether, our system of justice would be able to cope. After an in-depth assessment and consultation with all the stakeholders, UNODC concluded in its report that Mauritius has a criminal justice system, which is highly regarded and that all four essential components of the system namely; the Police, the Courts, Prosecutors and the Prison System are well lead and effectively operated. It had been agreed from the beginning that Mauritius would only commit to this, if assistance from the international community was assured. At the outset itself areas such as Courts facilities, training for Judges and Prosecutors, prisons pace limitations and legislation were identified as major challenges which had to redress before Mauritius could accept to prosecute pirates in its local Courts. After several meetings and discussions we have come to an agreement. The Piracy and Maritime Violence Bill is the product of this corporation with the European Union and the UNODC.

Today it is being branded as one of the most comprehensive pieces of antipiracy legislations enacted to date. In a spirit of regional cooperation, in the face of the challenges that piracy represents to the Indian Ocean, we have chosen Mr Speaker, Sir, to be pro-active and to

join forces with the international community to combat one of the more serious crimes known to humanity. We cannot, but recognise the destabilising role that piracy plays in the region and we cannot remain insensitive to its growing threat.

So far, there has been no pirate attack in our EEZ, but recent assessment of the piracy prone zone has included a good part of the Mauritian EEZ under the threat of piracy. Do we have to wait for an attack Mr Speaker, Sir, around waters for us to realise the seriousness of the threat or for our people or tourists visiting our country to be taken as hostages for us to accept the need for prompt and concrete action. I certainly do not think so, Mr Speaker, Sir. On the contrary, we must join the international community and take all the measures we can take now and together.

Mr Speaker, Sir, we need to demystify the problem. We need to face the reality. Maritime Piracy is becoming one of the most threatening challenges of the 21st century and it is a serious threat to regional and international peace and security. Piracy of the Coast of Somalia and in the Indian Ocean region seriously affects not only the African States in the region, but also the wider interest of the international community. It impacts on our economies, our imports and exports of goods by sea, insurance costs, cruise ship calls, fishing and fish processing industry as well as the tourism industry. It is estimated that piracy cost between 7-12 billion dollars to the world economy.

As regards the costs to the economies of the small island states these are estimated at some USD 250 millions. Upsurge of piracy of the coast of Somalia, started in 2005 in the aftermath of the tsunami which devastated the Puntland coast line. Ever since there has been an escalation in the number of pirates attack, for this year, from January to 01 December of this year, the statistics released by the International Maritime Bureau indicate a total of 230 incidents, with a total of 26 hijacks in which 450 hostages were taken in custody by the pirates. Though the piracy attacks are concentrated in the Gulf of Aden and the Coast of Somalia, attacks have been carried out in the Mozambique Channel, North of Madagascar as well as in the Exclusive Economic Zone of the Seychelles.

The expansion of pirates operations has been noticeable since 2005. Mr Speaker, Sir, today pirates are operating further and further away from the Somali coastline. They have developed the ability to adapt so as to bypass the security corridor, established by naval forces and to extend the reach far from the Somali coast. They are now in possession of bigger mother ships that allow them to remain longer at sea. They often stay at sea for more than a month at a

time and they are more and more well equipped and armed. Only last week, the Royal Navy has arrested seven suspected pirates about 420 nautical miles from the Seychelles. The Royal Navy had received information that pirate vessels had attacked a Spanish fishing boat. The suspects will now stand trial in the Seychelles. In his report to the Secretary Council in January of this year, Mr Jack Lang, a special adviser to the UN Secretary General on legal issues pertaining to piracy had raised concern over the geographical expansion of piracy attacks in the entire Indian Ocean.

Despite military response by international levies to combat maritime piracy, there has been an escalation of pirate attacks in 2011, which has affected peace, security and stability in our region. Currently, there are three international naval task forces in the region. The EU naval task force, NATO and the combined maritime forces comprising 20 countries and having their headquarters in Bahrain. South Africa has recently started implementing an agreement signed with Mozambique, for patrolling the coastal region of Mozambique as well as the Mozambique Channel.

Mr Speaker, Sir, we must recognise that Mauritius cannot remain indifferent to the problem of maritime piracy. The rising cost of insurance premiums, hiring of private security guards and the long detour of ships to avoid piracy attacks have contributed to the increase in cost of the transport of goods to Mauritius, and ultimately the increased costs are passed to the taxpayer and the consumer. Over the past two years there have been two instances where pirate mother ships were reported to be operating in the northern part of our EEZ. First, on 27 December 2010, a Panama-flagged tanker MV Polar with 24 crew members which was pirated in the Somali basin on 30 October 2010 was suspected to be in our EEZ. Second, during the first week of January of this year, a Taiwanese Fishing Trawler Shiuh Fu No. 1 suspected to be hijacked by pirates off the coast of Madagascar since the 25 December 2010 was reported to be operating in our EEZ. Both vessels moved out of our EEZ eventually. Luckily apart from these two incidents there have been no other such incidents in our waters so far. Our neighbour Seychelles has been subject to piracy attacks and two ships were in fact hijacked.

Mr Speaker, Sir, despite our limited resources and capacity, Government has reacted to the piracy threat and has taken a wide array of measures in the field of maritime security to ensure safety at sea.

A National Piracy Contingency Plan setting out a national framework to tackle piracy related incidents within the area falling under our responsibility has been formulated. A National Plan to combat maritime piracy has been adopted since October 2010. A National Coast Guard Commander Team consisting of 20 members has been set up for anti-piracy operations since 2009. They have undertaken antipiracy drills with the French and United States Navy. Currently, a second batch of 18 commandos is undergoing training with the Indian Navy. NCG commandos are being deployed on board of Mauritius pride on trips to Agaléga and Madagascar with a view to averting any piracy attacks. There is a National Coast Guard personnel based at St. Brandon and an armed contingent of the Special Mobile Force has been posted in Agalega. Increased surveillance operations are being carried out by the National Coast Guard ships and our Dornier aircraft in our EEZ. Joint operations with the assistance of friendly countries like India are being undertaken. In April 2009, an automated identification system has been installed in the port to enable the detection of vessels above 300 tonnes navigating in the international shipping lanes of Mauritian waters. The position of all Mauritian vessels is now tracked through the Vessel Monitoring System based at the Albion Fisheries Research Centre every two hours to ensure the safety at sea.

As hon. Members know, during my State visit to India in October 2005, a line of credit for USD 100-million was obtained from the Government of India of which USD 25-million was a grant. A coastal raid of surveillance system has been installed since April 2011 on the main land and outer islands to monitor vessels within our EEZ out of the USD 25-million grants. Similarly, following my State visit to India in October of 2005, a new offshore patrol vessel has been ordered and is being built in India at the moment, and will be delivered in September 2014. It would be a much faster vessel equipped with a long range canon, machine guns and state of the art equipment and will have a much greater operational range. We are also planning to buy a new aircraft. All these will naturally increase our capacity for surveillance. Furthermore, Mr Speaker, Sir, private security guards carrying weapons have been authorised on board merchant ships and fishing vessels proceeding through high risk areas. Necessary procedures have been put in place for the safekeeping of arms and ammunition when on board as well as when the ships are berthed in Mauritius.

We must acknowledge, Mr Speaker, Sir, that Mauritius has limited means to combat piracy in our waters in view of the vast expanse of our EEZ. The surveillance of our EEZ is

carried out by an operational high-seagoing vessel namely the CGS Guardian and three aircrafts – two Dornier, one Defender, and also the Dhruv helicopter which was obtained again through the grant received from India during my State visit. I should add, Mr Speaker, Sir, that the Dhruv helicopter is a twin-engine helicopter with a larger range of operation and has the capacity for sniper firing and vertical insertion of our Commanders into pirated ships for antipiracy operations.

These surveillances obviously add to our capacity and they are complemented by joint exercises carried out with the assistance of friendly countries. Since 2009, nine joint surveillances have been carried out with Indian naval vessels. The coastguards have also exercised antipiracy drills with the French navy and the United States navy.

Mr Speaker, Sir, from a legal perspective, we are already party to the 1958 UN Convention on the High Seas, the United Nations Convention on the Law of the Sea (UNCLOS) and the Convention for the Suppression of Unlawful Acts of Violence against the Safety of Navigation Convention. In March of 2010, we also signed the Djibouti Code of Conduct concerning the repression of piracy and armed robbery against ships in the Western Indian Ocean and the Gulf of Aden, 2009.

Mr Speaker, Sir, during the course of a meeting I had with Baroness Catherine Ashton in June of last year, the latter told me that the EU looked forward to close collaboration with Mauritius in the fight against piracy in the Indian Ocean. I stated that Mauritius would extend its full cooperation to the EU in the fight against piracy and would be prepared to investigate and prosecute piracy cases provided we obtain assistance from the EU including the construction of a new prison, a new court, and assistance in the revision of laws and training of our personnel in the judiciary for our prosecutors as well as the police and the prisons.

Mr Speaker, Sir, piracy is becoming a flourishing undertaking and we must not underestimate the unpredictability and ingenuity of pirates. It is a problem that is unlikely to stop in the immediate future and, therefore, Mauritius cannot adopt a passive position. We have to be proactive and act together with the international community. In October of last year, Mauritius, in collaboration with the EU, COMESA and the Indian Ocean Commission hosted the Second Regional Ministerial Conference on Maritime Piracy. I reiterated that Mauritius is prepared to play an active role in the fight against piracy and is prepared to bring to trial suspected pirates in

Mauritius. I also stated that the collaboration of all those concerned in the region and that the international community must also play a part, a resolute role in warding off the recurrent threat.

The Regional Ministerial Conference adopted a regional strategy and an action plan setting out short-term, medium-term and long-term measures to fight piracy and promote maritime security in the eastern Africa and Indian Ocean region.

The focus is now on the implementation of the regional strategy and the plan of action to be implemented over a period of 15 years. The estimated cost of the project is around Euros 25 million and will be implemented jointly by Intergovernmental Authority for Development (IGAD), the COMESA, the East African Community, the Indian Ocean Commission and the Eastern and Southern African Indian Ocean Member States working together with the SADC.

The EU has already approved ten small projects consisting around Euros 2 million to be implemented on the region in the short term. One of the proposals of the regional strategy adopted at the Regional Ministerial Conference includes the sharing of burden for prosecution and detention of pirates captured by the international warships off the coast of Somalia and in the Indian Ocean region.

Mr Speaker, Sir, it is clear that regional prosecution of pirates is a central element in the fight against maritime piracy off the coast of Somalia. So far Kenya and the Seychelles have prosecuted dozens of pirates handed over by foreign navies, but both have indicated that they would have difficulties coping with the numbers if all the captured pirates were handed over to them. Lately, Tanzania has shown interest in the trial of Somali pirates. It is worthy to note, Mr Speaker, Sir, that the UN Security Council supports the ongoing efforts by regional States in the development of antipiracy courts in the region and has decided to urgently consider the establishment of specialised Somali courts to try suspected pirates both in Somalia and in the region, including an extra-territorial Somali specialised anti-piracy court as referred to in the recommendations contained in the report of Mr Jack Lang.

Mr Speaker, Sir, piracy has reached proportions that render it impossible for a single country to face the challenge alone. There is need for continued international coordination of maritime efforts with a view to optimising the effectiveness of the efforts and the use of resources.

As I stated earlier one important aspect in the fight against piracy is the effective prosecution of suspected pirates captured in the course of operations. Maritime security can only

be achieved if military action is to be coupled with effective prosecutions. If pirates are not captured, detained, prosecuted and imprisoned, there will be no effective solution to the problem. This can be incredibly complex in today's globalised world. To prosecute suspected pirates is widely seen as one of the weakest links in an international effort to combat the scourge of Somali piracy. It is said, Mr Speaker, Sir, that about 90% of the captured pirates are released because no place can be found to prosecute them. We have a duty to act to end the perceived immunity of the pirates.

Mr Speaker, Sir, on 14 July 2011, in line with the regional strategy and action plan endorsed by the Second Regional Ministerial Conference held in Mauritius last year and as part of the concerted efforts to combat the piracy scourge, the Government of Mauritius and the European Union signed an agreement defining the conditions and the modalities for the transfer of suspected pirates for investigation, prosecution, trial and detention in Mauritius, transfer of associated property seized and the treatment of such persons. One of the proposals of the regional strategy adopted at the Regional Ministerial Conference includes the sharing of burden for prosecution and detention of pirates captured by the International Warships off the coast of Somalia and in the Indian Ocean region. Regional prosecution of pirates is, therefore, a central element, as I said, in the fight against maritime piracy off the coast of Somalia.

Mr Speaker, Sir, in line with our representations that we may only assist if we are given the means to do so, the Agreement includes the European Union, UNODC, Joint Programme on support to the trial and related treatment of piracy suspects in Mauritius which will be financed under the EU Instrument for Stability. The European Union has provided financial assistance to the tune of 1,080,000 Euros through the United Nations Office on Drugs and Crime to implement the short-term assistance package which includes minor infrastructural works at the prison, the Supreme Court and the Police Department and Capacity Building Programme for the personnel of the Police Department, the Office of the Director of Public Prosecutions and the Judiciary. There is an undertaking that interpreters will be provided to the prison and the Judiciary by UNODC. One such interpreter has already been recruited for Mauritius by UNODC in line with its commitments. The short-term assistance package will be used for Mauritius to handle its first piracy prosecutions until the completion of major infrastructural works to be financed by the European Union through the UNODC. Mauritius has also secured a budgetary support of three million Euros from the European Union through the 10th European Union

Development Fund for the implementation of the Transfer Agreement. That amount would be used for the construction of a dedicated prison for pirates. The UNODC is assisting us in the implementation of the project.

Mr Speaker, Sir, the Transfer Agreement defines the conditions and modalities for the transfer of persons suspected of having committed acts of piracy within the area of operation of EU-led Naval Force on the high seas, off the territorial waters of Mauritius, Madagascar, Comoros Island, the Seychelles and Reunion Island and detained by the EU NAVFOR. I wish to point out that under the Transfer Agreement, we retained discretion so that Mauritius is not bound to accept the transfer of suspected pirates detained by EU NAVFOR and will examine each request on its own merits. The decision whether to accept or not is ultimately ours. This decision will turn on a number of factors from the evidential strength of a case to policy considerations relating to capacity, if we have space to accommodate or if our courts can handle the trial or for security reasons. The Government of Mauritius will also decide as to the number of suspected pirates which would be accepted for trial, prosecution and detention in Mauritius. I would also like to point out that the cost of repatriation of suspected pirates in case of acquittal by the courts or non-prosecution for lack of evidence and post-trial transfer will be borne the UNODC in line again with the commitments given in the assistance package.

Mr Speaker, Sir, the International Community at large recognises that the real solution to the problem of piracy is to be found in Somalia, in stable Government and for the reestablishment of the rule of law. Prosecutions in regional States can only be a short-term or medium-term solution to ensure that measures are taken to curb the rise in piracy. It is not the ultimate solution. When the region is at risk, we must play our part in joining the fight in the spirit of regional cooperation. It is also in our best interest.

I would like to assure the House that the trial, prosecution and detention of Somali pirates in Mauritius are a temporary arrangement. We would have wished that the piracy trials are conducted by courts ideally in Somalia itself, but the situation in Somalia does not allow for such trials to be conducted there for the time being. It is expected, however, that with the assistance of the International Community, piracy trials would eventually be conducted in Somalia itself.

Mr Speaker, Sir, to ensure an effective prosecution of pirates in Mauritius, appropriate arrangements are underway. A hand over guidance for the transfer of suspected pirates is being finalised by the office of the DPP and the Police Department with the assistance of the UNODC.

This document sets out the procedures to be followed by warships apprehending pirates who may be transferred to Mauritius for an eventual prosecution. With the assistance of UNODC Capacity Building Programme has been conducted in various fields such as revision of legislation, training of investigators and prosecutors, investigative and judicial procedures and handing of a guidance for members of the Judiciary, the office of the DPP, the Attorney General's Office, the Police Department and the Prisons Department. Three prosecutors have been sent to the Seychelles to follow the piracy trials taking place there and last week the Seychelles prosecutor who is originally from the Crown Prosecution Service of the UK conducted a mock piracy trial in Mauritius to make sure that our officers are ready to face the challenge of the first piracy trials. Regional Learning Exchange Programmes are taking place this week itself for our prosecutors and Judges with their attendance of prosecutors and Judges from Kenya, Tanzania, Maldives and the Seychelles. The UNODC is also assisting us in formulating a National Strategic Framework for the prisons services. During the incarceration in Mauritius, suspected and convicted pirates would be determined in a separate ward at the Beau Bassin Central Prison for the moment so that they will not mix with other detainees. Upgrading works at Beau Bassin Central Prison are being carried out to accommodate about 20 pirates, but a new and dedicated prison for pirates will be constructed with the assistance of the EU and the UNODC, as I mentioned earlier.

Mr Speaker, Sir, the intention is for convicted pirates to be transferred back to their homeland after having been tried in Mauritius. We understand that prisons are being constructed in Somaliland and Puntland for the incarceration of pirates with the assistance of the UNODC. We are about, Mr Speaker, Sir, to start the process of negotiating with the Somali authorities, the repatriation and transfer of sentenced pirates. Early this year, the Seychelles authorities have signed such an agreement with the Transitional Federal Government of Somalia, Somaliland and Puntland. Ambassador, Thomas Winkler, Chairperson of the working group on legal issues of the contact group on piracy off the coast of Somalia will visit Mauritius early next year to advise and assist us in drafting Post-Trial Transfer Agreements with the Transitional Federal Government of Somalia, Somaliland and Puntland.

Mr Speaker, Sir, we need to partner with the International Community to address the burden posed to Mauritius by Acts of Piracy and the International Community must continue to provide regional States with the resources they need to respond to the scourge. Every State in the region should play its role and participate in its fight against piracy. The Indian Ocean

Commission has stressed on the need for concerted efforts and to mobilise available resources in the region to fight this new security scourge.

Mr Speaker, Sir, let me now take the House briefly through the key issues of the Bill. The Merchant Shipping Act of 2007 provides, *inter alia*, for the offence of maritime piracy. However, it is felt that there should be a stand-alone Bill to deal with the various aspects regarding arrest, handing over, trial, prosecution of pirates and piracy related offences. The current Bill provides for the legal framework which is necessary to address these issues. The main objects of the Bill are already indicated in the Explanatory Memorandum, I don't think I need to read it out.

Mr Speaker, Sir, piracy is the universal crime according to international law and Acts of Piracy are those as defined in Article 101 of the United Nations Convention on the law of the sea, which are committed both on the high seas and the EEZ of a State. In clause 2 of the Bill high seas have the same meaning as in UNCLOS and include the EEZ. For the sake of consistency, most of the definitions in clause 2 are cross-reference with the Maritime Zones Act and UNCLOS. I have circulated an amendment, Mr Speaker, Sir, to clause 2, because of the wider implications of this Bill. Piracy is defined in clause 3 as an illegal act of violence, detention and any act of liquidation for private ends by the crew or the passengers of a private ship or a private aircraft and this reflects Article 101 of the UNCLOS. Maritime attack is similarly defined, but there is a difference, Mr Speaker, Sir, which lies in the maritime zone where the act is committed. Piracy is committed on the high seas and the EEZ, whereas maritime attack is committed in the territorial sea, internal waters, historic or archipelagic waters. The penalty for both acts of piracy and maritime attack is penal servitude for a term not exceeding 60 years, but it will be for the court to look at all the circumstances of the offence before imposing a sentence.

Clause 4 of the Bill defines hijacking of a ship as seizing a ship or exercising control of it by the use of force or threats. There is also another offence of destroying a ship where a person, unlawfully and willfully destroys the ship, damages the ship or its cargo so as to endanger its safe navigation, does any act on board of a ship which is likely to endanger the safe navigation of the ship or places the device or substance on board of a ship which is likely to destroy the ship or endanger the safe navigation of the ship. I should point out that if any act of hijacking or destroying a ship is committed on board of a warship, then Mauritian jurisdiction will only apply

if a Mauritian citizen is involved or the act is committed in Mauritius or else the ship is in the service of the Mauritius Police Force.

In clause 5, yet another offence is created, that of endangering the safe navigation. This offence is committed when anyone destroys or damages any property or interferes with the operation of such property for such destruction, damage or interference is likely to endanger the safe navigation of a ship.

Mr Speaker, Sir, the Bill, by providing five different offences, creates a wide net meant to catch as many offenders as possible. All the offences carry a maximum penalty of 60 years and it would be for the court to decide on the appropriate sentence depending, as I said, on the circumstances of each case. Once the pirates have been captured on the high seas or in the EEZ of a State, they have to be handed over for prosecution in a State.

Clause 6 provides that the master of a ship may hand over any person who has committed, attempted to commit or in any way aided and abetted in the commission of an offence which, as described earlier, to the Commissioner of Police in Mauritius or any other Convention State signatory to the Convention of the suppression of unlawful acts against the safety of maritime navigation 1998.

As the House may be aware, all ships are usually registered in one State or another. But most pirate ships are usually not registered in any State. Clause 6 covers the situation where a ship is not registered. So, even if a ship does not fly any flag of any State and if the persons on board that ship are involved in any act of piracy or any other offence set out in the Bill, the master of another ship must still board by that ship and seize the suspects and the ship and the property involved.

Clause 6 also lays down the conditions that the master of a ship has to comply with prior to handing over the suspected pirates. The master has to notify the director of shipping of his intention to deliver the suspect and for his reasons for doing so and such notification has to be done before the ship has entered the EEZ of Mauritius or any other State which is signatory to the convention for the suppression of unlawful acts against the safety of Maritime Navigation of 1988.

However, in case it is not reasonably practicable to give such notification before the ship has entered the EEZ, then, notification has to be given as soon as it is reasonably practicable. And in any event, 72 hours in advance before the ship enters the territorial waters of Mauritius.

This would allow the Mauritian authorities adequate time to look at the evidence which has been gathered and decide whether or not to accept the suspects. If the Mauritian authorities decide not to accept the pirates, they would inform the master of the vessel accordingly. If, on the other hand, the authorities decide to accept the pirates in Mauritius, then arrangements would be made for a team of officers to receive the evidence gathered as well as take over the suspected pirates. In paragraph 4 of clause 6, it is clearly laid down that all evidence relating to the capture of the suspects have to be handed over to the Commissioner of Police.

Mr Speaker, Sir, I am informed that the Director of Public Prosecutions has already set up a team of officers to deal exclusively with piracy issues so that whenever notification is given, they would look at the evidence which has been gathered and decide whether or not there is enough evidence to prove the case beyond reasonable doubt and then lodge the case either before the Intermediate Court or before the Supreme Court before a Judge without a Jury, as provided in clause 7 of the Bill. Provision has also been made for the Intermediate Court to be able to impose a sentence of up to 40 years penal servitude.

Clause 8 gives effect to the agreement signed with the EU for the transfer of suspected pirates which are referred to earlier, Mr Speaker, Sir.

Clause 9 provides additional powers of forfeiture to the court in relation to the ship or other mode of conveyance or property used by the convicted pirates under the legal owner unless the legal owner of such ships or mode of conveyance of property establishes to the satisfaction of the court that the ship or the mode of conveyance of property was used without his knowledge. The forfeiture order, if made by the court, shall be in favour of the State, and the State may then, once the delay for appeal has elapsed, cause the ship mode of conveyance or property to be sold and the proceeds thereof credited to the Consolidated Fund.

A number of consequential amendments has also been made to give effect to this Bill, namely in the Courts Act, the main provision of which relates to the admissibility of out of court statements in piracy cases for witnesses who would not be available in court to make provision for evidence by live video link. In most cases, Mr Speaker, Sir, suspects will be handed over to Mauritius by a foreign flag ship or in virtue of an agreement signed by Mauritius. The persons who capture the suspects and seize the property may not necessarily be in Mauritius at the time of trial so that it would be vital to have their out of court statements admissible in court under

strict conditions. Ultimately, it would be for the court to decide what weight is to be attached to such statements.

The Police and the National Coast Guard are also given additional powers to apprehend and arrest suspects in the EEZ of Mauritius as well as on the high seas. The Deportation Act has also been amended to provide that a person who has been transferred to Mauritius under this Bill becomes a prohibited immigrant so that he may be the subject of a deportation order.

Mr Speaker, Sir, through this piece of legislation, we are sending a strong message to the international community that Mauritius is ready and willing to play its role and to respond robustly and comprehensively to the threat from piracy.

Mauritius is responding to the UN Resolution 1918 of 2010 requesting States to criminalise, in the national laws, acts of piracy. Mr Speaker, Sir, at the Committee Stage, I will move for amendments at clauses 2, 5 and 8 as circulated.

With these words, Mr Speaker, Sir, I commend the Bill to the House.

The Deputy Prime Minister rose and seconded.

(10.38 p.m.)

The Leader of the Opposition (Mr P. Bérenger): Mr Speaker, Sir, I am glad that it is the hon. Prime Minister who is moving for the Second Reading of the Piracy and Maritime Violence Bill and not Minister Bachoo, responsible for shipping. And I think the hon. Prime Minister should have pointed out that amongst the amendments that he will be proposing, is one that concerns the definition of Minister. Before, the Minister responsible for this Bill and for the implementation of this Bill was Minister Bachoo - I don't think he has been hijacked by pirates - but the Minister for normal shipping. And I had the opportunity to tell the hon. Prime Minister that I disagreed with that totally. That it was a matter of security and that, therefore, it should be the Prime Minister responsible for security and for home affairs. I am glad, therefore, that it is the Prime Minister who is moving the Second Reading and who will be responsible for the implementation. And that there will be an amendment to the definition of 'Minister' so that it is the Prime Minister who is responsible for all this, Mr Speaker, Sir.

We do agree that there is a serious problem. We are not talking about piracy in general, piracy of the west coast of Africa or piracy in the Malacca straits. We are talking about piracy off the coast of Somalia. We do agree, in the Opposition, that there is a very serious problem there. It is much more serious for countries like Seychelles which are directly affected, where the

fishermen are being hijacked by pirates in their economic zone. But Mauritius is already affected. Our freight rates, our insurance cost, our tourism, our fisheries industry, all this is directly or indirectly affected already, Mr Speaker, Sir. We do agree that there is a serious problem and that has been for a number of years and, unfortunately, there will be probably for a number of years still to come a very serious problem off the coast of Somalia. We do agree that we should lend an ear when a good friend doing a lot for us like the European Union insists on something. Let us be candid about it, that it is the European Union that is not putting pressure, friendly pressure, on us to legislate and to take responsibilities. I have told the Ambassador for the European Union here in Mauritius that I listen carefully, but we have *beaucoup de réserves*. A small country like Mauritius, security concerns, the ethnic makeup of our population, the possible impact on our tourism industry of Somali pirates being detained here in Mauritius, this makes us very worried about what we are embarking on, Mr Speaker, Sir. I did not hear the hon. Prime Minister saying what has been agreed upon concerning the death penalty because I understand that at one point, there was a problem. We are entitled to know what has happened. Has the hon. Prime Minister dropped his idea of reintroducing possibly the death penalty? We are entitled to know. But I must insist that I have told the European Ambassador here in Mauritius, after having thanked him for all that the European Union is doing, has been doing and will keep on doing for Mauritius, that we have *beaucoup de réserves* concerning this idea of bringing in pirates, putting them on trial and detaining them here in Mauritius, Mr Speaker, Sir.

I heard the hon. Prime Minister making reference to Kenya and Seychelles. They have learnt their lessons and I think that we should learn from the lessons that they have learnt. They have stopped agreeing in a general way to pirates being tried and detained in Mauritius. Both Kenya and Seychelles say that they have reached saturation point as far as detaining the pirates is concerned and they have requested, especially the Seychelles, that the pirates that are found guilty by the court must be transferred to Somalia, Mr Speaker, Sir. We should learn from the precedence. There was a lot of goodwill in Kenya and in Seychelles. Seychelles is a small country like us, even smaller than us, and they met with the problems that we might meet with in the future if we are not careful, Mr Speaker, Sir.

I am glad I heard the hon. Prime Minister saying that there are conditions attached, that it is not a blanket thing that we will just accept pirates, try them, put them on trial, detain them and so on. The Seychelles have been very careful, especially lately, that they will not put on trial

pirates arrested by the Royal Navy or what have you, unless they have sufficient evidence to pursue a prosecution. Secondly, they will not act unless the vital interests of the Seychelles are being affected. For example, in the latest case a few days ago where the British Navy arrested a number of pirates, brought them to the Seychelles; the Seychelles agreed to prosecute them because they felt that there was sufficient evidence to pursue a prosecution, but also because it was affecting directly their tuna industry. I am glad that the hon. Prime Minister has said that we will be careful also. I would wish Government to lay on the Table of the Assembly a copy of the agreement that we have signed with the European Union.

Are we to accept pirates from all of the Indian Ocean or from pirates caught in our economic zone? I want to know that; whether it is open ended or whether it is restricted. Will we, as the hon. Prime Minister seems to have indicated and it is the case in the Seychelles, that it is only if we feel that our vital interests are being threatened that we will agree to pirates being put on trial here in Mauritius and detained? But, I repeat, I would wish to have a copy of that agreement with the European Union laid on the Table of the Assembly, Mr Speaker, Sir.

The hon. Prime Minister made reference to the report of former French Minister Jack Lang who was appointed Special Envoy of the United Nations Secretary General on this issue of piracy off the coast of Somalia and who made very interesting recommendations. When replying to a Parliamentary Question on 15 June 2010 already, the hon. Prime Minister himself was clear and I think that we must keep that in mind. He said the following and I agree totally and we should keep that in mind. I quote -

“We are very conscious that a lasting solution to the problem of piracy rests in the restoration of stability in Somalia”

In line with this general philosophy, Mr Jack Lang made recommendations which, I think, the European Union, the United States and Mauritius should have adopted instead of what we are proposing here. You will have understood that the MMM is not dead against what is being proposed, but we have strong reservations. We are very worried. As I said, I think what the former Minister Jack Lang recommended, should it have been agreed to by the European Union, by the United States. This should have been the way forward. What did he recommend? He recommended that the international tribunal on Rwanda which is going to be closed down, *le Tribunal Pénal International pour le Rwanda*, based in Arusha in Tanzania should be given the

responsibility of putting on trial pirates caught off the coast of Somalia. A very strong and a very positive recommendation and I must say that he added recently and I quote –

“Je suis allé plaider devant le président Tanzanien qui était au départ réservé et finalement a accepté. », précise-t-il.

So, there is agreement on that. I think that is the way forward. What Mr Jack Lang proposed is using this *Tribunal Pénal International pour le Rwanda* which is closing down; it has all the infrastructure, there is employment involved also. Now it has been agreed to by the President of Tanzania that this should have been the way forward. But he also proposed the setting up of two special courts in Somaliland and Puntland. Easier said than done, agreed! Somaliland has declared its independence from Somalia. It is not recognised by any country, but British officials, French officials, American officials come and go there. But it is not recognised officially. But it has democratic elections. It is not a perfect democracy, but it is a democracy, a functional democracy. Therefore, Mr Jack Lang proposed one tribunal and a special prison there, although Somaliland, as I said, has declared its independence from Somalia twenty years ago. Puntland has autonomy.

It has not declared its independence from Somalia, it is autonomous. I think that the European Union, the United States and Mauritius should have gone that way. The Rwanda special tribunal is converted into a tribunal to put on trial pirates on the coast of Somalia, plus special prisons and special tribunals in both Somali land and Puntland.

What worries me is that until now - and I hope never - there is no link between the pirates and the terrorists. As we know, in Somalia, there is an extremist movement that controls the southern half of Somalia. There have been on and off links between the pirates and the terrorists. If that develops, then countries like Mauritius would accept pirates to be tried and detained in Mauritius, could find themselves in a very serious trouble. As I said, this has not been the case except on and off, but it is a threat. There is the link between pirates and terrorists in Somalia developing and we should, Mr Speaker, Sir, keep that in mind. This is what I have to say on the general situation.

What worries me more even is what I heard from the hon. Prime Minister concerning what is going to take place here in Mauritius. When the hon. Prime Minister replied to a Parliamentary Question on 15 June 2010, he was very clear. He said that there will be a special prison for pirates. I heard the hon. Prime Minister repeat that there will be a dedicated prison for

the pirates. We know how long the building of the Melrose prison has taken. Now, I understand that we are going to build a new dedicated prison for pirates. How long is that going to take? Has the European Union and the United Nations agreed to funding such a special prison? But, what disturbs me terribly, Mr Speaker, Sir, is when I hear the hon. Prime Minister say that, in the meantime, arrangements will be made at the Beau Bassin Prison for eventual pirates to be detained there. I am worried sick. We know what the situation is in Beau Bassin Prison, including the female prison. I am worried that pirates would be detained in the Beau Bassin Prison; agreed that special arrangements will be made until a new prison dedicated to pirates is built, but after how many years, Mr Speaker, Sir? I am very, very disturbed and worried.

Replying to the Parliamentary Question on 15 June 2010, the hon. Prime Minister made it clear that the European Union, I quote -

“The European Union feels that they (meaning the pirates) can be tried in the ordinary courts”.

We are not so sure then, but today in the Bill we have agreed that they will be tried through the ordinary courts. They will be tried by a judge or the intermediate court as provided for in the Bill. This also worries me a lot. We know what are the problems in our courts. The Chief Justice is doing his best to accelerate trials and so on, fair enough. But, we still have a problem. Now, these pirates are eventually being tried in our ordinary courts before a judge or before the intermediate court. I am very worried from what I heard concerning where the pirates are going to be detained in the immediate future and also before which courts they are to be tried.

That's bring me to the point, if we are going to have special arrangements in the prison of Beau Bassin, I think we are entitled to know when is the trial and detention of pirates supposed to come into operation. I read carefully statements in the local press by the Ambassador of the European Union, Mr Mariani, here in Mauritius. In the press on 15 July 2011, he said and I quote

“*D'ici à la fin du mois de septembre prochain, Maurice devrait être prête à accueillir et juger les pirates.*”

I think we are entitled to be given an indication what is the time frame? We are not going to take a firm stand against, but we have *beaucoup de réserves*, we are very, very worried, especially when we hear that these pirates will be detained in Beau Bassin for a number of years - how many, I don't know - when we hear that trial will take place before a judge or our

intermediate court. We would wish to have an indication of when supposedly will those pirates be brought to Mauritius, when the agreement with the European Union will come into operation.

Thank you, Mr Speaker, Sir.

(10.57 p.m.)

The Minister of Foreign Affairs, Regional Integration and International Trade (Dr. A. Boolell):

Mr Speaker, Sir, let me first of all acknowledge that this Government is taking a very important decision. Firstly, as the hon. Prime Minister has stated, piracy is a universal crime. As signatory member to the several international conventions, to the code of Djibouti, as the member of International Maritime Organisation and, as a country, which fully subscribes to the number of resolutions voted in the UN, we have no choice, but to assume our responsibility fully.

In fact, the hon. Leader of the Opposition is right on one issue when he stated that this is a standalone Bill, that the hon. Prime Minister has taken over the Bill, not only to highlight the importance of the Bill, but also to show our commitment vis-à-vis the International Community. The hon. Leader of the Opposition has stated that he is not against, but he has expressed many reservations.

Mr Speaker, Sir, on the issue of whether Seychelles will continue to prosecute, it is a fact on the issue of prosecution by Seychelles this is on-going. In fact, if I refer to the statement made by the UN representative on this issue, they fully acknowledged the excellent work being carried out by Seychelles to ward off the threats.

Secondly, Mr Speaker, Sir, the hon. Prime Minister has stated that the trial prosecution and detention of Somali pirates in Mauritius are purely a temporarily arrangement. Let me make it quite clear, Mr Speaker, Sir, that we are dealing with a scourge, which has threatened the very artery of trade and commerce. At the same time, we, together with other coastal states, have taken a firm decision that we are going to ward off the threats. In fact, not only Seychelles or Kenya which are fully involved, but there is now firm commitment from countries like Tanzania, South Africa, Mozambique and all the other countries which have subscribed to the code of Djibouti. On the other hand, Mr Speaker, Sir, we need to be inspired by the war wage on piracy in the Straits of Malacca and had it not been for the support from all the countries in the region, they would have never been able to contain and eliminate the problems in the Strait of Malacca and in the Indian Ocean as has already been stated, this is a region which is becoming infested

with pirates and we cannot become indifferent when we take on board the impact that piracy is having upon the economy of Seychelles.

In tourism itself there has been a decline by more than 30% in the receipt from the tourism sector, let alone the number of attacks upon the cruise vessels in the region. Having said so, the Leader of the Opposition was right to point out that if there is another sector which has been under attack, it is precisely the fisheries sector and you know Mr Speaker, Sir, I recall I chaired a meeting with our friends from SAPMER and IBL in respect of our vessels that have to ply from Port Louis to Mahé. On two occasions there have been attempt to an attack upon those ships which have to fly from Port Louis to Mahé, to be loaded and off loaded with tuna for processing in our tuna canning plant and we took the decision to allow them to hire private security officers in line with procedures established by the international maritime organisation.

Mr Speaker, Sir, there has been no pressure exercised on us by the European Union, but on the other hand, we have to acknowledge the support being dispensed by the European Union in respect of the forces in the region, the European Naval Forces together with the International Coalition Forces from friendly countries and NATO. Having said so, Mr Speaker, Sir, Mauritius together with Seychelles is putting a lot of premium with countries in the region on a sector which is emerging which we call the blue economy and we need to ensure that we protect our Exclusive Economic Zone. That our Exclusive Economic Zone becomes free from attacks of pirates. So, what are we doing Mr Speaker, Sir? One, we fully subscribe to all the regional and international organisations. Next year, there will be another conference which is going to be held in Australia organised by IOR ARC and the AU itself has voted several resolutions in respect of support to be dispensed to countries of the region. We are collaborating fully with other countries in respect of exchange of information to ensure that we are able to ward off these threats. It is real, it is a fact that there will be reports even of alleged links with terrorist groups, when we take on board what has happened in Uganda and other countries, but having said so, Mauritius cannot remain indifferent because we do not subscribe to the peace keeping forces in Somalia. We do agree that unless and until the problem is resolved inland in Somalia, it is a problem which, if not contained, will become acute or chronic. We cannot remain indifferent to this issue. Of course, we would have liked the trials to be conducted in Somalia, but we have to acknowledge that as matters stand, Somalia is a failed State. I know much is being done by the United Nations, by EU and other friendly countries to see how best to dispense support to Somalia, to the transitional

Government. We know the natural calamities which hit Somalia and also the problems in respect of the number of people crossing the frontiers to be in Kenya.

Mr Speaker, Sir, in the light of all these issues, in respect of one, the problem in Somalia, two, our region becomes pirate-infested, we had no choice, but to hold and to host this second Ministerial conference and we clearly define policies in respect of addressing the issue short term, medium term and long term.

In fact Mauritius, together with Tanzania and other countries, are studying policies very carefully; we are coming with this Bill, but there are other countries which want to be inspired by what Mauritius and Seychelles have done. I do agree with the Leader of the Opposition when he says that we have to learn from the experience of Seychelles because as from now, more than 20% of prisoners in the prison of Seychelles are pirates, but what we've done, we've made sure that in respect of provisions of the legislations which we are introducing, we take care that we don't face similar problems which Seychelles is facing.

I recall, Mr Speaker, Sir, when we had the second Ministerial conference, not only did we give firm undertaking to our friends in the region, but we made it quite clear that it is not only the concern of coastal State, but also of countries inland. Hence, a resolution was taken at the level of AU to ensure that we mobilise support not only from region of costal State, but from countries in the region. This is why EU has agreed to disburse up to 25 million euros to give support to IGAD, COMESA, ESA, IOC countries and in the region there is already a programme carried out by IOC to ensure that support in respect of exchange of information, analysis of information, support through interlink ages with European Naval forces and NATO is being carried out.

Mr Speaker, Sir, as a responsible country, we cannot be seen to shy away from our responsibility. We cannot be seen to postpone the day of reckoning because the matter is too serious, we consider the impact of piracy upon vital sectors of the economy. When you look at the increase in the cost of freight, insurance, the impact that it has upon food aid which has to reach Somalia, then the consequences are very grave indeed. Let me also make it quite clear when we look at the different provisions in the legislation, every precaution has been taken to ensure that in respect of the post- trial transfer of prisoners, we will enter into agreement similar to the one of which Seychelles has entered with Somalia, but we have to make sure that we do not shy away from our responsibility.

I know it is easy to whip up a lot of emotion and fear on this issue, but it is worse if we are being seen to do nothing and to shirk from our responsibility. As we said the detention of Somali pirates in Mauritius will be purely a temporary arrangement, we have had training from senior officials of the United Nations Office on drugs and crimes. Initially, we do agree that some people are a little bit reluctant, but as time has gone by, there has been confidence building, there has been capacity building and we can safely say that we are prepared - let alone the mock trial which was conducted. But I think I will impress upon our friends from the Opposition that we should not sow the seed of fear and, at the same time, we should not be seen to run away from our responsibility. There is a commitment as a member of those international conventions to which we fully subscribe and we have to be resolute in the fight to wage war on piracy, otherwise, as I have said, it is going to throttle the very artery of trade and commerce.

So, as a responsible country, we are assuming our responsibility, and it's not a fight that we stand alone. Although we need to introduce a standalone Bill, but in this fight we have the support of inland African countries, Coastal States and countries which are Member States of Indian Ocean Rim-Association for Regional Cooperation.

Thank you, Mr Speaker, Sir.

(11.10 p.m.)

Mr V. Baloomoody (Third Member for GRNW & Port Louis West): Mr Speaker, Sir, there is no doubt that maritime piracy and maritime violence are both forms of violent interference with shipping. According to the statistics of the International Maritime Bureau and the International Maritime Organisation, attacks against ships and armed robbery are on the increase, especially in the Indian Ocean. Signed in 1982 by more than 150 countries, the Law of the Sea defines piracy as illegal acts committed on high seas for private ends. It also states that all countries have a right to seize and prosecute those committing pirate acts on the high seas.

But, Mr Speaker, Sir, the maritime law neglected one thing. It failed to consider a case when the State itself fails to take action, and this is where we have the example of Somalia, where, unfortunately, due to the political situation there, they cannot address the issue. This is where international law has failed, and this is why we have to go according to international cooperation between Country States.

Mr Speaker, Sir, following a PQ, the hon. Prime Minister in his speech mentioned two countries in the region, namely Kenya and Seychelles that have participated. But, like rightly

pointed out by the hon. Prime Minister, we should have taken example from what is happening in Kenya and Seychelles following the decision to try Somalian pirates there. In fact, after Kenya signed the Memorandum of Understanding, there has been an international outcry because of the human rights situation there, and also because of the incapacity for the Judiciary and the prison to handle the situation. Today, in Kenya itself, they are refusing to have pirates tried there because they are overloaded. The Judiciary is overloaded, and the prison cannot cope with the situation. Same thing for Seychelles.

You may be aware, Mr Speaker, Sir, that, in September 2009, the Seychelles released 23 suspected Somali pirates because they felt that they could not handle the situation. They could not handle the situation, and so they released the Somali pirates. Beyond the difficulties of financial and institution limitation, there is also the cost associated with, and there is evidence. Particularly, western nations are avoiding their duty to prosecute pirates because of fears that, if convicted, those pirates will then seek political asylum for themselves and their families. We should not forget that many European countries are refusing to handle Somali pirates because of the political situation in Somalia and, in view of the asylum regime that they have, they are refusing to prosecute these people because even after serving sentence, these people may refuse to go to their country and seek political asylum.

According to a researcher of Chatham House, a London-based think tank asylum, Mr Roger Middleton, and I quote him -

“These countries don’t want to be bombarded by claims of asylum from the pirates who would ask not to be deported to Somalia, a country at war.”

This is an issue we have to address; it is a serious issue. We say we are going to try them and get them to serve sentence. What happens thereafter if Somalia remains a country of war and they seek asylum in this country? Are we going to return them in a country where their life will be in danger subsequently? Are we going to return them where there is no rule of law and no human rights principles attached to in Somalia? So, these are issues that we have to think about before thinking about trying these people here. I will come later to the institutions; the Police, the Judiciary, the Prison and everything. The general principle is trying these Somalians here. What happens thereafter? What happens after they have served sentence?

Mr Speaker, Sir, recent statistics in Kenya showed that the Judiciary system is significantly overburdened. Kenya has approximately 53,000 prisoners, yet its national capacity

allows it to house 16,000 prisoners. We are relatively in the same position here, of course, taking other things into account. Our prisons are already overburdened by prisoners. Our prisons are already understaffed; our prisons are already under equipped, and we are going to have more prisoners here for a transitional period! Where is that transitional period defined?

Mr Speaker, Sir, when hon. Mrs Radegonde asked a question regarding the Somali issues, which have been quoted by the hon. Leader of the Opposition on 15 June 2010, the hon. Prime Minister rightly said that we are negotiating with the European Commission to ensure that we have finance for another prison, but also a special court. The hon. Prime Minister said clearly, and I quote -

“I must say, Mr Speaker, Sir, we are not quite decided on that. The European Union feels that they can be tried in the ordinary courts. We are not so sure. We are going to look at what amendments they have to bring, whether it will have to be a special jurisdiction or not.”

At that time, the hon. Prime Minister was not sure and we, in the Opposition, are not sure either whether our courts, as they are now, are equipped, have sufficient equipment, time and personnel to handle this issue. I hope that the hon. Prime Minister will tell us what has happened during negotiations that have changed the stand of Government with regard to our capacity by our court to judge the pirates in Mauritius.

Following that PQ, we were informed that negotiations are going on. Then, we learned through the Bill which is before us, at paragraph 8 subsection (3), that - and this is very important -

“The agreement entered into with the European Union for the transfer of suspected pirates on 14 July 2011 shall be deemed to have been made under subsection (1).”

So, we are called upon in this House, as Members of Parliament, to vote a Bill, which incorporates an agreement which is not before us. It is not before us!

(Interruptions)

The hon. Prime Minister has chosen certain paragraphs because I have a copy of the agreement, and I hope it is the one which we have signed; I asked one from the Library. This agreement which binds the Government of Mauritius, which we, the State, which we, Parliamentarians, are called upon to vote for it to be in force, we have not been privy; let alone we have not been privy, it has not been circulated to Members of Parliament! And you expect us to vote an

agreement which we don't know, of which we have not been made aware! When we look at this agreement - I have a copy of this agreement which I have asked from the Library, but it is not signed. I don't know whether this is the agreement which Government signed or there have been amendments subsequently. When you look at this agreement, the conditions imposed on the State, on the Police during the enquiry, on the Court itself, on the regime in the Prison, it is clear that, in Mauritius, if we apply and vote this Act, we are going to have deux régimes pénals. One favourable, the pirates are considered to be VVIP.

(*Interruptions*)

Yes, if we look at the treatment in that agreement. We will have our *ti-dimounes* who get the treatment they have with the Police and the others in the Prison, etc. This agreement imposes very strict condition on the State. For example, let's look at Article 3 - like I said, I have a copy of the agreement but, unfortunately, we don't have the original. The hon. Leader of the Opposition has asked for one officially but, unfortunately, we don't have one. So, I will refer to this one and I hope that the hon. Prime Minister will make one available to us and will confirm what I am saying is the one in the agreement. I am not misleading anybody. I am just having a look at the agreement. The agreement says, article 3 –

“Mauritius may accept, upon request by EUNAVFOR, the transfer of persons detained by EUNAVFOR in connection with piracy and associated property seized by EUNAVFOR and submit such persons and property to its competent authorities for the purpose of investigation and prosecution.”

(*Interruptions*)

Be careful; we are not only prosecuting, we are also investigating and the hon. Prime Minister said, of course. Are we equipped to investigate into a pirate offence on the high seas? Are we equipped?

(*Interruptions*)

Can I be allowed to address the House before I will be accused of shouting?

(*Interruptions*)

It is not fair to say that I am shouting. Unfortunately, I have got a big voice.

(*Interruptions*)

When you look at Article 4...

(*Interruptions*)

It is an important issue and the hon. Prime Minister does not move! Sorry, they have not seen the agreement and when we bring the agreement to their face, he runs away. Shame on him! Shame! Shame!

(Interruptions)

At this stage, the MMM Opposition Members and the MSM Opposition Members left the Chamber.

(11.23 p.m.)

The Attorney General (Mr Y. Varma): Mr Speaker, Sir, it is a pity that on such an important piece of legislation, the Opposition has decided to walk out, but I will briefly reply to what the hon. Member was referring to.

In fact, the hon. Member who spoke just before me spoke about Kenya and Seychelles, about the incapacity of their Prison and Judiciary. He also spoke about our own Prisons and Judiciary, whether we are equipped to deal with piracy cases. In fact, Mr Speaker, Sir, the hon. Member should have listened to what the hon. Prime Minister said during his intervention. In fact, the hon. Prime Minister clearly stated that it will be up to Mauritius to decide whom we want to take and he also stated that, in the beginning, it will be using the existing facilities and we will be receiving support from the EU to be able to put all the infrastructure into place to cope with these cases.

Mr Speaker, Sir, it is not correct to say that pirates will be considered as VVIP. It is also not correct to say that we are not equipped to investigate into piracy cases. In fact, Mr Speaker, Sir, the agreement which the hon. Member was referring to, is available in the Library of the National Assembly and, he, himself got a copy of that agreement and he should have referred to the whole agreement, and not only to bits and pieces.

Mr Speaker, Sir, in fact, this Bill reaffirmed Government's commitment against the scourge of piracy. The UN Security Council Resolution 1918 of 2010, *inter alia*, impressed on a member State, including States in the region to criminalise piracy under the domestic law and favourably consider the prosecution of suspected and imprisonment of convicted pirates apprehended off the coast of Somalia, consistent with applicable International Human Rights Law.

It is also apposite to recall the most salient features of Resolution 1976 of 2011 adopted by the UN Security Council at its meeting on 11 April 2011, which have, in my view, been addressed by Government in bringing this Bill before the House.

Mr Speaker, Sir, within the International law there is a well- recognised principle that each State has universal jurisdiction to prosecute pirates. The offence of piracy is a criminal offence, both under the United Nations Convention on the Law of the Sea (UNCLOS), as well on the Customary International Law.

Piracy is an international crime that falls under every State's jurisdiction under Customary International law. Universal Jurisdiction endows every State with a right to prosecute and punish piracy regardless of where the attack occurs. Because of universal jurisdiction, each State has a responsibility to prosecute pirates under its own domestic laws, irrespective of a pirate's original nationality, the registry of the ship or the destination of the cargo.

Mauritius is a signatory to UNCLOS, as geographically it finds itself in a region where the scourge of piracy is a threat not only to international trade and shipping, but also to lives of innocent seafarers and to peace and security in the region.

Mr Speaker, Sir, while States countering piracy off the coast of Somalia continue to work together to ensure judicial consequences for suspected pirates captured at sea, it has become increasingly apparent that pirate operation off the coast of Somalia are the product of an organised criminal enterprise comprising pirate organisers, finances and facilitators residing ashore in Somalia or in the territories of other States.

Identifying, investigation, apprehending and prosecuting these criminal suspects will require sustained International Law and enforcement cooperation and, may, in particular, raise International Law issues.

Mr Speaker, Sir, it is in this context that this Bill provides for a consequential amendment to the mutual assistance in Criminal and Related Matters Act as Mauritius wishes to have a requisite legal arsenal to corporate with its international partners in the global fight against piracy.

(Interruptions)

Mr Speaker: Hon. Chief Whip, what is happening? You're talking from there.

(Interruptions)

Mr Varma: Mr Speaker, Sir, this Government has also enacted the Asset Recovery Act of 2011, which will culminate in an enforcement authority in the office of the Director of Public Prosecutions and this authority will have the means to seize proceeds of crime.

Piracy, more than many other crimes, has a very high element of transnational money-laundering associated with it and this is an issue that is being tackled internationally.

Mr Speaker, Sir, we have to acknowledge that the prosecution of piracy offences is not without its difficulties and the most obvious ones are -

- (a) the high number of suspects to deal with, and
- (b) the institutional cost.

Mr Speaker, Sir, this Bill brings under one umbrella, the offences of piracy and maritime violence and provides a comprehensive framework to deal with such offences. Mr Speaker, Sir, the maximum sentence provided for in the Bill at clause 3(1), for piracy and maritime attack offences is 60 years. This illustrates the commitment of Government to ensure that the crime of piracy is being treated at par with the more serious offences under our legislation.

Clause 83 of the Bill refers to the transfer agreement signed between Mauritius and the European Union. This agreement was the culmination of intense discussions, spanning over a year and was welcomed by Baroness Ashton in a speech in Brussels on 16 July 2011 and she said, I quote –

“I am delighted that the excellent co-operation we have with the Government of Mauritius in the fight against piracy has resulted in the signature of the European Union/Mauritius transfer agreement of suspected pirates”.

The transfer agreement referred to at clause 8 (3) of the Bill essentially pertains to the transfer of persons suspected of attempting to committing or having committed acts of piracy within the area of operation of UNAFOR-ATLANTA, on the higher seas off in territorial seas of Mauritius, Madagascar, the Comoro islands, Seychelles and Reunion Island and detained by UNAFOR. Secondly, the transfer of associated properties seized by UNAFOR from UNAFOR to Mauritius, and thirdly, the treatment of transferred persons.

Mr Speaker, Sir, the transfer agreement was signed on 14 July. One important aspect of the offence of piracy is undeniably its transnational element. It is with this in mind that a consequential amendment has been made in this Bill to provide for the Government of Mauritius to cooperate with foreign Governments or international organisations. Under the Mutual

Assistance and Criminally Related Matters Act, the central authority in relation to mutual legal assistance is the Attorney General and I can assure the House that my office will spare no effort in cooperating fully with our international partners in the fight against piracy.

Mr Speaker, Sir, this Bill also amends the Courts Act by providing for the possibility to adduce evidence through video link in piracy trials. This amendment is crucial as seafarers tend to be very mobile and such an amendment will allow trials to proceed provided that the relevant witnesses have accessed to live video link facilities. We have even gone further by amending the Courts Act to provide for the admissibility of evidence from unavailable witnesses. This, Mr Speaker, Sir, is to be found at clause 11 (d) of the Bill.

Mr Speaker, Sir, at present, there is no specific provision in our law, which permits evidence to be given in written statement form in criminal proceedings. Where the witness is not in Mauritius and it is impracticable for him to give evidence in person, such provisions are present in other jurisdiction such as England where section 116 of the Criminal Justice Act 2003 provides for the adducing of evidence in the form of written statements where the witness is unavailable for a number of specified reasons.

Similarly, Jamaica which has similar constitutional guarantees of a fair trial as in Mauritius has a similar provision in section 31 (d) of its Evidence Act. Safeguards have been added when drafting clause 11 (d) of this Bill, in that a provision based on section 181 (d) of the Courts Act has been included in the proposed section 118 (c) of the Courts Act with a view to providing for the admissibility of evidence in rebuttal. This will ensure, Mr Speaker, Sir, that a defendant who does not have the possibility of cross-examination, the witness will not be deprived of the opportunity of adducing evidence which purports to contradict the witness on the ground that the witness is absent from the Court.

Mr Speaker, Sir, this safeguard will no doubt ensure that constitutional rights of defendants are respected. On the other hand, any evidence which the prosecution could have used with a view to supporting the credibility of the unavailable witness will also, subject to rules of Courts, be admissible in evidence. A further safeguard is that a Court will be able in assessing the weight to be given to the statement of an absent witness adduced in evidence to have regard to all the circumstances from which any inference can reasonably be drawn as to its accuracy or otherwise. This safeguard is important as it will enable the Court before reaching its verdict to take into account the fact that the witness could not be cross-examined.

Mr Speaker, Sir, clause 11 (d) of this Bill will ensure that practical difficulties will not be a bar to successful prosecution of criminal offences, whilst ensuring that constitutional guarantees of a fair trial as enshrined in section 10 of our Constitution are adhered to.

Mr Speaker, Sir, in this drafting of this Bill, Government has also had the benefit of the assistance of the UNODC experts, as highlighted by the hon. Prime Minister. The Bill was reviewed by the UNODC expert, Professor Robert McLean who is an expert in the law of the sea. Further, officers from my office have already benefited from training in relation to piracy cases.

Mr Speaker, Sir, we only have to look at international trends in prosecution of pirates as testimony to the fact that we are faced with an international problem and as a responsible State, we are duty-bound to react. Some latest available figures of global piracy prosecutions as at 12 October 2011 prepared by the UNODC are –

COUNTRY	NO. OF PIRATES HELD	NUMBER CONVICTED
Kenya	143	50
Madagascar	12	0
Maldives	34	-
Seychelles	64	52
Somalia (Puntland)	290	240
Somaliland	94	68
Somalia South-Central	18	The status of trial is unclear

The status of trial is unclear.

Mr Speaker, Sir, prosecuting pirates in Mauritius is a challenging prospect, but I am confident that all the relevant stakeholders will rise to the challenge and ensure that in conformity with UN Security Resolutions, Mauritius plays an important role in the international fight against piracy.

With these words, Mr Speaker, Sir, I thank you for your kind attention.

(11.40 p.m.)

The Minister of Labour, Industrial Relations and Employment (Mr S. Mohamed):

Sir, with the Piracy and Maritime Violence Bill, I would like indeed to congratulate the hon. Prime Minister for having brought this Bill to this august Assembly. This is indeed a very

important step that we are taking in making history. Very often, a person called upon to take one's responsibility in order to form part as an equal member with equal responsibilities among all nations, the nation that forms part of the United Nations. Very often, when we are called upon to take our responsibility in the eyes of the world, it is at that very moment that anything we do and anything we say will be noted down in history as being a very important step as to decide whether or not we have been able to stand firm, resolute, responsible and a responsible nation among the whole brotherhood of nations or if we have not been able to stand firm and resolute and show that not only by name we form part of all those nations of the world, but we have simply decided to take not only the backseat, but sit far away from our responsibility, shirk away from the responsibility in this world and simply accept a helping hand from the European Union, from all developed countries, but when the time comes for us to show that we deserve to be considered in the brotherhood of nations as an equal member with the responsibility that we can uphold, this is how we are going to be judged one day.

What I have heard the Leader of the Opposition saying today, Mr Speaker, Sir, with much attention was two things. He has clearly said that it is important that we are bringing this piece of legislation to this House but, in fact, the message that he has sent today is not a message that should contend ourselves only here in this National Assembly, but those are words that are being heard that go beyond our frontiers, that go as far as the ears of the European Union and they will be wanting to know: have we stood up to the challenges one people and one nation or have we tried to simply show that we are afraid as a nation? It is not sufficient for us to simply come and say we agree that there is an international problem of piracy, that it is affecting our trade links; it is indeed affecting the cost of freight; it is indeed affecting the cost of insurance. Those are facts. But what do we do when we have to bring solutions to those problems? What I have heard the hon. Leader of the Opposition saying many times is that he is afraid. He has drawn attention to those very facts that show that he is afraid. What is also sad, Mr Speaker, Sir, is that he has associated the Members of the Opposition in showing this fear. How has he done so? He has said that we, in the Opposition, are not resolutely against but, at the same time, we are in some way saying that we cannot tread that path because we are afraid. The time will come, as I have said, that in the nations of this world, we will be judged. What would have been a great day today, Mr Speaker, Sir, is for us to unite behind this step that is being taken by the hon. Prime Minister; for us to unite as one people behind this important piece of legislation as one

nation and for once, maybe once, put aside politics; put aside scores - who is going to keep scores, who is going to win in the political arena - because this is not, Mr Speaker, Sir, a piece of legislation that needs to be dropped into the political sphere, but we have to raise above it. He has talked about fears, about what will happen in Mauritius, where the prisoners will go, whether the Beau Bassin Prison will be a sufficient type of prison to hold upon those prisoners. What is important here and what he should have stressed upon in order to allay his fears is that those prisoners will not be accepted unconditionally. That is the important element. When hon. Baloomoody started to read an agreement, it does not suffice for him to read only part of an agreement. The hon. Prime Minister is totally correct when he says that he has to read the whole agreement in order to have a proper whole picture because it is sufficient for us to read as an example even the Explanatory Memorandum of this piece of legislation and stop at part (a). If we are to stop at part (a) (1) of this Bill, it does not make any sense. What is important to do, as I have said, is to read the whole agreement and to see how we, as a nation, have taken our responsibility in the international community and how we have made sure that, as a sovereign nation, the interest of the sovereign State is upheld and there is only one person leading this Government that has ensured that, as a sovereign State, we are respected in the brotherhood of nations and that is none other than the Prime Minister, hon. Dr. Navin Ramgoolam.

We are, Mr Speaker, Sir, indeed living in a country that is a great democracy and that democracy dictates that we can express our views in many forms and ways. One is to speak our mind in order to inform the people of this country for whom we have been elected to represent here. *On a été mandaté par l'électorat pour venir développer leurs arguments ici.* We are here to speak on their behalf, but we are also here to lead on their behalf. True it is, another method of democracy is also silence because it is indeed a form of communication. Then, again, whenever one uses democracy as a right and has a God-given right in our Constitution, one has to be able to know the real measure of what a democratic right means. Whenever we are to use a right, it comes with a responsibility. Today, I have said it again and let me repeat it, Mr Speaker, Sir, because I am of the view, as hon. Minister Boolell has clearly stated, that today piracy has become an international problem which requires a comprehensive, multilateral solution with an integrated short, medium and long term strategy. What it means here is that the integrated element is of the utmost importance. Not only should it have been integrated as far as the region goes, as far as our friends in the European Union go, as far as our friends in the United Nations

go, but it should also, as a responsible nation, Mr Speaker, Sir, have been an integrated approach between Government and the Opposition. This is a sad day today that the Opposition is not here to participate in this historical move. The brotherhood of nations will be called upon very soon to judge this democratic Republic of Mauritius as to whether it was resolute in what it wanted to do. It would have wanted that Government and Opposition should speak with one message, one voice. This is how we have to also put ourselves another question: why was Mauritius chosen? Why is it that negotiations were opened between the European Union and Mauritius? Is it because, as the Prime Minister always says, the European Union owes us a living. Not at all! The reason why Mauritius was chosen is because *peut-être ça ne plaît pas beaucoup à quelques personnes mais pour moi, je suis fier, M. le président, du fait qu'il y a eu négociations entre l'union européenne et la république de Maurice que* they hold Mauritius in high esteem.

Not only do they hold Mauritius in high esteem, but they have respect for our republic, they have respect for our institutions, they have respect for our law and order services, for our Police and not only that, they have respect for also our coast guards, they have respect for our National Assembly, they have respect for all the State, the Judiciary, the Legislature and all those elements they have respect for. In return, what we have to show them for that respect is that they were right to have respect for us.

Today, permit me, Mr Speaker, Sir, to say without in any way having any motives, I am not in any way accusing the Opposition, but I am only commenting on what I see. My worry today, Mr Speaker, Sir, is: what will the European Union think of the Opposition having walked out? But before them having walked out of this august Assembly, the European Union is going to take the speech of the Leader of the Opposition, is going to take the words of hon. Baloomoody, it is going to dissect those words, it is going to try to understand what is really the meaning in those words. In other words, when they are trying to say that in some way we are not protecting the sovereignty of this nation, are they not the Opposition pointing an accusatory finger at the European Union? It is all nice and well to come and thank the European Union for the money they give us, for the help they give us, for the assistance they throw our way. Let us describe it, when your neighbour asks you for assistance, when your family asks you for assistance, when your friend asks you for assistance, it is then in those moments that you are to realise who are your real friends, whom you can rely upon. Today, when I hear what has happened and when I see what has happened, it is clear, Mr Speaker, Sir, that it is only this

Government that is resolute, that is certain in what it wants and wants to continue along that line. Let me continue to say the following things. An insecure marine area adversely affects trade, food security, income from exploitation of fisheries, other marine resources and tourism.

Mr Speaker, Sir, it is reported that tourism revenues in the Seychelles alone have declined 30% over the past few years, since it has been affected by piracy, security threats and damage. I have myself only recently been to the Republic of South Africa to attend an ILO meeting and I was meeting colleagues from the Seychelles. They have not only explained to me what we read in magazines, what we read in periodicals or what we read in reports. The Minister of Labour of Seychelles was explaining to me how in actual fact, in practice, *sur le terrain, dans la vie de tous les jours, comment le peuple des Seychelles est en train de souffrir* because of this situation of piracy. Here, as I said, we are responsible, we cannot stand here and let alone our neighbours suffer and do nothing, that one day we will be condemned in history as sitting down and letting someone *non assistance à personne en danger, ça équivaut à cela, M. le président.*

Let me go on to say piracy undermines the security of the region and its ports and their continued development as a commercial hub in the global economy. Trade cost and insurance have increased cruise ships that are an important element for our country. The Government has invested so much as far as our tourism industry goes, not only with regard to tourism coming in by airplanes, but an important hub for cruise ships to come to Mauritius. I do recall, when the hon. vice-Prime Minister and Minister of Finance, hon. Duval, was Minister of Tourism, how much effort he personally put in, in order to see to it that the cruise ships that go all over the world come to Mauritius. Those efforts that have been put in, Mr Speaker, Sir, cannot, therefore, go to waste simply because of any type of political ego.

Let me conclude by saying the following, Mr Speaker, Sir - whenever a country has to move forward in the world and really prove to the brotherhood of nations that we are, indeed, a nation that deserves to be treated as an adult nation belonging to the brotherhood of nations, we must have a general, a general that is not the fainthearted general, because the way forward to the future and to belong to this developed nation, to belong to this brotherhood of nations, cannot be a fainthearted general. I am proud today that we have a Prime Minister that is, indeed, a general and far from a fainthearted general but, indeed, someone that has the guts to take us forward and a visionary in the making.

Thank you.

(11.55 p.m.)

The Prime Minister: Mr Speaker, Sir, I will try to respond to some of the points raised even though the Opposition has decided to walk out.

I must say, Mr Speaker, Sir, hon. Shakeel Mohamed has made the point forcefully, because the Leader of the Opposition started by saying he is ‘in agreement, but’ He said, I think, that the European Union had put diplomatic pressures upon us. He was insinuating as if: “Yes, they are friends, but”. Hon. Shakeel Mohamed rightly has said. So, we get money from the European Union. It is an insult to try to imply that the European Union is treating us as if we are bound to accept anything. In fact, had they known why since 2009, they are asking us to try to help, we are now in 2011? Because there were long, long discussions. We did not agree with many issues. I cannot say for sure, but I am not sure that other countries have got an agreement as we have. There are lots and lots of conditions attached to this agreement. So, trying to say that the European Union put pressure on us, no!

Besides, Mr Speaker, Sir, for those who perhaps do not realise it in Mauritius, we are relatively and economically a prosperous country. We are more prosperous than Seychelles. Kenya has its own problems; it has got political instability, people killing each other and all this. We are different. So, for a country like us, we should be able to play a more active role.

I must tell you, furthermore, Mr Speaker, Sir, I had the visit of a US commander of a naval vessel. He said to me bluntly: ‘But, Mr Prime Minister, we provide training for your people, not training to show how to shoot a gun, commando training.’ We are getting anti-terrorist training; I am not mentioning where and how. If you get all this training, but why should we train you for? Why should we train people if we are not making use of the training that we get? That is also an obligation. Besides, Mr Speaker, Sir, this is to our benefit also, let us not forget. The Leader of the Opposition took up some of the things I said myself. He himself said because of piracy freight, insurance costs are going up. I did say that in my speech. When freight costs go up, when insurance costs go up, people, who are in business, are they going to dish out money? They are going to put that money, transfer the costs to the consumer, to the taxpayer. We, in Mauritius, are going to pay the costs, eventually. So, it is in our interests also to stand up and cooperate with the International Committee.

Besides, Mr Speaker, Sir, I did ask the question at the beginning. You know sometime what they do, they have already prepared their speech, they have no ability to respond to a

speech, because they are already going to read what they have written, that is very often the case. So, he has to stick to his speech and, therefore, he cannot adjust at all.

(Interruptions)

That is why he is called *intelligence limitée*.

Mr Speaker, Sir, tell me what happen if one of our ships or a ship in our territorial waters, gets attacked by pirates, they take hostages, Mauritians on board. What do I do? I call the European Union: ‘Please, help us!’? I call India? I call the United States? But when we trained your people, when we wanted you to help, you did not help. To ban! These people do not realise. I don’t know in what world they live, I just don’t know. Mr Speaker, Sir, it is in our economic interest, as I’ve said.

Now, we take up some other points that were raised. The question was about the death penalty, what about the death penalty. Obviously, hon. Baloomoody had a copy of the agreement. Obviously, he got it. I don’t know, I will ask the Clerk of the National Assembly to clarify the situation as to how he got a copy from the National Assembly which is unsigned. I am surprised that he got a copy which is unsigned. So, that will have to be looked into because he said he got it from the Library. But in any case, Mr Speaker, Sir, it says – and we all know, that the death penalty is not applicable in Mauritius at the moment. We can reassert it, but it is not applicable at the moment. So, no one would be charged with a death penalty. They made it clear. Because the European Union, as you know, Mr Speaker, Sir, because of the Human Rights and all this, they are totally against death penalty. But that is not applicable at the moment. They put a clause in there that it is not applicable at the moment in Mauritius. They also said that we should learn from Kenya and Seychelles. I think hon. Dr. Boolell took the point immediately. But has Seychelles stopped getting pirates? I just mentioned last week the Royal Navy brought some pirates to Seychelles. They are going to stand trial in Seychelles. Seychelles has not stopped, neither has Kenya. But they are saying they are overloaded. They have reached a situation where they are overloaded. That can well happen to any country. I mentioned Tanzania which is considering now whether they should also help because they are also getting affected. I mentioned that South Africa has decided that it will monitor the Mozambique Channel and the coast of Mozambique. They will have ships in those regions to discourage piracy. So, people are taking additional steps.

Now, Mr Speaker, Sir, I did say that we have strict conditions attached to the agreement. And I did say that Mauritius retains the ultimate discretion whether to accept or not to accept. Suppose tomorrow 100 pirates are sent to Mauritius, I will obviously not accept 100 pirates. Hon. Baloomoody was saying that now we are going to investigate and not just prosecute. But how do we prosecute if we don't have any investigation? Concerning the investigation, I think in the Bill itself, you will see that we need to investigate to ensure that all the evidence is according to Mauritian laws. Supposedly, if evidence has been taken which does not comply with our laws, we cannot accept that evidence. We have also to make sure that there are procedures. Obviously, I mean more likely than not, we will have to record statements. Now, recording statements, is part of the investigation.

I was talking about the 100 pirates, what will we do? Now, I had said myself and I did say that I am not so sure that our courts should not be a separate court. That was my original way of thinking because, as far as I know, we have never dealt with a case of piracy in this country. Although it is already in the Maritime Act of 2007, we have not actually dealt with it. I am not so sure whether we can deal with that. Now, we have had consultations with the Chief Justice, if I have the paper here, I will tell you. It has been agreed, he agrees that Mauritius has the capacity to try and to dispose of piracy cases. I think he said about five cases in a year already. We have both the ability and the capability and the capacity to judge pirates. We should be proud of this, Mr Speaker, Sir. Piracy is what? It is a criminal offence. So, now, we are going to separate criminal offences one by one. It already exists in our law. But in any case, because it is new and appropriate, he did say an appropriate, logistical and capacity building programme has been initiated already by the Judiciary. But I did say that perhaps it might be good to put them in a special prison. That we agree. I don't think we have to be a rocket scientist to understand that to build a prison we need money. Who is going to get us the money? The agreement is with the European Union. Now, how can they give us the money if we haven't signed the agreement? I can't even imagine that people can be so illogical. Once the agreement is signed, I already mentioned the sum that we initially get in and we will be constructing a new prison. As I said, if we cannot and we have too many pirates who are coming here, we would obviously not be able to accept.

The other point that was raised by the hon. Leader of the Opposition was about the Jack Lang Report. But we agree with what Jack Lang has said. I have met Jack Lang. He did tell me

this even before that he is going to make other suggestions, perhaps, and we can look at that. He has made his suggestions. This is under consideration by the UN. If, as he says in Rwanda, the special court is made use of to judge pirates, but who is going to be happy with this? Certainly not us! The more other countries can do, the better. Just like at the moment, Seychelles and Kenya are saying they wish Mauritius, Tanzania and South Africa will do something. And so, if the Jack Lang Report is being under consideration by the UN, if the UN says yes, they will do this and they will help, so much the better for all of us, for the region because, as I say again, we should not forget it is also in our interest to do all this. Mr Jack Lang has asked for a meeting with me, next week, he is coming to Mauritius. I think next week I will have a meeting with him. We will talk about this.

I did mention, I think that they are trying to get all the courts in Somali itself. If not in Somali, at the moment it is unlikely, then outside Somali. They also look at Somaliland, I think it is called Puntland. They are also looking at these places to have courts. The hon. Leader of the Opposition himself has said one has declared independent, the other is autonomous, but they are saying they might well be able to do it. So, let them do it.

The other point was whether we are going to take pirates from everywhere. I did say in my speech, but I think either they did not listen or because they have written their speech, they can't change. I did say it will also be on the high seas, but not anywhere on the high seas along the territorial coast lines of the countries. I mentioned Madagascar, Comoros, Seychelles and Reunion, in fact, the Indian Ocean Commission Islands. If it is along the coast lines, but in the high seas, we will accept them, because in the definition, as you know, there is a nautical mile and then it comes the high seas - we will accept them. But again, subject to us accepting. We might not accept at the end of the day.

Now, there was the other point of political asylum, I think I need to show something, Mr Speaker, Sir. Hon. Baloomoody was saying that we have Mauritian prisoners and then we are going to get VIP prisoners. It is illogical, but also done on a purpose, as usual. Propaganda! Propaganda! Propaganda! Just to poison people's mind. Now, you will see headlines, you will see conferences and conferences about this. It's not true, Mr Speaker, Sir.

What the European says, and I am going to quote it from the Article – he has got the Article. Article 4 talks about 'treatment, prosecution and trial of transferred persons'. It says it will be in accordance with International Human Rights obligations embodied in the Constitution

of Mauritius. It says that any transferred person shall be treated humanely and shall not be subject to torture or cruel, degrading treatment or punishment and shall receive adequate accommodation. It is exactly what we do with Mauritian prisoners. It is in our Constitution. And the agreement mentions Mauritian Constitution, it will have to be under Human Rights obligations embodied in the Constitution of Mauritius. So, why go and try to scare people? They are scaremongering. Try to tell people that now they will, at least, long cars, carpets, beds, TV, videos and everything. In that case, let's all of us become pirates and go and stay for free in Mauritius. But this is the situation, Mr Speaker, Sir. It is absolutely untrue to say what he has said.

With regard to political asylum, I don't know whether they are limited. Really, these are the people who are limited. I don't think they read, I don't think they know what is happening in the world. I just don't know how they manage their affairs. They said that these people will ask for political asylum. Already we are saying in Mauritius that we are going to strengthen the immigration laws. There was a question this morning; it did not come up, but they will get the written answer. We are going to tighten the immigration laws. We are going to ensure that the situation is not abused.

I mentioned last time, Mr Speaker, Sir, if Mauritian parents are in Botswana and the child is born in Botswana, he does not and will not get Botswana's citizenship. Here we are opening up. There is a limit to opening up. We are going to tighten the laws. But, as for political asylum, we have been very, very careful with respect to that issue. Mauritius is not a signatory to the Convention on Asylum. We are not; we have not signed it. So, it does not concern us. In fact - and I did say it in my speech - we have amended the Deportation Act precisely because of this, to ensure that suspected pirates are prohibited immigrants. What does prohibited immigrant mean? Does that mean you can stay in the country if you are prohibited?

I must say that the UNODC has agreed to take responsibility for the transfer of pirates who have entered Mauritius for trial but have subsequently not been tried either for lack of evidence or whatever. Again it's scaremongering. They do this in Europe as well about foreigners who are coming. This is what they are doing; trying to scare Mauritians. We have to stand up, Mr Speaker, Sir. I must tell you I am proud that Mauritius is showing that it is prepared to take its responsibility; not sit down on the side and act passively. Do you think the European Union will just say 'Okay, its Mauritius! They have plenty of sand, sun and sea. Let's

give them loads of money'. When they are having all these problems there, we are getting so much money here, and it is in our interest. After all, I did say it is a temporary measure. At the end of the day, pirates will not be judged in Mauritius, but we'll end up with all the infrastructure that we have. So, is that not good for Mauritius?

Mr Speaker, Sir, they also said why we did not lay the agreement on the Table. I understand that they got the copy - that is what they said - from the National Assembly. They say that it is unsigned. I am not quite sure how is it that they got an unsigned copy. But, Mr Speaker, Sir ...

(Interruptions)

They should have known if they were careful in reading what is going on in the world, instead of reading just the *palabres* that they say every day. If they had been reading, they would have seen that Baroness Ashton, as soon as we signed the agreement, publicly - not in one place, but in different forums - congratulated Mauritius strongly, not only because we signed the agreement but because the agreement, as I said in my speech...

(Interruptions)

is an agreement that is being branded as one of the showpiece agreements that other countries should have. That is why I say we have taken time with our agreement, but it is a better agreement than there is so far. Even countries - I do not want to mention names - which are much, much bigger than ours do not have an agreement as we have in this country. I thank the State Law Office for having put up this in detail and ensured, with the help of the Foreign Affairs Department also, that we have an agreement that will stand the test of time.

Mr Speaker, Sir, in life, somebody might decide to do nothing, not take any risk. Obviously, if he does not take any risk, he will make no mistakes, he will have no problems. But no risk, no gain.

Thank you, Mr Speaker, Sir.

Question put and agreed to.

Bill read a second time and committed.

COMMITTEE STAGE

(Mr Speaker in the Chair)

THE PIRACY & MARITIME VIOLENCE BILL

(NO. XXVIII OF 2011)

Clause 1 ordered to stand part of the Bill.

Clause 2 (Interpretation)

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

The Prime Minister: Mr Chairperson, I move for the following amendment -

“In clause 2, in the definition of “Minister”, to delete the word “shipping” and replace it by the words “home affairs”.

Amendment agreed to.

Clause 2, as amended, ordered to stand part of the Bill.

Clauses 3 and 4 ordered to stand part of the Bill.

Clause 5 (Endangering safe navigation)

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

The Prime Minister: Mr Chairperson, I move for the following amendment -

“In clause 5 (6), to delete the words “subsection (8)” and replace them by the words “subsection (7)”.

Amendment agreed to.

Clause 5, as amended, ordered to stand part of the Bill.

Clauses 6 and 7 ordered to stand part of the Bill.

Clause 8 (arrangements for handing over and transfer of suspected persons)

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

The Prime Minister: Mr Chairperson, Sir, I move that clause 8 be amended as follows -

“In clause 8, to delete the words “, after consultation with the Minister to whom the responsibility for the subject of home affairs is assigned.”.

Amendment agreed to.

Clause 8, as amended, ordered to stand part of the Bill.

Clauses 9 to 12 ordered to stand part of the Bill.

The Schedule 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 Mr Speaker in the Chair, Mr Speaker reported accordingly.

Third Reading

On motion made and seconded, the Piracy and Maritime Violence Bill (No. XXVIII of 2011) was read the third time and passed.

Second Reading

**THE MAURITIUS CANE INDUSTRY AUTHORITY BILL
(NO. XXXIII OF 2011)**

Order for Second reading read.

(00.18)

The Minister of Agro-Industry and Food Security (Mr S. Faugoo): Mr Speaker, Sir, I move that the Mauritius Cane Industry Authority Bill (No. XXXIII of 2011) be read a second time.

As mentioned in the Explanatory Memorandum, the object of the Bill is to provide for the establishment of the Mauritius Cane Industry Authority (MCIA) to exercise the powers and perform the functions of the six cess funded Service Providing Institutions (SPIs), namely the Mauritius Sugar Industry Research Institute (that was set up in 1953), the Cane Planters & Millers Arbitration & Control Board (set up in 1973), the Sugar Planters Mechanical Pool Corporation (set up in 1974), the Mauritius Sugar Terminal Corporation (set up in 1979), the Mauritius Sugar Authority (set up in 1984) and the Farmers Service Corporation (set up back in 1991).

I must emphasise here, Mr Speaker, Sir, that the MCIA, though a new institution, is not an entity being formed from scratch. Instead, it is an institution that rationalises the functions of existing service providing institutions to perform under one single umbrella. All the functions and activities of these SPIs in support of the planting community will be maintained, but only in an efficient and more cost effective manner in the wake of the cess reduction, drastic cut of the sugar price and the competitive economic environment.

Mr Speaker, Sir, it is relevant, however, at the very outset to situate the context under which the global sugar industry has been operating and evolving over the years.

As you may be aware, sugar industries throughout the world have now to perform within a new economic environment, and Mauritius is no exception. Besides globalisation and trade liberalisation, several other crises have emerged, namely energy, food, financial and global climate change, amongst others, which have been impacting adversely on the sugar sector. The

challenge for the industry, therefore, is how to continue its progress against that harsher competitive environment, and without the conventional safety nets of guaranteed and preferential prices and a secure market access.

The ACP Sugar producing countries, including Mauritius, have experienced drastic price cuts resulting from the 2006 EU Sugar Regime reforms and the ending of the EU/ACP Sugar protocol arrangements, a problem that is being further compounded by the Euro-crisis.

Moreover, the ACP sugar producing countries are now facing additional challenges resulting from continuing reform of the EU trade and agricultural policies, more specifically the forthcoming EU Common Agricultural Policy 2013-2020. These would further undermine the guarantees on sugar trade preferences made to the ACPs just a few years ago. They are likely to threaten the stability of the EU sugar market and result in even lower EU prices and a loss of market share for ACP countries, thereby diminishing export revenues even more so.

In this context, the ACP group of countries is pursuing an intense lobbying campaign in the EU to safeguard our interests and as Chairman of the ACP Ministerial Committee on sugar, I have written to the Commissioner for Agriculture and Rural Development, Mr Dacian Ciolos, and to Baroness Catherine Ashton, vice-President of the European Commission, towards this end. Indeed the ACP sugar producing countries are condemned to pursue their lobbying mission, as the EU is now proposing to remove the quota system by 2015 and to establish Free Trade Agreements (FTAs), which will further reduce the market share for ACP sugar in EU and create price volatility, Mr Speaker, Sir. The ACP group of countries is lobbying for an extension of the maintenance of the quota until 2020.

Mr Speaker, Sir, in such moments of crisis and challenges, it becomes fitting to find inspiration in history on how we were able to confront and overcome them. As regards our sugar industry, it is common knowledge that it has been inextricably linked with our history and socio-economic development, sailing through busts and booms for over 370 years now.

Despite the several challenges and shocks, the sugar industry survived and displayed a strong resilience. Moreover, it maintained its importance as major generator of foreign exchange and jobs.

In the recent years when concerns about climate change were raised, the ecological and environmental significance of sugar cane is gaining greater recognition as it is a crop *par*

excellence to sequester carbon dioxide and hence to mitigate the impact of climate change. In Mauritius, this crop is still vital to maintain our green landscape and to protect the environment and is in line with the concept and vision of the *Maurice Ile Durable* initiative.

Mr Speaker, Sir, it is relevant for me to single out one watershed event in our modern history that was to constitute the bedrock of sustainable socio-economic progress, and diversified socio-economic development by its spill-over effects. It was the adhesion of Mauritius to the EEC/ACP Sugar Protocol Agreement in 1975, following the end of the Commonwealth Sugar Agreement. That happened at a time of an unprecedented boom in the world sugar market price, and shows yet again the vision and the farsightedness of our then Prime Minister, Sir Seewoosagur Ramgoolam.

The then Prime Minister in fact proceeded with the signature of the Sugar Protocol annexed to the EEC/ACP Lomé Convention, despite much internal outcry. This Protocol secured us a guaranteed price of £260 per tonne of sugar, when the average world market price was twice the above price, having even reached a peak of £642 per tonne in the same year. We know what happened to this price very soon afterwards, Mr Speaker, Sir, and, also clinching the best deal in terms of a guaranteed annual quota of about 500,000 tonnes of sugar; and for a duration that was qualified as “indefinite”.

Mr Speaker, Sir, indeed the present crisis proves to be a very severe blow, if not a fatal one, to the ACP sugar producing countries. The EU Sugar Protocol, which has contributed significantly to our social and economic development for more than three decades, has been brutally dismantled during the period 2006/2009. Consequently, there has been a drastic reduction in the price of sugar, by 36%, Mr Speaker, Sir. This has been followed by further crises, with a much tighter international competition that is putting again to test the proverbial resilience of our sugar industry.

Mr Speaker, Sir, Government, under the strong leadership and determination of the Prime Minister, had to take a bold and historical decision on the fate and future of the sugar industry. As a matter of fact, we were faced with extreme options of -

- (i) either to maintain the status quo, that is, leave the sector to die a natural death; or
- (ii) close the industry, like some other ACP countries, namely St Kitts and Trinidad, or

- (ii) take bold and deep measures to bring about a true reform in the industry.

Government rightly chose the last option, that is, to take bold and deep measures to reform the sector. We decided to move from the concept of a Sugar Industry to that of a Cane Industry, where sugar would be considered as one amongst the multiple other products such as energy and ethanol.

Moreover, the hon. Prime Minister insisted on an equitable and inclusive Reform Programme with social and human dimensions. Government gave particular consideration to safeguarding the interests of the most vulnerable partners, that is, the small planters, the *métayers*, and the workers of the industry.

The MAAS Action Plan 2006-2015 was formulated following a protracted exercise, requiring wide consultations, where Government “*(...) had to reconcile economic, social, energy and environmental considerations*”. Its implementation received an added impetus following the agreement between Government and the MSPA in December 2007.

The MAAS Action Plan took stock of the constraints of the industry as well as the new market environment. It thus includes programmes and projects, articulated along components and subcomponents designed to respond to this new market environment whilst, at the same time, addressing those constraints. These programmes and projects consist of crop intensification, value-addition, by-products use, regrouping of small planters, field mechanisation and centralisation of factories, Mr Speaker, Sir.

MAAS has been well accepted by all stakeholders and it is relevant here to note the appreciation made by the former Head of the EU delegation, Mrs Claudia Wiedey, on MAAS. I quote -

“Around the world, stimulus packages are debated and launched. Mauritius is a good example for a well- designed package providing not only for immediate consumer spending, short-term fiscal boosts and confidence building, but also for prudent investment with a view to upgrade the country’s physical, institutional, educational infrastructure. This will help to preserve and reinvigorate long-term competitiveness and viability”.

In the context of MAAS, we have taken bold and innovative actions that are now bearing their fruits. Let me highlight some of the results achieved so far, Mr Speaker, Sir.

Under the Field Operations, Regrouping and Irrigation Project (FORIP), we have so far completed some 5,000 hectares (representing about 40% of the target), that is, 500 hectares above target and some 4,300 planters have benefited therefrom.

6,628 employees have terminated voluntarily their contract of employment under VRS 2 and have already received their cash compensation. Procedures are in progress to allocate 689 *arpents* of land to the beneficiaries with all necessary infrastructure and facilities. Six factories have already closed down under the Factory Centralisation Programme. The export of refined white sugar which stood at 68,618 tons for the crop year 2009, increased to 256,037 tons for the crop year 2010, that is, from 18% to 54% of total sugar export. For crop year 2011, we will reach the 100% target.

The tonnage of fair trade accredited sugar reached 7,750 tons in 2010. This scheme enables small planters grouped in cooperatives to obtain a premium of 60 dollars per ton of sugar. Government has provided for support to the tune of Rs15 m. in 2011 and the number of cooperatives that have so far benefited from this scheme has increased from 5 to 32.

Government has, to that effect, purchased, on behalf of these planters and workers, 35% shares in the two refineries at Omnicane and FUEL. The ownership of the shares will be transferred to the beneficiaries soon and a Cane Democratisation Fund has been set up to facilitate this transfer.

On cess reduction, as from crop year 2011, cess has been reduced from Rs590 m. to Rs287 m. Mr Speaker, Sir, it is pertinent to mention that Mauritius has so far achieved all the key performance indicators agreed with the EU for the disbursement of funds under accompanying measures. This is testified by the remarks made by Baroness Ashton during her visit in 2010 in Mauritius. I quote, Mr Speaker, Sir –

“Disbursement under MAAS by EU has been made possible as Mauritius successfully implemented reforms and achieved strategic targets in the public finance, sugar, education, empowerment and wastewater sectors.”

As a matter of fact the Sugar Sector Reform thus undertaken in Mauritius is cited as a model by the European Union for the ACP and even Non-ACP Countries. Mr Speaker, Sir, we are still implementing the measures under MAAS that will last till 2015. However, a mid-term review of the MAAS 2006/15 was undertaken, as per requirement by the BDO & Co. Ltd and consultations held in its finding in December 2010. One of its recommendations, amongst others,

classified in the first category, emphasises cess reduction as follows: the substantial reduction of global cess and the consequential reengineering of the sugar service providing institutions.

Mr Speaker Sir, we are today moving with all determination and courage to implement another reform measure that has been only discussed over more than a decade without any concrete outcome.

One serious domestic constraint that was identified in MAAS was the high costs incurred in the operation of SPIs. This has led to two of the priority components of the plan: cost reduction and additional revenues through, *inter alia*, a substantial reduction of overhead costs at operational, administrative and institutional levels, and, more specifically, by a substantial reduction of the cost of operation of the institutions servicing the sugar industry by means of cess reduction.

Indeed, cess reduction and the associated reform of the SPIs have been a long-standing issue for more than a decade now despite several attempts. This year, Government, once again, under the strong determination of the Prime Minister, has made exceptional efforts to address this issue. This shows our political will and commitment to move forward, however complex and challenging the involved issues are.

The recent emergence of the euro zone crisis which further aggravated the international economic environment, prompted Government to come up with the Economic Restructuring Competitiveness Programme (ERCP) of 2010, as expounded in ‘Facing the Euro Zone Crisis and Restructuring for long-term resilience’ paper. The ERCP, amongst several measures, provides for a substantial reduction of the Global Cess, capping it to 4 percent of the ex-MSS price as from crop 2012.

The ERCP thus aims at the restructure of the six SPIs to adapt to the new situation, with the sugar industry to finance the cost of the associated reduction in the workforce. A Joint Government/Private Sector Committee was thus set up in September 2010, co-chaired by my Ministry and the Chamber of Agriculture, to make proposals to achieve these objectives, namely to work out the details of the restructuring, including social packages and corresponding incentives.

Further, Government agreed in March 2011, to include additional performance indicators proposed by the European Union for the grant under Accompanying Measures and Support

Programme II of about 39.4 m. euros as budget support. These new indicators for the sugar sector are as follows -

- (i) Global Cess not exceeding Rs287 m. as from crop year 2011;
- (ii) SPI's to be restructured by 31 March 2012, and
- (iii) Government to endorse a Structural Reform Plan of the SPIs at latest by end of June 2011.

The Government/Private Sector Joint Committee submitted its report, on the basis of which a Structural Reform Plan of the SPIs was prepared by my Ministry. The implementation of the plan was approved by Government in June 2011, that is, this year.

The main recommendation was to merge the existing six SPIs into one single organisation, the Mauritius Cane Industry Authority (MCIA), which would have –

- a single (administrative) board of directors;
- a common central administrative, financial and other support services as provided by this apex body;
- a reduced number of employees of existing SPIs;
- to offer a social package to the SPI employees;
- to provide technical support services;
- to maintain the functional autonomy of MSIRI and Control Board, and
- to look into possible redeployment of employees.

Mr Speaker, Sir, the specific objectives of the Mauritius Cane Industry Authority are namely -

- (i) the Strategic Planning and formulation of policy, programmes, projects and schemes in relation to the Cane Industry, and
- (ii) the provision of selected support services and coordination thereof including those of other services external to it as also provided to the cane cluster.

The mission of the MCIA will be, *inter alia*, to promote and facilitate the sustainable development of the cane cluster both in Mauritius and in the region, and also promote the development and use of co-products.

Mr Speaker, Sir, I would like, at this stage, to highlight and elaborate on some of the salient provisions of the MCIA Bill. Clause 3 establishes the Mauritius Cane Industry Authority

which will comprise the office of the Chief Executive Officer, the MSIRI, the Control and Arbitration Department and such departments as may be required.

Under clause 5, the specific functions of the MCIA are enunciated to further its objects most effectively. Some 18 specific functions have been mentioned.

Under clause 6, Mr Speaker, Sir, the powers of the Authority are listed to attain its objects and discharge its functions most effectively such as the raising of funds and fixing of levy, fees, and charges amongst others.

Clause 8 provides for the establishment of the Board and its composition. The Authority shall be administered by a Board, which shall consist of a Chairperson and nine other members. All major stakeholders of the sugar cane cluster and a representative of the employees of MCIA and one of the small planters are included.

Under clause 10 which deals with the powers of the Board, it is made clear that the Board shall not concern itself with any matter relating to the exercise by the MSIRI or the Control and Arbitration Committee of their powers or the discharge of their functions. This clause guarantees the functional autonomy of the MSIRI and the Control and Arbitration Committee, Mr Speaker, Sir.

Clause 11 provides that the Chief Executive Officer shall be appointed by the Board on a fixed term performance contract and on other terms and conditions, subject to the approval of the Minister.

It also provides for the declaration of assets of the Chief Executive Officer. This is a novel provision, Mr Speaker, Sir.

This provision of declaration of assets will also apply to the Directors of the MSIRI and the Control and Arbitration Committee.

Under clause 17, we have maintained the core technical functions related to the cane industry of the MSIRI. Indeed we have streamlined the research activities to focus around sugar cane.

Clause 18 provides for the setting up of a Research and Development Committee to advise the MSIRI on research programmes and other technical matters.

Under clauses 20 and 21, provision has been made for the setting up of a Control and Arbitration Committee with the following functions -

- (a) arbitrate disputes between planters, millers and middlemen;

- (b) control the milling of canes and the manufacture of sugar, and
- (c) determine the quantity of sugar and co-products accruing to planters and millers;

Mr Speaker, Sir, we are considering the specificities of the functions of both Research and Arbitration and particularly ensuring the full autonomy of the quasi-judicial function of the Control and Arbitration Department in terms of Clause 41.

This clause also provides for review and appeal to the Supreme Court against any decision of this Committee.

Clause 44 provides for levy of cess on sugar produced at rate not to exceed 4 per cent of the ex-Mauritius Sugar Syndicate price.

Clause 63, Mr Speaker, Sir, provides for Ministerial power to make appropriate regulations as fit for the purposes of this Act.

Under clause 64, all legislations pertaining to the six SPIs and the subsequent regulations made thereunder are repealed.

This Bill, through the Transitional Provisions clause 66(4)(c) guarantees the transfer of any permanent and pensionable employee to the MCIA on terms and conditions which shall be not less favourable than those of his previous employment.

At this stage, Mr Speaker, Sir, it is relevant to point out certain novel elements introduced in this Bill which relate to good governance; representative of employee on the Board, declaration of assets by the CEO and Directors, auditing of accounts by the Director of Audit and conditions of service to be determined at par with other Government organisations.

Mr Speaker, Sir, Government is committed to the cause of the small planters who will carry on playing a crucial role in the Mauritian Cane Industry, as their cane production will remain significant for the sustainability and viability of the industry.

In my intervention on the Budget 2012, I gave details on the facilities and schemes that Government is offering to small planters to enhance their cane productivity and revenue.

- We have already reduced the annual cess contribution by all planters by Rs287 m. as from this crop year. This represents an average saving of Rs700 per ton of sugar or Rs2,010 per arpant for each of the 23,000 small planters, Mr Speaker, Sir. The cess will further be reduced as from crop year 2012 to be fixed at not more than 4% of ex-MSS price thus enabling a higher saving for planters.

- Further to this, Government is offering a 70% discount on sugar insurance premium for the 2011 crop. This will enable every sugar cane planter to save about Rs1,025 per ton of sugar, that is, about Rs3,000 per arpant.
- SIFB will soon come up with new policies to bring drastic cut in premium payable by sugar cane planters that will allow further saving to the tune of Rs750 per ton of sugar, that is about Rs2,150 per arpant every year for 23,000 small planters. With these three measures, in monetary terms, a planter will benefit some Rs2,475 per ton of sugar, that is, Rs7,160 per arpant, Mr Speaker, Sir.
- 80 percent advance will again be given to sugar cane planters as soon as their crops are sent to the mills.
- Rs310 m. have been provided for to continue the FORIP project for regrouping small planters, de-rocking their lands and providing irrigation over an area of 1,300 hectares. It will directly improve the productivity of 1,000 planters in 2012.
- Government has responded to the long standing request dating back to 2001 for VAT refund on agricultural machinery, equipment and tools. This will be applicable to sugarcane planters (some 23,000 small planters), vegetable and fruit producers (some 6,000 of them) and livestock breeders (5,000 of them) and honey producers. This will cost Government some Rs50 m. in terms of revenue foregone, but will stay in the pockets of the farmers as savings.

The Bill ensures that the small planters continue to be supported through a number of schemes aiming at improving their production efficiency, namely -

- Regrouping and derocking under FORIP;
- Provision of technical assistance, extension service and training;
- Purchase of agricultural machinery and equipment at affordable rates, and
- Supply of quality cane planting material.

The Control and Arbitration Department will still undertake sucrose content tests on planters' cane and determine the amount of sugar accruing to planters and millers. This department will also address disputes that may arise between planters and millers.

Harvest and transport of cane are major cost components and becoming ever more complex to manage for small planters. The MCIA will facilitate planters' access to harvest services and will endeavour to increase the area harvested mechanically through FORIP.

A mechanism will be set up to discourage land abandonment in FORIP. Planters' irrigation network and equipment will also be upgraded through FORIP to increase efficiency of water usage and planters' productivity.

Mr Speaker, Sir, we are in a transitional period of profound change for the cane industry, and the SPIs in particular. We need the continued dedicated support and collaboration of each and every stakeholder. We appreciate and are grateful for the accompanying measures and the support received from the European Union. I would also wish to place on record the goodwill of the employees of the six SPIs, who are collaborating positively in the consultation process, through their 21 Unions as represented in a Common Front, at the level of three Technical Committees, namely -

- Restructure/Legislation Committee;
- Pension/Compensation, that is, the Social Package Committee, and also a third Committee which has been set up;
- Redeployment/Conditions of Service Committee.

An Inter-Ministerial Committee comprising the vice-Prime Minister, Minister of Finance & Economic Development, Minister of Labour, Industrial Relations & Employment and the Minister of Civil Service & Administrative Reforms and myself has been set up to monitor closely the implementation plan of the reform.

We shall strive to preserve the interests of the workers of the SPI's as well, and the Bill already guarantees their basic rights. An appropriate social package is being worked out for those employees who would opt to retire.

Mr Speaker, Sir, we need to act with a compelling sense of responsibility and urgency. All this is imperatively needed in the face of an environment that is ever-changing and unstable, fuelled by globalisation, international trade, the continuing financial and Euro crisis, global climate change; and the eroding protective nets in the sugar and the other economic sectors of high external dependency such as manufacturing and tourism. Matters will very likely deteriorate as a result of the continuing reform of the EU Common Agricultural Policy and the Sugar Regime, with the high probability that the EU sugar market becomes fully liberalised by 2015. In fact, the EU Commission has already proposed the end of sugar quotas by 30 September 2015.

We, on the Government side, as well as other stakeholders, are committed to the successful implementation of structural reform of the SPIs, by end of March 2012. There is also

the need to streamline in a cost effective manner the functioning of the six SPIs concerned and ensure, despite reduced cess, that the new MCIA is still institutionally and functionally capable to make an effective and efficient use of the cess input in the continued delivery of core services to the planters' community.

It is clear that during its long history, the Sugar Industry has been through different crises at different times, and yet it has overcome them resolutely. We are confident that with our new reform measures in place the cane sector will again display its usual resilience and become even more competitive.

All the initiatives I have mentioned, including the SPI reform through the MCIA, I dare repeat, are therefore imperatively needed, to shore up the historical resilience of our cane industry, a resilience so far rooted in its bioclimatic advantages and its multifunctional role, and its history and culture.

Mr Speaker, Sir, I take this opportunity to place on record my gratitude to all employees of the six different SPIs, individually and collectively, for their service and contribution to the sugar sector.

I also extend my appreciation to the representatives of the different unions and *Front Commun* for their participation, collaboration and contribution in this important exercise, in fact, their presence amongst us early morning, I must say.

Lastly, I wish to thank all staff of my Ministry and also, those of the State Law Office for their contribution in the preparation of the Bill. I also thank my colleague the hon. Attorney General who gave a good helping hand in the preparation of the Bill.

With the goodwill prevailing at the level of all parties and stakeholders, we are certain to succeed and we are bound to succeed, Mr Speaker, Sir.

With your permission, I shall be moving for two minor amendments at Committee stage.

With these words, Mr Speaker, Sir, I commend the Bill to the House.

The Deputy Prime Minister rose and seconded.

(00.53)

The Minister of Industry, Commerce and Consumer Protection (Mr. C. Sayed-Hossen): Mr Speaker, Sir, I have the privilege of saying a few words on this Bill. I wish to start

by congratulating my friend and colleague, the hon. Minister of Agro-Industry and Food Security, for introducing this very important, actually historical piece of legislation to the House.

Mr Speaker: It is an emotional Bill because this country has lived on the sugar industry for the last century.

Mr Sayed-Hossen: You have said it, Mr Speaker, Sir.

Mr Speaker: It is an emotional Bill.

Mr Sayed-Hossen: It is, indeed, Mr Speaker, Sir. Actually, Mr Speaker, Sir, the essence of this Bill is in its title itself. Authority! The setting up of a unique Cane Industry Authority and as very clearly stipulated in the Explanatory Memorandum, the object of the Bill is to provide for the establishment of the said authority.

About 30 years ago, Mr Speaker, Sir, I think more precisely in 1984, the Mauritius Sugar Authority was set up with objects, as follows, in the original section 4, rather the section 4 of the original Bill, I quote-

- Promoting and maintaining the development efficiency and viability of the sugar industry.
- Promoting the establishment and development of the sugar cane cluster.

If we look at Section 13 of the original text of the Mauritius Sugar Authority Act, duties of the Authority, we see wide ranging responsibilities pertaining to the strategic and holistic overseeing of the then sugar industry, that's the way we used to call it. And over the years, Mr Speaker, Sir, the Mauritius Sugar Authority Act was subject to a number of amendments following the evolution of the Industry mainly with respect to factors like centralisation, following the evolution of the markets mainly determined by mutations in the sugar protocol, by the *entrée en scène* of the World Trade Organisation and the mutations in the Common Agricultural Policy of the European Union.

As a result of the economic factors that we have mentioned, together with local conditions and market conditions, the sugar sector has functionally morphed into the sugar cane sector. It is in this particular context, Mr Speaker, Sir and especially with the coming into force of this 36% drop in the price at which the EU purchases our sugar, that a deep and radical reform of the sugar cane sector was required and effected.

The essence of that reform, carried over a certain number of years, was about the rationalisation of the industry, the centralisation of milling activities, the development and

promotion of a sugar cluster including the production of sugar of different types, alcohol and by-products of alcohol and the production of energy from bagasse or a mix thereof with coal. This process of operational rationalisation is well underway now. There still remains the multiplicity of institutions, operating *dans le giron* of the sugar cane industry and all of them, of course, funded from the global sugar cess. And, we have to bear in mind, Mr Speaker, Sir, that the 36% drop in the price that the EU paid for our sugar was, indeed, a catalyst to the reform of the sugar cane sector. We were really in a situation of change or die and the main objectives of the reform were to maintain the industry at an optimal level of production, profitability and employment preservation.

The second objective was to streamline the operations of the industry to make it lean and trim. But, as yet, reforms and streamlining had left all the institutions of the sector untouched and, indeed, quite a heavy liability on the profitability of the sector.

Je ne fais pas de procès d'intention à ces institutions, M. le président.

(Interruptions)

Exactement, c'est ce que je voulais dire. Pendant de longues années, ces institutions ont joué un rôle extrêmement important, seulement les temps avaient changé. Le temps change et nous nous sommes retrouvés, au fil des ans, dans une situation de plus en plus difficile et où il fallait vraiment – comme on dit en français - trancher dans le vif ou couper dans le gras, dépendant de ce qu'on veut faire pour véritablement diminuer les coûts d'opération afin d'optimiser la profitabilité, uniquement pour la survie des opérateurs.

So, at one moment in time, the institutions objectively speaking - and I wish to repeat that again, I am not imputing motives, *ce n'est pas un procès d'intention* - had become a liability in the way they were structured and organised and, therefore, this had a bearing on the industry which particularly affected small planters who already had difficulties to break even, leave aside to make a profit. This is how we come to this particular Bill, Mr Speaker, Sir. We centralise the coordination of the sugar cane sector institutions by creating a Central Authority and I would just like to quote section 4 of the Bill, Objects of Authority, subsection (a) -

“The objects of the Authority shall be to monitor, oversee and coordinate all activities relating to, and ensure a fair, efficient, and effective administration and operation of the cane industry”

This actually sums it all and this Bill is the next strategic step in the deep reform of the sugar cane sector. Of course, this streamlining of institution is accompanied as the hon. Minister of Agro Industry and Food Security has mentioned, accompanied by a reduction in the rate of sugar cess to not more than 4% of ex-MS-Mauritius Sugar Syndicate price as mentioned in section 44. I would just like to mention briefly about three key elements in this Bill, which I think we need to explain a little bit more.

Number one the activities of the Mauritius Sugar Cane Industry Research Institute, as specified in section 17 of the Bill, will not fall under the purview of the Board. This may look a little bit strange, but I think it is quite understandable that an institution like MSIRI with its activities of research and duty of innovation needs functional independence and the same thing applies for the Control and Arbitration Committee. The activities as specified in Section 21 again arbitration is a very important role which requires functional independence.

The third point is the specific status of the Mauritius Sugar Syndicate and I wish to commend the hon. Minister of Agro Industry and Food Security to have left the Mauritius Sugar Syndicate out of this centralisation process because we all know, Mr Speaker, Sir, when the going gets rough this is where we need a very strong marketing instrument and again as the hon. Minister himself has said, we are nearing Horizon 2015, which will probably be a buyer's market and the going will be getting rough and I am very happy actually, that we have left the Sugar Syndicate out of this centralisation so that it may have its own muscles, to be able to conclude markets for us.

In terms of a conclusion, Mr Speaker, Sir, this Bill is probably the crowning legislation in a long series of other legislations, starting with the Mauritius Sugar Authority Act enabling at the rationalisation of the sector then called Sugar Sector, now more aptly called Sugarcane Sector.

Many legislations have followed the MSA Act. Courageous, bold legislations, from time to time, even desperate legislations to modernise the sector and to maintain it as far as possible in its unique place in the economic, social and environmental landscape of our country. This particular piece of legislation, as I have already mentioned, crowns the many preceding ones and we have no doubt that it will complete the rationalisation of the sector, the enhancement of its efficiency and the optimisation of its benefits to all stakeholders.

I thank you, Mr Speaker, Sir.

(1.03 a.m.)

The Minister of Agro-Industry and Food Security (Mr S. Faugoo): Mr Speaker, Sir, first of all I would like to thank my hon. friend Cader Sayed-Hossen, for his brief intervention on the Bill. But all the same, Mr Speaker, Sir, this Bill which is being debated in this House, right now, is a landmark in the history of the sugar cane in Mauritius.

It is a pity, Mr Speaker, Sir, that the Opposition has chosen to be absent from the Assembly when such an important Bill was on today's agenda to be debated. Absent Mr Speaker, Sir, without any reasonable excuse, for no valid reason, I must say, but all that it proves is the usual political gimmick, Mr Speaker, Sir. The absence shows the lack of responsibility towards the country, it also shows their utter disrespect for parliamentary democracy, rather disrespect for the people of this country. They have a role to play as Opposition, Mr Speaker, Sir, but they have failed miserably, I must say, in this endeavour.

With these words, Mr Speaker, Sir, I commend the Bill to the House.

Question put and agreed to.

Bill read a second time and committed

COMMITTEE STAGE

(Mr Speaker in the Chair)

THE MAURITIUS CANE INDUSTRY AUTHORITY BILL

(No. XXXIII of 2011)

Clauses 1 to 4 ordered to stand part of the Bill.

Clause 5 (Functions of Authority)

Motion made and question proposed: "that the clause stand part of the Bill."

Mr Faugoo: Sir, I move that, in this Clause 5(1) (n), by deleting the words "rehabilitation, rationalisation and centralisation of factories" and replacing them by the words "viability and sustainability of the cane cluster".

Amendment agreed to.

Clause 5, as amended, ordered to stand part of the Bill.

Clauses 6 to 9 ordered to stand part of the Bill.

Clause 10 (Powers of Board)

Motion made and question proposed: "that the clause stand part of the Bill."

Mr Faugoo: Sir, I move that in clause 10(6), by deleting the figure “20” and replacing it by the figure “21”.

Amendment agreed to.

Clause 10, as amended, ordered to stand part of the Bill.

Clauses 11 to 28 ordered to stand part of the Bill.

Clauses 29 to 43 ordered to stand part of the Bill.

Clauses 44 to 54 ordered to stand part of the Bill.

Clauses 55 to 64 ordered to stand part of the Bill.

Clause 65 (Consequential amendments)

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

Mr Faugoo: Sir, I move that, in clause 65(5)(h)(i), by deleting the words “the Mauritius Industry Development Fund, the Sugar Industry Labour Welfare Fund, the Sugar Insurance Fund Board, the Sugar Millers Development Fund and the Sugar Planters Development Fund” and replacing them by the words “the Sugar Industry Labour Welfare Fund and the Sugar Insurance Fund Board”.

Amendment agreed to.

Clause 65, as amended, ordered to stand part of the Bill

Clauses 66-67 ordered to stand part of the Bill.

The title, as amended, ordered to stand part of the Bill.

The enacting clause was agreed to.

The Bill, as amended, was agreed to.

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

Third Reading

On motion made and seconded the Mauritius Cane Industry Authority Bill (No. XXXIII of 2011) was read the third time and passed.

At 1.10 a.m. the sitting was suspended.

On resuming at 1.17 a.m. with Mr Speaker in the Chair.

Second Reading

THE ADDITIONAL REMUNERATION (2012) BILL

(NO. XXXIV OF 2011)

Order for Second reading read.

The Minister of Labour, Industrial Relations and Employment (Mr S. Mohamed):

Mr Speaker, Sir, I move that the Additional Remuneration (2012) Bill (No. XXXIV of 2011) be read a second time.

The object of the Bill is to provide for the payment of an additional remuneration as from January 2012 to employees of the private sector drawing a monthly basic wage or salary of up to Rs30,000 as a measure of compensation for the increase in the cost of living for the financial year 2011.

The quantum of salary compensation for year 2012 has been decided following discussions with both workers' and employers' organisations at the level of a Tripartite Committee chaired by the vice-Prime Minister, Minister of Finance and Economic Development, hon. Xavier Luc Duval. The Minister of Agro-Industry and Food Security, the Minister of Tourism and Leisure, the Minister of Industry, Commerce and Consumer Protection, the Minister of Business, Enterprise and Cooperatives, the Minister of Civil Service and Administrative Reforms and I formed part of the Tripartite Committee. A representative from each of the seven existing confederations of trade unions and an equal number of representatives of the Mauritius Employers Federation also form part of the Committee.

Mr Speaker, Sir, I must say that discussions at the level of the Tripartite Committee were held in a truly genuine spirit of tripartism among the social partners as it has been decided that, for 2012 -

- (a) a salary compensation of Rs330 be paid to employees drawing basic salary of up to Rs5,000 per month;
- (b) a salary compensation of 6.6% be paid to employees drawing above Rs5,000 up to Rs7,000 per month, and
- (c) a salary compensation of Rs460 to be paid to employees drawing above Rs7,000 up to Rs30,000 per month.

As was the case last year, no compensation will be payable to employees drawing a monthly salary above Rs30,000.

The additional remuneration is payable also to part-time employees. The Bill provides for part-time employees whose basic wage or salary is Rs7,000 or less per month to be paid a

salary compensation of 6.6% round up to the next rupee up to a maximum of Rs460 and other part-time employees to be paid the additional remuneration applicable to full-time employees.

Mr Speaker, Sir, Government's decision to approve the payment of a salary compensation, at the rates I have just mentioned, strikes the right balance between responding to the current economic imperatives and providing workers with the best possible compensation that could be afforded in these difficult times when the international and financial crisis is still persisting.

We all know that the global financial and economic crisis is not over and the recovery is uneven and uncertain. A majority of countries are being confronted by numerous shared and common problems and great challenges such as extreme poverty, global food crisis, continued food insecurity, high level of unemployment, external debt burden, lack of financial aid, amongst others. Coupled with these, Mr Speaker, Sir, the euro crisis is also adversely impacting on the world economy.

The financial instability has caused major imbalances and concern about the future. Tough austerity measures are being implemented in numerous euro zone countries. These measures range from cut-backs in Government expenditure, increases in taxation, reduction in wages and pensions, amongst others. These austerity measures are also creating political tension and social unrest.

Mr Speaker, Sir, we are all aware of the situations that led to the stepping down of the Socialist Prime Minister of Greece and that of Silvio Berlusconi in Italy. In the United Kingdom, wide scale pay freezes and pay cuts have been introduced in an attempt to cut costs. These measures affected millions of workers. Several professional services firms reduced employees' salaries by 20% by putting them onto a four-day week. About two million public sector workers were also on strike two weeks ago over Government decision to introduce austerity measures particularly with regard to make workers pay more for a reduced pension and for working longer before they retire.

The global economic crisis, Mr Speaker, Sir, has not spared small islands economies. In many small islands States the economic situation is critical. There has been a severe decline in tourism revenues, Foreign Director Investment inflows and remittances in the small island developing States of the Caribbean, Seychelles, Maldives, and even in Fiji which is the most developed of the Pacific Island economies.

Measures are being taken to cut down expenditure as much as possible. Some of these measures are having far-reaching effects on the social front and are making Government unpopular. But there is no alternative, Mr Speaker, Sir, as there is need to bring public finance to a sustainable path.

We are not immune, therefore, to the adverse effects of the international economic situation and the euro crisis. Nevertheless, as a caring Government, we are compensating workers of this country for the loss of purchasing power instead of imposing austerity measures. We have also not forgotten our vulnerable citizens. Beneficiaries of social security benefits are being compensated likewise.

Mr Speaker: This concerns the private sector, not the Government.

Mr Mohamed: Yes. I'll go on, Mr Speaker, Sir. In spite of the difficult situation we have ensured that workers of this country, particularly those at the lower rungs of the ladder are adequately compensated for loss of purchasing power. Government has not only granted the full compensation to workers earning less than Rs7,000 monthly, but has guaranteed a minimum salary compensation of Rs330 to all those earning less than Rs5,000 monthly. This implies that workers drawing less than Rs5,000 monthly will obviously benefit from a salary compensation higher than the inflation rate.

As announced in the Budget Speech, Mr Speaker, Sir, and made effective in the Finance Bill which has been adopted this very session of the Assembly, Government will henceforth pay the 3% NPF and the 1% NSF contributions for all workers earning up to Rs3,000 per month. Mr Speaker, Sir, this means that these categories of workers will, apart from the salary compensation of Rs330 monthly, benefit also in a way an additional 4% increase in their salaries. For example, a worker earning Rs3,000 a month will benefit a salary increase of Rs330 representing 11% increase together with Rs120 as Government contributions to NPF and NSF.

Let me, Mr Speaker, Sir, also add the following, I wish to seize this opportunity to reassure the House that although this Bill is meant for the private sector workers, the same rate of compensation will also be applicable to employees of the public sector.

The payment of the salary compensation is expected to cost around Rs3.5 billion to the economy – Rs1.6 billion for the public sector and Rs1.9 billion to the private sector. Some 84,380 employees in the public sector, representing 86% of the total number of employees will

benefit from the salary compensation, while in the private sector, some 305,000 employees representing 93% of the total workforce will benefit therefrom.

I would like to earnestly appeal to employees who will not benefit from the salary compensation this year, to accept this decision in a spirit of solidarity with the more vulnerable segments of the population.

Once enacted, the Additional Remuneration Bill (2012) will impose a legal obligation on all employers in the private sector, whatever be the status of their finances or whether they are in the formal or informal sector, to pay the prescribed minimum compensation to their employees.

I am, therefore, Mr Speaker, Sir, making an appeal, a special appeal to all enterprises which can afford to pay a higher compensation, to do so in a gesture of solidarity as there are some enterprises which are performing very well and may, therefore, have the capacity to pay more.

With these words, Sir, I wish to commend this Bill to the House.

Dr. A. Boolell rose and seconded.

(1.27 a.m.)

The Minister of Education and Human Resources (Dr. V. Bunwaree): M. le président, à cette heure si tardive alors que nous nous efforçons, au sein du gouvernement, à travailler dur alors que s'approche la période festive où les mauriciens se préparent pour fêter la Noël et l'Année, voilà que l'opposition nous laisse des bancs vides, déserte et fuit ses responsabilités et joue aux abonnés absents alors qu'il s'agit, ici, de défendre la voix du peuple et de permettre aux petites gens d'essayer de se rattraper dans les moments extrêmement difficiles.

M. le président, c'est un projet de loi qui vient, ici, chaque année. C'est un exercice de routine, mais étant donné qu'on a pris l'habitude pour la sauvegarde de notre démocratie, pour la stabilité de notre société, nous venons régulièrement, parce que nous avons adopté ce système, nous croyons que les mauriciens, en majorité, travaillent dur et qu'ils ont besoin d'une certaine récompense.

Ce projet de loi permet au secteur privé d'avoir une rémunération additionnelle, une compensation salariale comme on dit, et cela s'appliquera à tout le secteur privé, sans exception, y compris le secteur public qui va suivre, bien sûr, sur la même base.

M. le président, cette compensation est basée - nous avons adopté ce système – sur le taux d'inflation et nous compensons les travailleurs pour la perte du pouvoir d'achat, et basée sur l'année qui a précédé, parce que c'est un exercice annuel. Donc, chaque année on vient, ici, à la Chambre, proposer le projet de loi et le quantum est décidé après négociation entre les comités tripartites, une méthode qui a fait ses preuves et une méthode qui est basée quand même sur la responsabilité du gouvernement vis-à-vis des travailleurs.

Après cet exercice de négociations, le taux d'inflation étant connu, la compensation suit. Dans le passé, nous avons eu l'occasion de discuter. Puisque c'est quand même une compensation et cela correspond à une augmentation dans les salaires des travailleurs, il faudrait que les travailleurs comprennent qu'il faudrait absolument qu'ils fassent preuve du fait que le gouvernement vient à leur rescoufle. Et donc il faudrait qu'ils travaillent plus dur encore. C'est pour les encourager à produire davantage. C'est pour cela que dans le passé, on a beaucoup parlé de productivité en ce qui concerne les travailleurs. On compense pour que les travailleurs continuent à produire et produisent davantage.

M. le président, comme le ministre responsable vient de le dire, une somme conséquente, plus de R 3.5 milliard seront consacrées à cette augmentation, R 1.9 milliard pour le secteur privé, R 1.5 milliard pour le secteur public. Cet argent, allant dans la circulation, va créer une forme d'inflation par elle-même. Donc, le système est un système vicieux. Mais malgré cela, nous avons à accepter, nous continuons à agir en fonction de ce système. *It's, as we say, fuelling inflation.* Nous sommes en train de compenser la perte du pouvoir d'achat parce que nous sommes conscients que pendant l'année qui s'est écoulée, il y a eu des augmentations de prix des commodités et nous avons un panier qui est bien calculé et qui est revu de temps en temps, une fois tous les cinq ans si ma mémoire est bonne. C'est un phénomène dynamique ; il y a la société qui bouge, qui change et la manière de vivre change aussi. Nous adaptons ce panier en fonction de ce mode de vie qui bouge. On prend ce panier en considération pour calculer la perte du pouvoir d'achat. Une fois cette perte calculée, on donne la compensation. Comme je vous disais tout à l'heure, M. le président, cela permet une masse d'argent de pénétrer dans la circulation et cette masse d'argent va créer une inflation qu'on va aller compenser l'année qui va suivre. Donc, c'est une forme de spirale vicieuse qui découle du système. Comme je vous disais, malgré cela, tout en étant conscient du système – parce que nous n'avons pas un système qui est meilleur - on a accepté ce système et on continue à compenser. L'ancien gouvernement a essayé de venir

avec un système qui était selon nous beaucoup adapté à l'économie moderne parce qu'on était en pleine phase de réformes économiques et sociales. Mais après les dernières élections et pendant la campagne électorale, nous avions promis à la population - parce qu'il y a des choses qu'il fallait attendre, il y avait des changements, il y avait une alliance qu'on avait faite. Il fallait essayer de trouver de la place et écouter la voix des autres. Donc, on a fait marche arrière et on est revenu au système précédent.

M. le président, le quantum de compensation vient d'être précisé par le ministre mais nous avons, par signe de solidarité, essayé de protéger surtout ceux qui sont au bas de l'échelle. C'est pour cela qu'on ne compense pas ceux qui ont R 30,000 ou plus. On fait un appel à ces personnes - qui eux aussi travaillent, produisent pour le pays et ont droit à quelque chose. Mais étant donné que la situation est difficile et qu'on est en période de crise, non seulement au niveau national, mais international, il y a des retombées sur le plan économique au sein de notre système à Maurice - pour qu'ils comprennent. Espérons que les temps vont changer assez rapidement pour l'amélioration de notre économie et qu'ils pourront, plus tard, bénéficier de la compensation salariale. Quand on voit ceux qui sont en dessous de R 30,000, comme le ministre vient de le dire, on a compensé ceux qui sont au plus bas de l'échelle d'une façon beaucoup plus valable. Ceux qui vont bénéficier jusqu'à R 3,000 auront une compensation nettement au-delà du taux d'inflation allant jusqu'à 11%. Et puis, avec la contribution qu'on va faire pour le NSF et le NPF, ils auront une augmentation au-delà de R 120, ce qui dépasse largement, je pense, ce qu'ils espéraient eux-mêmes.

M. le président, je vais ajouter ma voix à celle du ministre pour demander à ceux qui peuvent payer parce qu'il fallait mettre la barre quelque part. C'est toujours un exercice d'équilibrisme et ce taux d'inflation s'applique à tous les chefs d'entreprise. Nous savons que cela va faire une pression sur ceux qui sont, par exemple, dans les petites et moyennes entreprises. Ils auront à trouver de l'argent en plus pour pouvoir compenser leurs travailleurs. Je les félicite pour accepter de suivre la loi. Ils seront obligés de payer. Donc, ils vont se serrer la ceinture. Je disais que cela fait toujours du mal. Mais de l'autre côté, il y a des compagnies qui font extrêmement bien, très bien même, et pour qui cette compensation peut être augmentée davantage. Comme il a fallu baisser la barre pour pouvoir protéger malgré toutes les petites et moyennes entreprises, on n'a pas pris pour référence les grandes compagnies ou même les petites qui font beaucoup de profits. On a décidé d'aller avec cette compensation qui, cette année, est

malgré tout un exploit étant donné les conditions extrêmement difficiles du pays, une compensation qui est plus qu'adéquate mais quand même on est convaincu qu'il y a des compagnies dans ce pays qui peuvent faire mieux, qui peuvent venir avec des compensations beaucoup plus importantes que les chiffres qui ont été mentionnés dans la loi.

Avant de conclure, M. le président, je pense que c'est dans ce sens qu'on a introduit, dans la nouvelle loi du travail, la possibilité de ce qu'on appelle le *collective bargaining*. C'est-à-dire que les employeurs et les représentants des travailleurs se mettent autour de la même table. On a aussi introduit la possibilité de faire venir des comptes qui n'existaient pas avant, c'est-à-dire les représentants des travailleurs peuvent exiger que le patronat dépose sur la table, des négociations, les chiffres de leurs profits. Et on avait même préconisé de mettre à la disposition des travailleurs, dans le cas où c'était nécessaire avec l'aide du gouvernement, des experts pour pouvoir comprendre les comptes et le système que cela marche pour que les travailleurs soient dans une meilleure perspective pour discuter de leur propre sort en ce qui concerne ces négociations de salaire. Ce *collective bargaining* existe déjà, il commence à prendre sa forme et je ferai un appel aux chefs d'entreprises et aux travailleurs d'utiliser ce système qui existe dans la loi de *collective bargaining* pour qu'ils puissent avoir la meilleure compensation qui puisse exister.

Ceci dit, M. le président, je regrette encore une fois l'absence de l'opposition. Le peuple jugera, le peuple retiendra qu'en cette année 2011 les membres de l'opposition ont déclaré leur absence et ont refusé, je dois dire, de venir ajouter leur voix à la compensation salariale, c'est-à-dire à ajouter leur voix afin de permettre aux travailleurs de ce pays d'avoir un peu plus. Malheureusement, je pense que ce serait dommage pour eux, pour leur propre avenir politique.

Merci, M. le président.

(1.39 a.m.)

The Minister of Labour, Industrial Relations and Employment (Mr S. Mohamed):
 Mr Speaker, Sir, I would like, here, to thank the hon. Minister, Dr. Bunwaree for his remarks. To be honest, I really appreciated his words and I could clearly see the experience of a former Minister of Labour, Industrial Relations and Employment. He is totally right when it comes to the Employment Rights Act 2008 that he himself brought to this august Assembly. There is the concept of collective bargaining and he is right. True it is that all the procedures are set out in this law, the Employment Rights Act of 2008, for employees and employers to sit down both at

enterprise level, at industries level as well and to negotiate a better bargain and a better quantum and to come out of it in a better situation. Those are the type of principles that are enunciated in the Employment Rights Act that I would like to appeal to the workers of this country, most importantly the trade unionists and the employers that they should avail themselves of what is in the Employment Rights Act as far as collective bargaining is concerned in order to have a better increase as far as the compensation would go than what *la barre que le gouvernement a imposé dans la loi*.

I would also like to say something else, Mr Speaker, Sir. I would like to commend the hon. vice-Prime Minister and Minister of Finance for the manner in which he chaired the Tripartite Committee this year round. That shows the whole difference as opposed to last year. The reason that this year was different is that there was a humane approach. There was dialogue and in the true spirit of tripartism. I would like to once again commend him and congratulate him in the way that he led those talks.

The proof that people were satisfied with it, that there was indeed a feel good factor is that there was no outcry as there was last year. The trade unionists who normally are very readily criticising Government for not being happy with what is being proposed, this time unanimously acclaimed the manner in which the hon. vice-Prime Minister and Minister of Finance led those tripartite negotiations. The fact that it was proposing an excellent compensation for those at the lower rung of society, those who were really having difficulties, recognising those people who were earning less than Rs3,000, shows the vision of this Government to be having a humane approach and, as such, it shows the vision also of the hon. Prime Minister Dr. Navinchandra Ramgoolam. Let me, therefore, say 'thank you' once again to all my colleagues for having been here.

What I would like to say in conclusion, Mr Speaker, Sir, is the following. I thank hon. Dr. Bunwaree for his very sober address and as far as the Opposition being here, most probably, we would not have had a sober address. Thank you very much.

Question put and agreed to.

Bill read a second time and committed.

COMMITTEE STAGE

(Mr Speaker in the Chair)

The Additional Remuneration (2012) Bill (No. XXXIV of 2011) was considered and agreed to.

On resuming with Mr Speaker in the Chair, Mr Speaker reported accordingly.

Third Reading

On motion made and seconded, the Additional Remuneration (2012) Bill (No. XXXIV of 2011) was read the third time and passed.

END OF YEAR MESSAGE

The Prime Minister: Mr Speaker, Sir, before I move for the adjournment of the House, I would like to say a few words as Leader of the House,

The first sitting of the National Assembly was held on 22 March 2011. As at today, we have had 36 sittings. 41 Bills have been adopted. Government has replied to 881 Parliamentary Questions requiring oral answers as well as 425 Parliamentary Questions requiring written answers. Furthermore, Mr Speaker, Sir, Government has replied to 26 Private Notice Questions from the hon. Leader of the Opposition.

Mr Speaker, Sir, we have spent many long hours answering many detailed questions during the Committee of Supply of the Budget before its adoption.

Mr Speaker, Sir, we would like to express our deep appreciation to you for your characteristic sense of fairness and impartiality in presiding over the deliberations of the House, and your spontaneous guidance whenever the need arose. We wish to thank the Deputy Speaker for his contribution in presiding over the deliberations whenever he was called upon.

I would also like to express to all hon. Members – even though the Opposition is absent – my appreciation for their participation in the debates. Our thanks are also extended to the Clerk of the National Assembly, the Deputy Clerk, the Clerk Assistant and all the members of the staff of the National Assembly, including the staff of the Library, for the services they have provided to the House, and to all the civil servants who have assisted in the work of Parliament, as well as the Police officers who have always carried out their duties diligently.

Mr Speaker, Sir, may I kindly request you, in my own personal name and in that of all Members of the House, to present the season's greetings to the President of the Republic and Lady Jugnauth, as well as to the vice-President, Mrs Monique Ohsan-Bellepeau. I convey to you, Mr Speaker, Sir, Mrs Purryag and your family, our best wishes for a merry Christmas and a

happy new year. My best wishes also go to the hon. Leader of the Opposition and his family, as well as to the other hon. Members of the House and their families.

I thank you, Mr Speaker, Sir.

Mr Speaker: Hon. Members, I wish to associate myself with the season's greetings, as expressed to His Excellency, the President of the Republic of Mauritius and to Lady Jugnauth, to Her Excellency, the vice-President of the Republic of Mauritius. I will, with great pleasure, convey the message to them. I thank Dr. the hon. Prime Minister in my own name and on behalf of the staff of the National Assembly for the kind words and good wishes to my family and to all Members of the National Assembly and their families.

In return, I am pleased to extend my best wishes for a Merry Christmas and a Happy New Year to Dr. the hon. Prime Minister and Mrs Ramgoolam, to the hon. Ministers, to the hon. Leader of the Opposition, and to all hon. Members and their families.

Finally, I wish to reassure hon. Members that I am very grateful to them for their cooperation and understanding to the House. Once again, my best wishes for a Merry Christmas and a very Happy New Year.

ADJOURNMENT

The Prime Minister: Mr Speaker, Sir, I beg to move for the adjournment of the House to Tuesday 20 March 2012 at 11.30 a.m.

The Deputy Prime Minister rose and seconded.

Question put and agreed to.

Mr Speaker: The House stands adjourned.

At 01.49 a.m., the Assembly was, on its rising, adjourned to Tuesday 20 March 2012 at 11.30 a.m.

WRITTEN ANSWERS TO QUESTIONS

BEAU BASSIN - POLICE TRAINING SCHOOL

(No. A/406) Mr A. Gungah (First Member for Grand' Baie & Poudre d'Or) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to the Police Training School at Beau Bassin, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to –

- (a) since when it is operational, and
- (b) if there is a lack of space thereat and, if so, indicate if consideration will be given for the setting up of –
 - (i) modern lecture rooms;
 - (ii) library facilities;
 - (iii) a gymnasium;
 - (iv) a 50 metres long swimming pool;
 - (v) an academy with in-built facilities, and
 - (vi) e-learning development, indicating in each case, when.

(Reply not available)

GOODLANDS - VILLAGE CENTRE - TRAFFIC CONGESTIONS

(No. A/407) Mr A. Gungah (First Member for Grand' Baie & Poudre d'Or) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to the village centre of Goodlands, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to if traffic congestions occur thereat during daytime, and, if so, indicate the –

- (a) steps that will be taken in relation thereto, and
- (b) number of contraventions booked over the past year in relation to vehicles parked on the double yellow lines thereat.

(Reply not available)

POLICE TRANSPORT BRANCH - DISPATCH OF INVITATION

CARDS/GREETING CARDS

(No. A/408) Mr M. Seeruttun (Second Member for Vieux Grand Port & Rose Belle) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to the Police Transport Branch, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to if the services thereof are used for the dispatch of invitation cards/greeting cards by Government departments and if so, indicate –

- (a) the number of times these types of services were requested for and offered over for the past two years, indicating in each case the –
 - (i) number of vehicles deployed;
 - (ii) mileage ran, and
 - (iii) cost thereof, in terms of fuel, and
- (b) if it is more cost-effective to use the postal services instead.

(Reply not available)

POLICE OFFICERS - CRIMINAL CHARGES

(No. A/409) Mr A. Ameer Meea (First Member for Port Louis Maritime & Port Louis East) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to the Police Officers against whom criminal charges have been lodged, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to the number thereof who –

- (a) are presently under interdiction, and
- (b) have not been interdicted, indicating the reasons therefor, in each case.

(Reply not available)

SIR SEEWOOSAGUR RAMGOOLAM STREET, PORT LOUIS - TRAFFIC CONGESTION

(No. A/410) Mr A. Ameer Meea (First Member for Port Louis Maritime & Port Louis East) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to the Sir Seewoosagur Ramgoolam Street, Port Louis, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to if traffic congestion is caused thereat by vehicles parked in disorderly manner, from its junction with the Etienne Pellereau Street up to that with the Emmanuel Anquetil Street as from 18h30 up to late at night and, if so, indicate the –

- (a) urgent remedial steps that will be taken, especially in view of the forthcoming festive seasons, and
- (b) number of contraventions booked for road obstruction thereat over the past six months.

(Reply not available)

ABERCROMBIE POLICE STATION - POLICE QUARTERS - NEW MODERN DISTRICT HEADQUARTERS

(No. A/411) Mr P. Jhugroo (First Member for Mahebourg & Plaine Magnien) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to the project for the pulling down of the police quarters situated at the Abercrombie Police Station and the construction of new modern District Headquarters on the site thereof, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to if procedures have already been initiated therefor and, if so, where matters stand.

(Reply not available)

ADVISERS AND CONTRACT OFFICERS - COMPENSATION

(No. A/412) Mr K. Li Kwong Wing (Second Member for Beau Bassin & Petite Rivière) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to the advisers and contract officers to Government, he will state the total number thereof employed as at November 2011, indicating –

- (a) the amount of compensation paid per month, and
- (b) in each case, the –
 - (i) position
 - (ii) qualifications
 - (iii) specific area of responsibility, and
 - (iv) terms and conditions of appointment.

(Reply not available)

MOKA - NEW POLICE STATION AND SUB-DIVISIONAL HEADQUARTERS

(No. A/413) Mr D. Nagalingum (Second Member for Stanley & Rose Hill) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to the project for the construction of a new Police Station and Sub-Divisional Headquarters at Moka, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to if land has already been identified therefor and, if so, indicate –

- (a) the location thereof;
- (b) the extent thereof, and
- (c) where matters stand.

(Reply not available)

POLICE HEADQUARTERS - PROPOSED CONSTRUCTION OF A NEW HIGH RISE BUILDING

(No. A/414) Mr D. Nagalingum (Second Member for Stanley & Rose Hill) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to the proposed construction of a new high-rise building to house the Police Headquarters, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to if land has already been identified therefor and, if so, indicate –

- (a) the location thereof
- (b) the extent thereof, and
- (c) where matters stand.

(Reply not available)

PRIVATE TELEVISION BROADCASTING SERVICE - APPLICATION

(No. B/958) Mr R. Bhagwan (First Member for Beau Bassin & Petite Rivière) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to private radio and television, he will, for the benefit of the House, obtain from the Independent Broadcasting Authority, information as to if any Expression of Interest for the operation of channels therefor has been submitted thereto and, if so, give details thereof.

Reply: I am informed by the Director of the Independent Broadcasting Authority that the Authority has received an application in July this year for the issue of a licence to establish and operate a radio broadcasting service.

The application was examined by the IBA Board and the applicant was informed in August 2011 that the Authority would invite Expressions of Interest from potential Private Radio Operators as and when segments of radio frequencies would be available.

I am also informed by the Director of the IBA that the Authority has not received any application for a licence to establish and operate a private television broadcasting service.

FRENCH NATIONALS – RESIDENT PERMITS

(No. B/959) Mr G. Lesjongard (Second Member for Port Louis North & Montagne Longue) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to the French nationals, one Mr L. R. P. and one Mr P. A., he will, for the benefit of the House, obtain from the Commissioner of Police, information as to if they –

- (a) have recently been involved in a case of
 - (i) rape, and
 - (ii) damaging Government property
- (b) are involved in other cases and if so, indicate the nature thereof, and
- (c) are holders of a resident permit and if so, since when.

Reply: In regard to part (a)(i) of the question, I am informed by the Commissioner of Police that one Mr L.R.P.M and one Mr P.A.G, both French nationals, have been recently involved in an alleged case of “attempt upon chastity” reported against them by one Ms M.S.O.T. on 02 December 2011 at Grand’ Bay Police Station.

They were both arrested on 02 December 2011. Whilst in the Charge Room, on the same day, Mr P.A.G. damaged two window panes of Grand Bay Police Station and was further charged for damaging Government property.

On 05 December 2011, they were provisionally charged before the District Court of Rivière du Rempart and Police has objected to their release on bail as they were already on bail

and to avoid possible interference with witnesses. Their bail motion hearing has been fixed for 16 December 2011. Police investigation is still ongoing.

In regard to part (b) of the question, I am further informed by the Police that they were also involved in the following cases –

- (i) on 15 January 2011, one Mr D.L.R.G reported a case of threat and refusal to pay salary and dividend against both of them at Pointe aux Cannonniers Police Station.
- (ii) on 27 January 2011, one Mr M.A reported a case of insult by Mr P.A.G at Pointe aux Cannonniers Police Station.
- (iii) on 04 February 2011, Mr D.L.R.G reported a case of swindling against both of them at the Central Criminal Investigation Division.
- (iv) on 25 February 2011, one Mr R.J.S.L reported a case of swindling against both of them at the Central Criminal Investigation Division.
- (v) on 20 March 2011, Ms M.S.O.T. reported a case of rape against both of them at Goodlands Police Station.

In regard to part (c) of the question, both Mr L.R.P.M and Mr P.A.G are married to Mauritian citizens and they have been issued with residence permits on January 2001 and October 2003 respectively.

While our country will continue to welcome *bona fide* foreigners whether they come as tourists, or investors, or workers, or retired non-citizens, we should guard against *mala fide* foreigners who come here in an attempt to stay indefinitely, by using such stratagems as marriages of convenience.

We have already initiated action to tighten the immigration and other laws to deal with *mala fide* foreigners.

**ACP-EU JOINT PARLIAMENTARY ASSEMBLY – HON. MS DEERPALSING –
OVERSEAS MISSIONS**

(No. B/960) Mr S. Soodhun (Second Member for La Caverne & Phoenix) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to the Honourable Third Member for Belle Rose and Quatre Bornes and Deputy Chairperson of Committees (Ms Deepalsing), he will state the number of overseas missions effected by her in her capacity as representative of Mauritius on the Afro Caribbean Pacific/European Union Parliamentary Assembly, since August 2005 to date, indicating the –

- (a) dates thereof;
- (b) cost thereof, and
- (c) amount of money paid to her as per diem and/or other allowances.

Reply: As the House is aware, the ACP-EU Joint Parliamentary Assembly (JPA) is an institution which emanates from the Cotonou Agreement. One of the main objectives of this institution is to reinforce and improve cooperation between the EU and the ACP states. The JPA brings together elected representatives of the European Union and elected representatives of the African, Caribbean and Pacific States that have signed the Cotonou Agreement.

The JPA holds a plenary session twice a year where the 78 Members of Parliament of the ACP States meet their 78 Members of the European Parliament counterparts. These meetings are held alternately in an ACP country and an EU country. In addition, there are two inter-sessional meetings held each year in Brussels during which the Standing Committees pursue their work. Thus there are four sessions of the JPA held yearly.

I wish to point out that the Mauritius National Assembly has had a representative on the JPA since October 2000. The following former members of this Assembly had represented Mauritius on the JPA –

- Mr Serge Clair;
- Mr Ajay Gunness, and
- Mr Gerard Paya.

Since 2005, when hon. Ms Deepalsing was nominated as the representative of the Mauritius National Assembly on the ACP-EU Joint Parliamentary Assembly, she has attended most of these meetings.

In regard to parts (b) and (c) of the question, for each of her missions, hon. Ms Deepalsing was paid allowances at the approved rate applicable in the public service, while the cost of her air-tickets, except for one occasion for upgrading purposes, was met by the ACP-EU Joint Parliamentary Assembly.

Let me remind hon. Members of the importance of attending these meetings. It is in our national interest to do so. hon. Ms Deepalsing was nominated at a crucial time when we were lobbying the EU regarding the Sugar Reforms and the ensuing Accompanying Measures for ACP States. Hon. Ms Deepalsing has been an active and prominent Member of the JPA and she has established contacts with several Members of European Parliament, including Baroness Glennys Kinnock who was then Co-President of the EU-ACP JPA.

During her last visit in Mauritius, Mrs Kinnock praised the work done by hon. Ms Deepalsing at the level of the JPA. Hon. Ms Deepalsing has also had the opportunity to discuss important issues related to Sugar Accompanying Measures and Economic Partnership Agreements with Baroness Catherine Ashton, European Commissioner for Trade and Mr Louis Michel when he was Development Commissioner at the European Commission. Mr Louis Michel is currently the Co-President of the JPA and is, together with hon. Ms Deepalsing, a member of the Standing Committee for Economic Development, Finance and Trade. Hon. Ms Deepalsing has also been a Member and 2nd Vice President of the Standing Committee on Social Affairs and the Environment.

Hon. Ms Deepalsing has vigorously defended the interests of not only Mauritius, but also that of the ACP States in the JPA. Her work is appreciated by both MPs of the ACP States and Members of European Parliament.

In November 2006, when there was a breakdown of consensus for a Resolution on Economic Partnership Agreements (EPAs), hon. Ms Deepalsing was selected to chair a Conciliatory Meeting in order to arrive at a consensus on the Resolution on EPAs. The Conciliatory Meeting successfully came to a consensus and the JPA did publish a Resolution on the EPAs at its 12th session in November 2006.

Recently, hon. Ms Deepalsing was widely solicited by her ACP counterparts to submit her candidature for the post of the JPA Co-President. However, it was decided to withdraw her candidature in favour of Kenya due to the fact that Mauritius had assumed the Co-President post

the last time that the East African region had to nominate one of its members. Furthermore, at the meeting in Togo in November 2011, she was unanimously elected as one of the representatives of the East Africa region on the Bureau of the ACP-EU JPA.

MAURITIUS DUTY FREE PARADISE – PROCUREMENT PROCEDURES

(No. B/961) Mr P. Jugnauth (First Member for Quartier Militaire & Moka) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to the Mauritius Duty Free Paradise, he will, for the benefit of the House, obtain from the company, information as to if a tender has recently been launched for the supply of products for its shop and, if so –

- (a) when, and
- (b) the outcome thereof.

Reply: The Mauritius Duty Free Paradise Co. Ltd (MDFP), as any company governed by the Companies Act, and its Constitution, has its own internal procurement procedures. The management of the company is vested in its Directors and its Management. It would, therefore, not be appropriate for me to give details about procurement and tendering issues in the company as these fall under the responsibility of senior management and the Board of Directors. However, it is pertinent to bring out that procurement and tendering procedures at the MDFP are strictly in accordance with the best international procurement practices.

SUBUTEX - REPORTED CASES – JUNE 2010 TO 13 DECEMBER 2011

(No. B/963) Mr N. Bodha (First Member for Vacoas & Floreal) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to subutex, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to the number of reported cases in connection therewith, since June 2010 to date.

Reply: I am informed by the Commissioner of Police that the number of subutex related cases reported to the Police is as follows –

<u>YEAR</u>	<u>NO. OF SUBUTEX RELATED CASES</u>
June to December 2010	383
January to 09 December 2011	417
Total	800

During the same period, 801 persons were arrested and 33,952 tablets of subutex were seized, having a street value of Rs50,928,000.

PRIMARY SCHOOLS – OFFENCES – 2010-2011

(No. B/964) Mr N. Bodha (First Member for Vacoas & Floreal) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to the primary schools, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to the number of reported cases of offences perpetrated thereat, since 2010 to date, indicating in each case, the nature thereof.

Reply: I am informed by the Commissioner of Police that during the year 2010, 73 cases of offences in primary schools have been reported and from January to 08 December 2011, 94 cases.

The nature of the offences perpetrated is as follows –

OFFENCES	NO. OF CASES
Assault	11 9
Sexual Assault	1

OFFENCES	NO. OF CASES
Larceny/Attempt at Larceny	24
Damaging Government Property	4
Alleged Sexual Harassment	2
Insult	1
Child beyond Control	1
Attempt upon Chastity	11
Sodomy	1
Outrage against Public Functionary	1
Threatening Verbally	1
Soliciting male for immoral purposes	1

In five cases, the offenders have been sentenced, in 26 cases, there have been no prosecution, 18 cases have been filed by the Police, in 35 cases, the Director of Public Prosecutions' advice is pending and 83 cases are pending enquiry.

BEAU BASSIN PRISON – WOMEN'S WING – INCIDENT

(No. B/965) Mr G. Lesjongard (Second Member for Port Louis North & Montagne Longue) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to the women's wing of the Beau Bassin Prison, he will, for the benefit of the House, obtain from the Commissioner of Prisons, information as to if a mutiny took place thereat on 5 December 2011, indicating if a

prison officer was injured and if so, if an inquiry has been carried out thereinto and the outcome thereof.

Reply: I am informed by the Commissioner of Prisons that no mutiny took place on 05 December 2011 at the women's wing of the Beau Bassin Prison.

On that day at about 14.15 hrs, following information received to the effect that prohibited articles may have been concealed in Dormitory Number 3, a search was carried out thereat by two Prison Officers under the supervision of a Female Assistant Superintendent of Prison. The search led to the detection of the following articles: five mobile phones, several battery chargers and mobile phone batteries. The articles were seized as exhibits.

At the time of search the eight detainees occupying the dormitory were not present as they were attending a concert in the prison's hall.

While the search party was leaving the dormitory, five female detainees rushed and attacked the officers in an attempt to snatch the exhibits. A struggle followed between the officers and the detainees. In the struggle one female officer was assaulted and sustained injury on her abdomen, left arm and forearm, right thigh and lower leg. After the incident, she was seen by the Prison Medical Officer and referred to Dr. Jeetoo Hospital. She was discharged from the hospital on 10 December 2011.

I am further informed that the Commissioner of Prisons and senior officers called at the women Prison on the same day the incident occurred and interacted with the five female detainees involved in the incident. Thereafter, the Commissioner held an urgent Strategic Management meeting and several decisions were taken to reinforce security at the Women Prisons, amongst others –

- (i) setting up a 24/7 hours Searching Squad comprising eight officers;
- (ii) transferring difficult detainees to Barkly Special Prison for Women to accommodate difficult detainees;
- (iii) organising further training in handling of difficult detainees at the Prisons Training school;
- (iv) providing back up of Prisons Security Squad Officers at the Women Prison during the night when escorting inmates to public hospitals, and

(v) reinforcing the staff at the Women Prison.

A Departmental Enquiry by Assistant Commissioner of Prisons has been initiated to look into the circumstance of the incident as well as the presence of prohibited articles. The enquiry is underway.

The case has been reported to the Police which has already initiated an enquiry. Statements have been recorded from three witnesses.

I am aware of suggestions made by serving officers to pep up security and safety measures within prisons, and I have impressed upon the Commissioner of Prisons the need to consider them.

RODRIGUES – POLICE BAND

(No. B/966) Mr J. F. François (Third Member for Rodrigues) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to the proposed setting up of a Police Band in Rodrigues, he will state where matters stand.

Reply: In my reply to PQ No. B/618 on 07 July 2011, I informed the House that the Police is considering the setting up of a Police Band in Rodrigues.

Since then, the Commissioner of Police has been liaising with the Rodrigues Regional Assembly to identify a suitable building to house the Police Band in Rodrigues. The Commission for Public Infrastructure has agreed to allocate one of the Government Quarters at La Ferme on a temporary basis to house the unit.

The unit will be allocated basic musical instruments, and procurement procedures will be initiated early next year to purchase additional instruments.

The seven Rodriguan Trainee Band Constables will be posted to Rodrigues in January 2012.

REGIONAL ASSEMBLY ELECTION – POLITICAL PARTIES –

AIR TIME

(No. B/967) Mr J. F. François (Third Member for Rodrigues) asked the Prime Minister, Minister of Defence, Home Affairs and External Communications whether, in regard to the code of ethics, he will state if consideration will be given for amendments to be brought thereto with a view to allowing equal, fair and just allocation of air time for all political parties during political broadcast for the forthcoming Regional Assembly Election.

Reply: The code of ethics is drawn up by the Standards Committee of the IBA under section 29 of the Independent Broadcasting Authority Act.

However, I am informed by the Director of the Independent Broadcasting Authority that allocation of air-time to political parties for political broadcast is not covered in the code of ethics.

In fact, allocation of air-time to Public and Private Broadcasters for political broadcast is determined by guidelines issued by the IBA, in accordance with paragraph 6 of the Code of Conduct for Broadcasting Services, set out in the Second Schedule to the IBA Act. These guidelines are issued prior to the holding of a General Election, a By-Election and the Rodrigues Regional Assembly Election. These guidelines provide that broadcasting licensees must ensure fairness in the broadcasting of party election broadcast including, a fair and equitable balance in the allocation of air-time among political parties on each day of party election broadcast.

I am further informed that the allocation of air-time to political parties is made by the MBC in accordance with the IBA Guidelines and after discussions with the political parties taking part in the election. Thereafter, an agreement is reached and subsequently signed between the MBC and the political parties.

The views of the Electoral Supervisory Commission and of the Electoral Commissioner's Office are also sought by the MBC on this issue.

STIMULUS PACKAGE & ECONOMIC RESTRUCTURING & COMPETITIVENESS PROGRAMMES - FUNDS

(No. A/415) Mr K. Li Kwong Wing (Second Member for Beau Bassin & Petite Rivière) asked the Vice-Prime Minister, Minister of Finance and Economic Development whether, in regard to the Stimulus Package, the Additional Stimulus Package and the Economic

Restructuring and Competitiveness Programmes, he will state, in respect of 2009, 2010 and 2011

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- (a) the total amount of funds provided or guaranteed by Government under each programme;
- (b) the amount of funds disbursed by the State Investment Corporation Ltd. and the Equity Fund, indicating the -
 - (i) names of the beneficiaries thereof;
 - (ii) nature;
 - (iii) purpose of the financial assistance;
- (c) the outcome in each case, and
- (d) if an inquiry will be carried out to establish the responsibility and accountability of the officer responsible for negligence, if any.

Reply: I wish to inform the House that in December 2008, at a time when the western world was hit by the first economic crisis forcing the US and most European countries to put in place the stimulus package whereby funds were given to rescue mainly banks, in Mauritius, Government introduced the stimulus package to provide direct financial assistance to manufacturing and service companies that were being affected by the global economic downturn.

The Mechanism for Transitional Support to Private Sector (MTSP) was an initiative supported by the private sector. In this respect, a Committee was set up and was co-chaired by the Director of JEC and Chairman of Enterprise Mauritius and also comprised representatives from various Ministries. This Committee meets twice weekly to go through applications received and appoints an Independent Financial Analyst (IFA). The latter analyses the applications received and makes recommendations to the Committee. Based on recommendations of the IFA and further discussions with banks and applicant, a term sheet is signed between SIC, banks and applicant.

It is important here to note that in all cases under the Mauritius Approach which is a mechanism approved by the Mauritius Bankers Association, there is a burden sharing whereby the applicant, banks and Government through SIC share the risk in the additional financial

requirements of the applying company in the ratio of 20:40:40. When the Economic Re-Structuring and Competitiveness Programme (ERCP) was instituted in August 2010 to replace the MTSP, the same principle was applied.

Unless there is a clear recommendation from the IFA, no application is entertained. On top, a post IFA is appointed in consultation with stakeholders with the mandate to closely monitor the disbursement of funds as well as the performance of the company. Reports from the post IFA are circulated to stakeholders for consideration. These measures thus ensure proper application of funds. However in some cases, despite assistance to companies their financial situations have not improved and some additional financial assistance has had to be provided. The various instruments put in place under the MTSP and ERCP include the following -

- I. Direct assistance for use as working capital and/or debt restructuring under the burden sharing principle by the applicant, banks and Government (through SIC) in the ratio of 20:40:40 (meant mainly for large companies having a turnover of above Rs50 m.).
- II. Direct assistance for use as working capital and/or debt restructuring for SME's with turnover of less than Rs50 m. Under this scheme, the company contributes 5 % and 95 % is provided by the bank of which 75 % are guaranteed by Government through SIC.
- III. Import Loan Guarantee scheme meant for short term cyclic working capital needs to finance purchase of raw materials by companies who have obtained firm orders, but unable to get finance from banks.
- IV. Leasing Equipment Modernisation Schemes (LEMS) 1 to 3 provided by leasing companies and meant to financially assist companies to modernise their production equipment.
- V. LEMS 4 which is a sale and leaseback finance scheme whereby a company can sell its un-encumbered machinery and equipment to a leasing company and obtain finance to meet shortfall in its working capital requirements.

VI. Sale and leaseback of property, a financial instrument under MTSP, to assist asset rich, but cash poor companies to sell and leaseback their immoveable property to the National Real Estate Ltd. and obtain cash to repay debt and restructure their working capital needs.

VII. The ERCP Credit Financing Scheme (ECFS) which enables local companies to improve their cash flow by getting immediate cash for credit sales by factoring their invoices to CIM Finance Ltd.

VIII. Unlike companies who obtain LCs for their exports and hence can obtain import loans and discounting facilities from banks, exporters working on open account basis are precluded from obtaining working capital needs to finance export orders under open account. The Export Credit Insurance Scheme (ECIS) plugs this gap by enabling an exporting company working on open account to insure their exports. By doing so they can pledge their insurance cover and obtain both import loans with or without corporate guarantee from SIC as well as discounting facilities.

IX. The Planters Harvest Scheme (PHS), a new scheme introduced in August 2011 to assist sugar cane planters in reducing their harvesting costs. The Scheme enables sugar harvest contractors and planters in need of harvesting tools to obtain finance at low cost from leasing companies and hence lower down their harvesting costs.

With regard to part (a) of the question, the total amount of funds disbursed and guaranteed by Government under each programme from 2009-2011 amounts to Rs2,118.6 m. and are as follows -

I.	Issue of Debentures	Rs190.8 m.
II.	Issue of Corporate Guarantees	Rs136.9 m.
III.	Sale and Lease Back of Properties	Rs556 m.
IV.	Import Loan Guarantees	Rs207.9 m.
V.	Injection of equity (5% Preferential Shares)	Rs12.5 m.
VI.	LEMS I-IV	Rs790 m.

VII.	Export Credit Insurance Scheme	Rs12 m.
VIII.	ERCP Credit Financing Scheme	Rs168.2 m.
IX.	Planters Harvest Scheme (PHS)	Rs44.3 m.

Details on the beneficiaries, nature of assistance, outcomes are being tabled. Out of a total sum of Rs2,479.6 m. approved, only one loss has been reported whereby the corporate guarantee of SIC Ltd amounting to Rs2.481m. representing a negligible percentage of 0.1 % had been executed. No fund has been disbursed by the NRF Equity Investment Ltd (Equity Fund).

With regard to the last part of the question, I am informed that as to date no malpractice has been reported. In fact, all necessary precautionary measures are taken so as to ensure that funds disbursed are properly utilised and monitored. That is the reason for which assessment of each case is entrusted to an IFA and monitoring is done by a post-IFA. Since both the banks and leasing companies are parties to any facility made available, they also have a duty of care and attention before even submission of an application to the ERCP in the spirit of the burden sharing and their involvement in financing any company seeking assistance.

MTPA – LEGAL ADVISERS

(No. A/416) Mr R. Bhagwan (First Member for Beau Bassin & Petite Rivière) asked the Minister of Tourism and Leisure whether, in regard to the Mauritius Tourism Promotion Authority, he will, for the benefit of the House, obtain from the Authority, a list of the legal advisers attached thereto, since July 2005 to date, indicating in each case, the terms and conditions of appointment.

Reply: The Mauritius Tourism Promotion Authority has informed as follows –

- (i) For period July 2005 to April 2007, the services of two legal advisers, namely Me D. Basset and Me. P. N. Kistnen were retained on an *ad hoc* basis.
- (ii) As from May 2007 to date, the services of Me. P. N. Kistnen have been retained against a monthly retainer fee of Rs23,000.

**TRANQUEBAR AND VALLEE PITOT – COMMUNITY EMPOWERMENT
PROGRAMME**

(No. A/417) Mr R. Uteem (Second Member for Port Louis South & Port Louis Central) asked the Minister of Social Integration and Economic Empowerment whether, in regard to the Community Empowerment Programme, he will, for the benefit of the House, state the amount of money spent thereunder for the regions of Tranquebar and Vallée Pitot, since 2010 to date, indicating in each case, the nature of the assistance provided.

Reply: According to information obtained from the National Empowerment Foundation, since 2010 to date an amount of Rs1,411,384.93 and Rs659,085.01 has been spent at Tranquebar and Vallée Pitot, respectively as follows -

Tranquebar

- (i) Rs 845,000 in respect of the construction of 13 corrugated iron sheet housing units;
- (ii) Rs60,000 as contribution for the construction of concrete house with CIS roof;
- (iii) Rs304,271.89 for provision of school meals and '*accompagnement scolaire*' to 24 beneficiaries of pre-primary schools and 27 beneficiaries of primary schools, and
- (iv) Rs202, 113.04 for the provision of school materials, including uniforms and shoes, to 146 needy children.

Vallée Pitot

- (i) Rs130,000 for the construction of 2 corrugated iron sheet housing units;
- (ii) Rs10,000 for refurbishment works in connection with the setting up of a Learning Corner;
- (iii) Rs220,913.82 for provision of school meals and '*accompagnement scolaire*' to 12 beneficiaries of pre-primary schools and 20 beneficiaries of primary school, and
- (iv) Rs298,171.19 for provision of school materials including uniforms and shoes to 212 needy children.

BASIC INVALID PENSION - APPLICATIONS

(No. A/418) Mr R. Uteem (Second Member for Port Louis South & Port Louis Central) asked the Minister of Social Security, National Solidarity and Reform Institutions whether, in regard to the basic invalid pension, she will state, on a yearly basis, since 2005 to-date, the number of -

- (a) applications therefor received, indicating the number thereof which have been rejected, and
- (b) appeals lodged against a rejection by the Medical Board, indicating the number thereof which have succeeded.

Reply: As regards part (a), applications therefor received, indicating the number thereof which have been rejected -

<i>Year</i>	<i>Cases scheduled for Medical Board</i>	<i>No. of cases Not Allowed</i>
2000	16,723	2,126
2001	15,810	6,104
2002	16,223	6,745
2003	16,745	6,575
2004	18,058	7,003
2005	17,350	5,633
2006	21,090	8,032
2007	21,500	7,684
2008	22,075	7,340
2009	22,010	7,746
2010	24,938	7,625
2011 (Up to October 2011)	21,168	6,574

As regards part (b), appeals lodged against a rejection by the Medical Board, indicating the number thereof which have succeeded -

<i>Year</i>	<i>No. of Appeals lodged against a rejection by the</i>	<i>No. allowed by Medical Tribunal</i>

	<i>Medical Board</i>	
2000	3,537	11
2001	4,005	21
2002	3,906	67
2003	4,153	187
2004	4,562	161
2005	5,580	474
2006	6,329	703
2007	6,348	665
2008	6,419	690
2009	6,407	526
2010	6,480	524
2011 (Up to November 2011)	4,977	542

BAMBOUS - FIRE STATION - CONSTRUCTION

(No. A/419) Mrs J. Radegonde (Fourth Member for Savanne & Black River) asked the Minister of Local Government and Outer Islands whether, in regard to the project for the construction of a fire station in Bambous, he will state where matters stand.

(Withdrawn)

ARTISTS - SCHEMES - BENEFICIARIES

(No. A/420) Mrs J. Radegonde (Fourth Member for Savanne & Black River) asked the Minister of Arts and Culture whether, in regard to the schemes for the artists, he will give a list of those who are entitled thereto and who have benefitted therefrom, over the past three years.

Reply: Assistance is being provided to artists through five schemes as follows -

- (i) Assistance Scheme for production of CD's, publication of books, art exhibitions and *production* of plays- Rs15, 000.

- (ii) International Development Grant -
 - (a) International Travel Grant- Rs 50, 000;
 - (b) International Collaboration Grant- Rs 200,000;
 - (c) Marketing Development Grant- Rs 100,000;

Note: Participants are entitled to any two out of three grants once every 2 years.

- (iii) Refund of 50 % of the rental cost of venues for concerts by local artists;
- (iv) Contribution up to a ceiling of Rs 30,000 for holding of exhibitions and other cultural events, and
- (v) Waiving of rental cost of venues for 3 rehearsals and gala show for plays.

Requests received from artists for assistance are processed by My Ministry based on the following criteria -

- A. Credibility of organisers;
- B. Level of the event, literary works and cultural products;
- C. Impact of the event;
- D. Contribution of the event in the development of our cultural industry, and
- E. Number of local artists involved.

The list of artists who have benefitted from the schemes for the past three years is being placed in the Library.

HOTEL DEVELOPMENT - STATE LANDS - BENEFICIARIES

(No. A/421) Mr G. Lesjongard (Second Member for Port Louis North & Montagne Longue) asked the Minister of Housing and Lands whether, in regard to the state lands which have been granted for hotel development and wherein construction have not started or have not yet been completed during the specified period, he will give a list thereof, indicating the names of the beneficiaries thereof.

Reply: Beneficiaries of State land for any purpose, including for hotel development, are required to start and complete construction within a specified timeframe. This time frame is indicated in the lease agreement. Normally, the timeframe is as follows -

- (i) to start construction within 12 – 18 months as from the date of signature of the lease agreement, and

- (ii) to complete construction within 36 months as from the date of signature of the lease agreement.

There are however cases where, on request and subject to justifications the timeframe for starting and completing construction is extended

Particulars in regard to State lands leased for hotel development where construction has not yet been started or not yet completed are being placed in the library.

CWA – WATER PIPES – REPLACEMENT

(No. A/422) Mr G. Lesjongard (Second Member for Port Louis North & Montagne Longue) asked the Deputy Prime Minister, Minister of Energy and Public Utilities whether, in regard to the replacement of old water pipes by the Central Water Authority in Constituency No.4 he will, for the benefit of the House, obtain from the Authority, information as to the-

- (a) names of the localities concerned therewith;
- (b) total length thereof replaced, and
- (c) total amount of money disbursed in each locality therefor.

Reply: I am informed by the Central Water Authority that for the period 2009 to 2011 some 6 km of old water pipes have been replaced in Constituency No. 4 at a total cost of Rs10m. in the following localities –

Upper	Congomah	Main	Road	&
11 lateral roads				Rs7.2 m.
Rivalland Road, Creve Coeur				Rs1.6 m.
KJW Lane & Subhas Chandra Bose Road, Terre Rouge				Rs1.2 m.

I am further informed that the CWA envisages to renew old service mains in the localities of St. Croix, La Cure and Vallée des Pretres during financial year 2012.

MUNICIPAL COUNCIL OF QUATRE BORNES - EBÈNE CITY - GREEN SPACES

(No. A/423) Mr K. Ramano (Second Member for Belle Rose & Quatre Bornes) asked the Minister of Local Government and Outer Islands whether, in regard to the green spaces allotted by the Mon Trésor and Mon Désert Limited to the Municipal Council of Quatre Bornes,

following the *morcellement* at the Ebène city, he will, for the benefit of the House, obtain from the Municipal Council, information as to the number of plots of land allotted, indicating if same are presently maintained by the Municipal Council of Quatre Bornes.

Reply: I am informed by the Municipal Council of Quatre Bornes that seventeen plots of land have been allotted by the Mon Trésor and Mon Desert Ltd to it following the morcellement at the Ebene City, by way of a deed of sale drawn up by Notary Me Joseph Paul Hugues Didier Maigrot in June 2008.

I am informed that these plots are being maintained by the Council.

MUNICIPAL COUNCIL OF QUATRE BORNES - TENANTS TAX - MONEY COLLECTED

(No. A/424) Mr K. Ramano (Second Member for Belle Rose & Quatre Bornes) asked the Minister of Local Government and Outer Islands whether, in regard to the Municipal Tenants Tax, he will, for the benefit of the House, obtain from the Municipal Council of Quatre Bornes, information as to the number of properties who were concerned therewith, since 2005 to date, on a yearly basis, indicating the amount of money collected in relation thereto, on a yearly basis.

Reply: I am informed by the Municipal Council of Quatre Bornes that the number of properties which were concerned with Municipal Tenants Tax since 2005 to date is as follows -

Year	No. of Property records	Amount collected (Rs)
2005/2006	1254	17,839,558.96
2006/2007	1373	17,466,272.00
2007/2008	1499	26,848,672.24
2008/2009	1555	38,327,533.32
July 2009 – Dec 2009	1588	31,572,834.99
Jan 2010 – Dec 2010	1295	60,344,392.02
Jan 2011 to date	1311	61,292,474.50

GOVERNMENT QUARTERS – LIST

(No. A/425) Dr. R. Sorefan (Fourth Member for La Caverne & Phoenix) asked the vice-Prime Minister, Minister of Public Infrastructure, National Development Unit, Land Transport and Shipping whether, in regard to the Government Quarters, he will give a list thereof, indicating, in each case the –

- (a) location thereof, and
- (b) number thereof which –
 - (i) are occupied;
 - (ii) are unoccupied;
 - (iii) have been converted into offices, and
 - (iv) need to be pulled down.

Reply: With regards to part (a) of the question, a list of government quarters and their respective location is being placed in the library.

As regards part (b) of the question, the information is tabulated below -

	Number of quarters occupied	210
	Number of quarters unoccupied	2
	Number of quarters that have been converted into office	31
	Number of quarters that need to be pulled down	47

POLICE STATIONS - DIRECTIONAL SIGNS

(No. A/426) Dr. R. Sorefan (Fourth Member for La Caverne & Phoenix) asked the vice-Prime Minister, Minister of Public Infrastructure, National Development Unit, Land Transport and Shipping whether, in regard to the placing of conspicuous directional signs to locate Police Stations, he will, for the benefit of the House, obtain from the Road Development Authority -

- (a) a list where same have already been placed, and
- (b) information as to if the joint survey has already been carried out and, if so, indicate the outcome thereof.

Reply: As at date, directional signs have been placed to locate the following Police Stations and one Police Post -

- i. Pailles;
- ii. Coromandel;
- iii. Pointe aux Cannoniers;
- iv. Souillac;
- v. Roche Bois;
- vi. Floreal;
- vii. Chemin Grenier;
- viii. Plaine Magnien;
- ix. Dubreuil;
- x. Montagne Blanche;
- xi. Black River;
- xii. Midlands;
- xiii. Airport, and
- xiv. SSRNH Police Post.

Most of the 71 Police Stations around the island are located on the main road and are equipped with an illuminating sign on which the word “POLICE” is affixed. The illuminating sign is conspicuously placed at the main entrance of the compound of the respective Police Station and is visible to all road users from a reasonable distance, both during the day and at night.

The survey is ongoing. As at now, the Stanley and the Bain des Dames Police Stations, which are not situated on the main road, are not located by directional signs. The Police Department has initiated action to place directional signs to locate these stations with the assistance of the Traffic Management and Road Safety Unit and the Road Development Authority.