

**REPUBLIC OF MAURITIUS**  
**FOURTH NATIONAL ASSEMBLY**

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**FIRST SESSION**

**Tuesday 02 JUNE 2009**

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**Motion**

**Bill (*Public*)**

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**MAURITIUS**  
**FOURTH NATIONAL ASSEMBLY**

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**Debate No. 15 of 2009**

**Sitting of Tuesday 02 June 2009**

The Assembly met in the Assembly House, Port Louis, at 10.00 a.m

**The National Anthem was played**

*(Mr Speaker in the Chair)*

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

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

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

*Question put and agreed to.*

**PUBLIC BILL**  
*Second Reading*  
**THE APPROPRIATION (2009) BILL**  
**(No. IX of 2009)**

*Order read for resuming adjourned debate on the Appropriation (2009) Bill (No. IX of 2009).*

*Question again proposed.*

**The Vice-Prime Minister, Minister of Tourism, Leisure and External Communications (Mr X. L. Duval):** Mr Speaker, Sir, let me firstly start my speech today by congratulating my colleague and friend, the Vice-Prime Minister and Minister of Finance, Dr. the hon. Rama Sithanen and, indeed, the Prime Minister, for having made a great success of one of the most difficult Budgets, I am sure, of their respective careers.

Mr Speaker, Sir, we know that times are hard. I think we have in this Budget the solution for many of our problems that Mauritius is facing today. Rightly so, the Opposition and the Government have replied very effectively that in all that is included in the Budget, in all that has been said, it is, in fact, the degree of implementation of the Budget that will make a difference. The Opposition has criticised; that is their role. I know that my colleague, the Vice-Prime Minister, will come, in his summing up, with the whole list of so many measures that have been announced by the previous MSM/MMM Government that have never come to fruition. That is fair enough. What we need to ensure as a Government, Mr Speaker, Sir, is that we implement fully this present Budget that has been presented. It is doubly important, Mr Speaker, Sir, firstly, because it is a commitment to the nation, but also because the speed and the timing of the implementation of the Budget makes all the difference. We are talking about a crisis situation, a slump in the economy, which is going to be helped by actively pumping money into the economy. If money is not pumped in at the right time, then there is no point in pumping it after the economy has picked up. Timing of implementation of the Budget measures, Mr Speaker, Sir, is going to be the key factor in the success of this Budget. Implementation also, in one particular area, is particularly tricky. Again, the Opposition has picked it up, also rightly, because it is proper for them to do their job, that is, implementation of the direct assistance that is going to be given to private enterprises.

It is one of the rare occasions where, in fact, direct grants are to be given in terms of shareholding, debentures, and loans to private enterprises. And the Government of Mauritius does not have much experience in doing this in the past. It was tried in one way or another; it didn't work and, so, we don't have much experience in it. Obviously, there are pitfalls that we must be able to avoid for this to be a success and for this to work as it ought to work.

Mr Speaker, Sir, perhaps my first message is to the private sector. The message to the private sector, Mr Speaker, Sir, is that we should ask them not to take us for a ride, not to take us for fools. This is not what is going to happen with these grants and this direct industry support, Mr Speaker, Sir. Money that is going to go to the private sector is taxpayers' money, money that people have contributed. Often, they have not gone on holiday, they have not bought a car and maybe they have not bought a cake for their kids. And they have paid this tax money and they have paid it in to the coffers of Government. In a way, we can say that it is sacred. It is very important that this money be not wasted, Mr Speaker, Sir.

This is why I always say that the Government should not be the first door to knock at. The Ministry of Finance should not be the first door that someone knocks on when he has a problem. I have a problem, maybe I have to make people redundant, I knock at the door of the Minister of Finance for some money. That's not, Mr Speaker, Sir, what the scheme is all about. It is money of last resort. You try everything. This is why we say also that the bosses of the private sector should act as *bons pères de famille*. You reduce your cost, eliminate wastage, cut out the big cars, do what you have to do to get your operation efficient, and, lastly, if it does not work, if you have not found an additional shareholder, if the bank really does not want to help you, if you can't maybe even sell your business as a going concern to somebody else, then you look for this taxpayers' money, then you come to our door and say: look, there is nothing else I can do, I need your help, I need the finance or I need to sell my asset to Government to raise this finance. And I think that is the way that these things should work, Mr Speaker, Sir, because our role, of course, is always to protect taxpayers' money.

Concerning the hotel industry, over the last five to ten years, it has been extremely profitable. Nobody can deny that the hotel industry has been extremely profitable. During the term of the previous Government, a little bit less so, but it has still been profitable, Mr Speaker, Sir. And if a hotel that has not been able to make money in the last five years, you have to ask yourself what sort of hotel is it, why has not it made any money in boom time. In one year alone, in 2007, after Chikungunya and before the crisis, we increased the number of tourists by 125,000. Mr Speaker, Sir, we must ask ourselves, when we put taxpayers' money to help a private business or a hotel, if the problem is structural or *conjuncturel*. If it is *conjoncturel*, if there is a problem that has occurred, maybe it is a start-up, a new hotel, or maybe there is some special reason why it cannot meet its wage bill. I can think here of a number of hotels that have had structural problems over a long number of years. They have never been able to get their act together. These hotels, in my humble opinion, should not be candidates for taxpayers' money. If they want to close down, somebody else will buy the business. If somebody else will start again, I am sure he will do a better job than has been done before. In fact, this crisis is also an opportunity, it has a little bit of a silver lining into it, in that it may actually encourage some enterprises which have structural problems, but have been hanging on because the times had been good, to have a look at the operations again, take in new shareholders or change shareholders completely so that, Mr Speaker, Sir, at the end of this period, with a little bit of the cleansing, the sector will end up with a more efficient, luxurious and better hotel sector than before. Mr Speaker, Sir, this money is not for *les canards boiteux de l'industrie touristique* or elsewhere. We are not going to waste money in this way. It is, in fact, for people who have *des problèmes conjoncturels* and who we think, that by helping them, we will save the enterprises for this period of time that they need to be saved so that they can start again once things get much better. Therefore, Mr Speaker, Sir, we are looking for a social contract, entrepreneurs, the bosses act as *bons pères de famille*, they cut all costs, and the last resort is to cut jobs.

As far as the *syndicats* and the employees are concerned, what advice can we give them? What advice, as a responsible Government, should we give the unions and employees? I think the only advice that can be given is to work harder when times are hard. Demonstrations, public meetings and strikes are not going to help. It is going to be the opposite that will happen. What we will have to do in these difficult times is that all of us must work much harder to help our enterprises to overcome this difficult situation and to be more efficient and more productive. I can see in these hard times the social contract between the employers to save employment but also with the help of the employees that they should work harder and provide the impetus and the courage necessary to get over this difficult situation.

Mr Speaker, Sir, for my part, we, at the Ministry of Tourism and External Communications and my colleagues in Government, are fully committed to implement this Budget as soon as it kicks off on 01 July. Mr Speaker, Sir, I want to stress on some of the measures announced in the Budget that, I think, are particularly important. Firstly, Mr Speaker, Sir, I will talk of the tourism TV which has been announced. I think it is going to be one of the major achievements of this Government in the tourism sector if we get the tourism TV off to a good start. We all know the problems. It has been raised in the last Government too. They all know the problem of intermediaries in the tourism sector. We all know the problems of start-ups. We all know the need to democratise. I heard hon. Ganoo talking about it. How do we do all this? If I set up a little business in Rivière Noire, how are people going to know that I exist? If I set up a little restaurant in Grand' Baie, how will tourists come to my restaurant? Am I going to have to pay exorbitant fees to the taxi drivers to bring tourists? Am I going to get any help from the hotels to get the tourists? Probably not. If I have a restaurant, they will not help me. If I have a small business, probably it will be very difficult to start up, to get off the ground. We have one major problem in our tourist destination, which is the problem of canvassers. This is the reason why, on our beaches, instead of tourists being able to lie down and relax, you have a steady stream of people who are operating probably illegally. They wake up tourists relaxing, offer them a boat trip; or they would say: this is a great restaurant, why don't you try? The guy takes five minutes and, in the next five minutes, somebody else comes along and offers to take them on an excursion somewhere else. This is the real problem. This is why we are promoting with *foires*, etc. to get the stress off the beaches. But, this is another story.

Mr Speaker, Sir, the vision behind the tourism TV is this. The tourism TV will be a television which has a lot of paid publicity. It will have also some *reportage* on Mauritius. It would be available, and we will have to ensure that it is available in every hotel room and accommodation in Mauritius. Obviously, it will not advertise other accommodation. We can't have another hotel advertising in a different hotel. This cannot be possible. But the tourism TV, therefore, is going to show all the hotels, restaurants and all the activities that make Mauritius what it is today. What makes Mauritius different from Maldives and Seychelles is a huge number of activities that we have here. So, tourism TV, therefore, is going to be in every hotel room and then, if say, I set up a little restaurant - look at the difference now - I don't need canvassers, I don't need to go and do this and that, I don't need a hotel to help me really. I go to the MBC, I pay for my advertising; it has got to be paid for. And then, when the tourist switches on his TV, when he comes to Mauritius, probably he will get one channel on the hotel services itself and the next channel will be on what Mauritius has to offer. You can think of Rose Hill, Quatre Bornes, Grand' Baie and Goodlands. Every region probably will advertise on this tourism TV and show what they offer. I believe that it is going to be a major step, a small revolution in a way, that we are going to be able to democratise the economy and help those small guys to get their products

known, because we all know that the most difficult things for small businesses is to actually get known. Once you have been here for 50 years, everybody knows about you, but if you are new, then they don't. I believe in this. The feasibility study is already on the way; it is already being done. Hopefully, in the next two weeks, the feasibility study will be completed, and we have the financing. The MBC is already on board and, hopefully, within a short while, we will have a new tourism channel which would be run by the MBC with the collaboration, of course, of my Ministry, in order to ensure that the objectives are being met, Mr Speaker, Sir.

Mr Speaker, Sir, the whole object of the Ministry is to make the whole of Mauritius a tourist destination. Not just Grand' Baie, Pointe D'Esny, Belle Mare, but the whole of Mauritius should become a tourist destination.

This is why, Mr Speaker, Sir, we have gone not really out of way. We have actually installed nearly 200 signposts all around the island. You can see them now; I think one had a mistake and the newspapers picked it up. We have installed nearly 200 signposts all around the island showing everywhere, and the tourist now using his contract car, as we say, can go and run around the country and find all the nice places in Mauritius. That also, Mr Speaker, Sir, is something that is long overdue, and I am very pleased; it has taken us a number of years, but it is being done. We have done the north, we have done the west, we have done the south; we only have the east now which is being installed and that is going, therefore, to be an important step in that democratisation of our economy.

Mr Speaker, Sir, I want to talk about something also very close to my heart, which is about the urban regeneration. We really want the whole of Mauritius to be a tourist destination and when we look around - we must be frank, Mr Speaker, Sir - even in my Constituency, Quatre Bornes, in Rose Hill, Goodlands, everywhere there is such a lot of urban decay, as if people don't care anymore, as if people do not want to paint their shop, their shutters, to clean it. The owner just opens it in the morning, and people will walk in. The urban decay that is in Mauritius, Mr Speaker, Sir, shocks me. It really shocks me. In fact, it takes very little amount of money, and I will tell you how much has been spent in Quatre Bornes. If we have the population, we have the citizens of the place with us, it takes a lot of effort, but only a little bit of money to get the place looking nice. With a paint brush and some paint, we can really make a quick job, and I think we are making a big change in Quatre Bornes, which is being used as a test case. In fact, Mr Speaker, Sir, I do believe that, somewhere, along the line, we have to stop this urban decay, and here I would like to talk about a little known action that my colleague, the Minister of Environment, has done. A little known, but an important piece of Government regulation that was signed and published in February 2009 which, I think, if used properly, will make a revolution in our country and stop this urban decay. In fact, Mr Speaker, Sir, I am speaking about Regulation No. 18 of the Environment Protection Act made in February 2009, and this regulation makes it an offence of keeping a house, tenement, wall or any other structure or building in a dirty or unsightly state. This piece of legislation, if used properly, will ensure, Mr Speaker, Sir, that the urban regions of Mauritius really remain as they ought to remain and really stay clean and beautiful. When you go down to Tamarin, you can be jealous and say these guys, whoever they are, this particular community always have the best, but look at the cleanliness of it and look how it is done properly. Why can't everybody else be like this? Can we really ask a tourist to come and stay in a dump, *un dépotoir*, to come and stay in a guesthouse which is located in a dump area, or in a *dépotoir*, in so dirty a place? We can't do that. So, Mr Speaker, Sir, I congratulate my colleague, hon. Bundhoo, for this regulation made in February; I believe, it will

make a big difference. In fact, Mr Speaker, Sir, you can serve a fixed notice to anybody who has an unsightly house or a dirty house and he pays Rs10,000. If he does not want to pay the fixed penalty notice, he goes to Court and he pays a minimum of three times that amount. I know that the tourism police has already issued four fixed penalties, and 25 have got enforcement notices. When this really gets going, you'll see the whole of Mauritius become like Singapore. At least, I do hope this will be much nicer than before. Mr Speaker, Sir, I am making here a special appeal to all the Mauritians. It is the hallmark of a modern society that the country be clean and properly maintained. Mr Speaker, Sir, we are all shocked with a dirty and unsightly state even of our public buildings, and there is no need to hide it. How many of our hospitals, how many of our schools, how many other structures are in such unsightly state? But I am happy to see that it is being dealt with, because it is not possible that our children be raised in such a manner that they take dirt and horrendous environment as normal for them. So, I am happy, Mr Speaker, Sir, that the Budget caters now for revamping all our main sites. *En passant*, I would like to thank hon. Bachoo for the great work he is doing and he is doing great work, Mr Speaker, Sir, in getting our motorways up to standard, and you have seen the amount of work that is being done on motorways.

As for my Ministry, we did the *decollé pas collé* anti poster campaign, I would like to thank all the parties that collaborated fully, I must say, with us, even during the by-election, and collaborated fully with this very popular campaign which was very well accepted by the population. In fact, illegal posters have virtually disappeared in this country, following from this very successful *decollé pas collé* campaign, Mr Speaker, Sir. My Ministry and the Ministry of Environment are planning to run a new campaign “*to jeté to tassé*”; this is a new campaign and, obviously, it is going to deal with illegal littering, which is still a scourge in the country which, we hope, will have everybody’s support. Hon. Bhagwan has already supported our previous campaign; I am sure that on Radio One and elsewhere, he will continue and everybody else, Mr Speaker, Sir. The Tourism Fund has been very important in financing all these projects, and it is going to finance a new campaign “*to jeté to tassé*”. We are doing other works also. We are renovating *La Ferme du Rhum*, and soon it will be an area for artists where they can perform, where you can have exhibition, where you have conferences, you can have plays, especially as it is going to be more and more difficult to use stadiums. Thanks to my friend, the Attorney General, we also now have possession of the Old Central Prison, and we are also working on the plan to renovate the Old Central Prison. Again, it will be an area for the arts. It will probably become an art gallery and exhibition centre for everyone. This is the sort of work that the Tourism Fund is doing. In the same vein, Mr Speaker, Sir, there is this big revolution that has occurred in Flic en Flac. I am not sure everybody realises it yet. With the part financing from the Tourism Fund, with the help and initiative taken by the Prime Minister himself, we have installed nearly 90 high capacity, high definition cameras in Flic en Flac and, believe me, Mr Speaker, Sir, in a way, you cannot move in Flic en Flac without these cameras knowing. I have seen them, they are extraordinarily clear and extraordinary precise. This is the way ahead for security and policing in Mauritius, and the Budget has announced that there will be soon in Port Louis and then in Grand’ Baie. I checked with the police yesterday of what has been the effect of these cameras being installed in Flic en Flac. Have they found any diminution? And the Police Chief Inspector of that region, Mr Speaker, Sir, said:” True, Mr Duval, we have seen a substantial drop in reported cases in Flic en Flac”. So, people are aware now that they are being seen. More than that though, the cameras have been directly responsible for solving two cases recently; one, a hit and run and the other one, Mr Speaker, Sir, was a theft on a tourist. Both

were solved, thanks to the high definition cameras in Flic en Flac. Once these cameras are installed in strategic areas of Mauritius, you will see the difference and you will see also how quickly and effectively crimes can be solved. Mr Speaker, Sir, on the subject of crime, I must also say - and it has been raised often in the press and in this House here - that the number of larcenies and petty crimes on tourists have increased. In fact, Mr Speaker, Sir, we are and we remain one of the safest destinations of the world; that is a fact, Mr Speaker, Sir. But, still, we thought that the number was too many and what we have done, with the help of the new Commissioner of Police, the Tourism Authority has issued new security regulations for hotels, for guesthouses, for villas. Some have to install cameras; even all of them have to install burglar alarms with response etc. There is quite a bit of work done by the police and the Tourism Authority, Mr Speaker, Sir. I am, in fact, very pleased to report to this House that there has been a substantial fall - national figures, I am talking about - in the number of cases involving tourists this year.

Indeed, Mr Speaker, Sir, in the first five months of this year, there has been a drop of 40% in the number of cases reported involving tourists in Mauritius. That's indeed a substantial drop, and everybody involved should be highly congratulated, because we continue to market Mauritius as a safe and secure destination. This is one of the strong points of our marketing campaigns, and we never fail to include this in our promotional campaigns.

Mr Speaker, Sir, talking of promotional campaigns, we have been very, very active the last 12 months and even before, but even more so in the last 12 months. Mr Speaker, Sir, I was telling my colleague, the Minister of Finance, that the Rs110 m. of the Additional Stimulus Package has already been spent. We spent it on the promotional campaigns, because we believe that, in times like this, this is when you have to be visible. If you just let yourself go, you fall into despair, and then things get much worse, in fact. Since January, as regards our performance compared to regional stars like Maldives – Maldives is a regional star; you don't mess around with Maldives - we have continuously performed better, and much better than the Seychelles. We are happy, Mr Speaker, Sir. Somewhere, along the line, we have found a way to operate in a difficult situation.

I must say that, in the first six months - July to December of last year - there was a lot of hesitation in the tourism industry. We could not get our act together. Some people wanted to reduce prices, others wanted to spend more money on this and that, we were turning around in circles. But, as you know, after some time, you find your way, you find your feet, and that is what we have done. Since January, we have launched a series of campaigns with the private sector, with the airlines that have been very successful.

Mr Speaker, Sir, we have, therefore, been able to get a good *entente dans l'industrie* between ourselves, and we cannot do anything in tourism if we don't have the airline seats, if we don't have the hotel allocation in each market and, of course, we need the MTPA and Government funds to boost the campaign. Today, I can report that we are seeing eye to eye with the industry. In fact, we have done some nice things, like '*Maurice sans passeport*'. It's a very interesting and imaginative campaign, which we did some months ago when Guadeloupe had problems. We got about some 1,500 people directly from that. But, during that same period, because of the publicity that was generated from that, Corsair took four additional flights; 600 people on each flight, making 2,400 people. We got lots of people, not to mention people also coming by Air Mauritius and Air France. We got a lot, about 6,000 people, from '*Maurice sans passeport*'. I have to thank two persons. First, the Prime Minister who reacted very fast in

giving his agreement, which was something very new for Mauritius, which was never done before, that is, tourists can come to Mauritius with simply an identity card. There were some restrictions before; we had to register beforehand, etc. That authorisation was signed within the space of a week. We had our website up and running. So, we must thank first, the Prime Minister for '*Maurice sans passeport*' and, second, one of the hoteliers, Patrice Hardy; he had the information; he came up with the idea. I must say that there was a good collaboration between private sector and public sector, and the scheme was implemented from there. I am not sure whether the House is aware, Mr Speaker, Sir, that, on Friday last, we extended substantially the '*Maurice sans passeport*' programme. In fact, the '*Maurice sans passeport*' programme now has been extended and simplified for all Italian and French tourists. If a tourist wants to come to Mauritius, he does not need to go on the website now; once he reaches Mauritius, he simply fills in a special form and uses his *carte d'identité*. Of course, there are security considerations which are being taken care of. We are not the first country to do this. Sometimes, when you do something, people don't realise how many other countries are doing the same thing. In fact, the extension, especially for the Italian tourists, has come from a request from a company called Eurofly, which is going to have three flights a week to Mauritius, and from their own experience. I think Egypt actually tried this, and they saw the number of Italian tourists double from Italy to Egypt. And, in this difficult situation, Mr Speaker, we've got to try everything. We are trying this for a period of six months on a trial basis. If it works, then we will extend it; if it doesn't work, then we won't need to extend it. But this is something that will give us, hopefully, the impetus that is necessary in the low season to fill our hotels.

Many other countries do this. For example, Switzerland, Tunisia, Turkey, Egypt, Iceland, Croatia, Morocco, Norway accept people without passport. We are not trying something that nobody else had tried before. We are trying something that has been tried elsewhere, and we do hope that, in these difficult times, this will give us added impetus, because we never forget that there are 1.2 million people that need to be fed three times a day in Mauritius. That must be the main consideration for the Government of Mauritius. We have also relaxed visa requirements for Sri Lankans and Philippinos working in the Gulf, because they often accompany their bosses and, last week also, we abolished completely visa requirements for Moroccan citizens. They can come now, up to 15 days, in Mauritius, without any visa.

Mr Speaker, Sir, this is why we have to stay close to our markets. We have to give what the market wants. When we went to South Africa, there were a lot of complaints about people being charged extras. When you have a coca-cola or whatever in a hotel, they charge you in euros. You can imagine a South African coming with rands, he has to change in rupees to pay for things, and he has to change in euros to pay for his coca-cola in a hotel. They were wild, Mr Speaker, Sir. When we came back, I wrote a letter to all the hotels. And, again, I am pleased to report, Mr Speaker, Sir, that, by July, all the hotels in Mauritius are going back to charging extras in rupees, and so we are responding to what our market needs.

As regards our promotional campaigns, we have done two campaigns so far, which we are particularly proud of. In Reunion, our campaign '*si proche, si différente*', we put 6,000 Air Mauritius tickets on for a period of three months, and I think all the 6,000 have been sold in a month and a half, and so we increased the volume to 9,000 tickets. As I mentioned, in a short period of time, we sold two thirds of the tickets available for that campaign. It was a big success; it shows price elasticity, that is, when you bring a price down, total revenue increases. In fact, with the number of additional tickets that you sell - and we will come with the problem of

Rodrigues; it's not the same problem – when you bring down the cost of the tickets, your revenue increases and your profits increase. It is called elasticity. It is a bit like reducing corporate tax - I am sure hon. Sithanen will agree. This is what we did on Reunion, and it has been a great success. In fact, it has put us again as flavour of the month in Reunion, and that is very important.

In India, we are running another campaign called 'An affordable dream', and about 8,000 tickets are on sale up to September. In less than a month, we have sold 3,000 tickets. In France, our campaign is '*Un monde loin du monde*', and we are still flavour of the month, we are still top dog in France, and we are very happy about that. In South Africa, there is a different campaign called 'Mauritius: more than meets the eye', because we strongly believe that the differentiating factor between Mauritius, Maldives and Seychelles is the fact that you have so many things to do. Everybody can have beautiful hotels. Waiters can be a bit slower or whatever, but the real differentiating factor these days, namely hospitality, security, is there for Mauritius. But what we are trying to sell is that you can have 15 days in Mauritius and, for the whole of the 15 days, you can do something exciting and different. This is the campaign 'Mauritius: more than meets the eye'. We are trying to make Mauritius sexier – If I can put it this way - in South Africa.

Mr Speaker, Sir, it's perhaps the occasion for me to mention quickly and to thank the Deputy Mayor of Lyon, who is presently in Mauritius and leaving tonight, who came for five days. As you know, Lyon is not Port Louis or Curepipe. It is a big town, and she came over with her team, and they are going to help us to put some additional lights, some additional attractions for Divali, to be able to spread, if you want, the joy of Divali, and make it more visible.

I am very happy, Mr Speaker, Sir, that this is happening. In a way, the State can help to deepen the sense of Divali, and we are working for example, in Curepipe, Port Louis, Quatre Bornes and other regions of the country a few days before and after Divali. Lyon will provide us the expertise. It will even give us some equipment; we obviously will have to fork out ourselves some money. But, hopefully, Divali can become a real attraction, and people will flock to come from India, Durban, South Africa, Reunion Island to see our Divali. It is going to be a bit like the *Festival International Creole*. We are trying to develop something and, hopefully, Divali will take *cette ampleur* in Mauritius, so far as the tourism industry is concerned. We are not talking about the religious side, of course, as it is already there.

Mr Speaker, Sir, I am showing that, in a difficult situation, we are doing our best. I would like to speak a few words on Rodrigues. First of all, I would like to say that - it is a bit awkward for me too - Rodrigues is autonomous, as far as tourism is concerned. It has the Rodrigues Regional Assembly, which is autonomous. So, I do not interfere in the policy of Rodrigues about which hotel should be built, how we should market it. I do not interfere in that; this is left to the RRA. We help; in fact, we are proud to help. As a Government, year by year, ever since we took over, we match whatever budget the Rodrigues Regional Assembly puts for its marketing, even though it is autonomous; we match it here from MTPA's own funds, which we take from other places. Last year, it was Rs6 m. At the time I took over, I think it was Rs700,000. This is history. We do our very best. But it is autonomous.

Mr Speaker, Sir, if I may be so bold as to say so, we have to rethink the way that Rodrigues operates its tourism industry. We know that there is capacity constraint. We know that we can't have quantity, not at least for two or three years. It will never be New York airport. So, we know that we have a quantity constraint. When we cannot go for quantity, what should we go for? We should go for quality. The problem with Rodrigues, over the years, has been that we have not gone for quality. They have tried to go for quantity whereas they cannot take quantity.

I asked Mr Giscard d'Estaing, the boss of Club Med, to please help us in Mauritius to get the tourism industry up and running. I asked him to have a Club Med in Rodrigues. He said: "Look, Mr Duval I can't do that; there is a tiny airport. My Clubs have 200-300 people. How are they going to get to Rodrigues? So, as you see, we cannot go for quantity, at least, at the moment. We must go for quality, and we are not going for quantity. We have to sit down together and - we are here to help - see how qualitatively, with the money that is available in the SJR Fund or whatever, we can increase the qualitative aspect of tourism in Rodrigues, so that we get few tourists but high spending. I believe that the quality of the destination, the fact that it is so beautiful, there is no security problem - it is the only place in the world where you can leave your mobile phone and nobody will steal it - are all the things that we can sell and promote, and we are happy to promote.

As far as the cost of the air ticket is concerned, I will say that the Rs3,000 is not a tax. It is called a fuel tax, but it is not a tax and does not depend on hon. Dr. Sithanen's Budget. It is, in fact, a fuel surcharge, which Air Mauritius charges. The problem with the Rodrigues route - and we all know - is that Air Mauritius has consistently made a loss on the route. Last year, until this March, it has made something like Rs25 m. loss on that particular route. So, it is very reluctant, in this difficult situation, to reduce the price of the ticket. We will talk about Mauritius later; we have some good news also. For Reunion Island, as I mentioned, we reduced the price of the ticket, but we got more revenue from that. We can talk about it, we can see what to do, and we are here to help. But I must say that we are very open to competition on that route. There was Cato Vair; I think Cato Vair has now relinquished its air operator's certificate. We are sorry about that. Cato Vair always had the Rodrigues route, and the possibility of the Rodrigues/Reunion route also. The only thing that it was not allowed to do was to run Reunion/Maurice...

*(Interruptions)*

The previous Government did not allow it either!

*(Interruptions)*

Do we honestly believe that Cato Vair would have been saved by going to Agalega? Let's be serious! I am surprised by the Leader of the Opposition; I am very surprised. This is not serious.

Anyway, let's leave the jokes apart, and stick to what is important. Mr Speaker, Sir, as far as Rodrigues is concerned, we are open to competition. It's open for someone who wants to do Rodrigues/Mauritius, someone who wants to do Rodrigues/Madagascar, if it is possible, and for someone who wants to do Rodrigues/Reunion. If it is a serious company and meets the technical requirements, be it Cato Vair or anybody - we are not going to look at the face or whatever - it is open and it can be done. But, it has to be obviously a serious company, which has all the technical and safety requirements.

When we are actually scrapping the barrel, trying to find a maximum number of people to come to Mauritius, we have developed cruise tourism. Again, it has not perhaps been obvious, but if you look at the cranes operating in the port, you will see that we are building a cruise terminal. I think that was announced before by the previous Government, but we are building it now. It will be ready in September, and this will help us to develop cruise tourism in Mauritius. That is very important. For the first three months of the year, during the season, Mr Speaker, Sir, do you know how many tourists came by cruises? 17,000 tourists came by cruises, and that is an increase of 83% over the same period of last year. Obviously, this is a very good area that is going to help us in the future to develop, Mr Speaker, Sir. Rs500 m. are being spent for the cruise terminal.

As far as total investment in the port is concerned, Mr Speaker, Sir, this Government has broken all records in terms of investment in the port area. No other Government, since Independence and probably before, has ever invested so much in the port. We have shown that we believe in the port. We have put nearly Rs5 billion in the port from the time we took over since the elections, Mr Speaker, Sir. Two ship-to-shore cranes and four rubber tyred gantries just arrived last week. Heavy goods vehicles, a new petroleum jetty, 90 cameras for security, dredging of the English channel, new tugs are new investment in the port to show, Mr Speaker, Sir, that, by putting our money where our mouth is, we believe in the port, we believe in the future of the port. It shows our faith in the port, and the port is now fully equipped. There was so much talk before about "*goulot d'étranglement*", and this was absolute rubbish. I never believed in it. The port or the airport was never a *goulot d'étranglement*. It was complete rubbish; some people in the private sector wanted to say it. Today, Mr Speaker, Sir, we are fully equipped, and we are capable of dealing with a big upsurge in the number of containers tranship once it arises. Mr Speaker, Sir we explored all the possibilities to generate income and tourists for this country. We have been working market by market and, as I said, we are staying very close to our markets and we are responding quickly.

One thing I wanted to mention, before I finish on this area, is the branding exercise. How many years and years have we heard of branding? In 2002, big announcement to the effect that brand Mauritius would be effected by none other than the Board of Investment. Today, Mr Speaker, Sir, branding is virtually a reality. The firm Acanchi has nearly completed its programme and, hopefully, in the next three months, we will actually be able to launch the new branding exercise, the new brand logo, the new brand positioning and the new brand philosophy of Mauritius. In fact, just to let you know, we have already got the brand proposition, that is, the spirit, what makes this country. They have done a lot of homework, they interviewed people of

Mauritius, Members from the Opposition, people overseas, and they think they have been able to identify the spirit of Mauritius, what makes Mauritius Mauritius. That has been done. Then, we have the brand positioning, that is, what is inspired by the spirit of Mauritius. For obvious reasons, I can't go into details.

The brand positioning has, therefore, been done. In fact, it has to '*décliner*' what our brand proposition is all about. A final draft is also being done with regard to the brand book, the way that we are going to communicate with the world and our own citizens, Mr Speaker, Sir. All that remains is the logo, and we are finalising it, after which we will finalise the tag line. Once that is done, we would have completed the branding exercise, which we waited for since 2002. Thanks, Mr Speaker, Sir, to the money that was given to us - about Rs40 m. - for this exercise, the brand hopefully will be a reality in a very short time. I would like to thank our country for this, and also our local coordinator, a gentleman called Mr Shyam Seeburn, who has been very instrumental in getting this off the ground.

Mr Speaker, Sir, the reactivity, the way that we have addressed the tourism problem has given a lot of confidence to a lot of people. I am very pleased, Mr Speaker, Sir, that FIFA, above all countries, chose Mauritius to be the second accommodation centre for the World Cup. They asked for 3,200 rooms, and we gave them 3,400 rooms. They did not ask for a discount. They took it at the tour operator price. Not only are we not selling in bulk, but we are not selling at a bulk price; we are selling at a retail price. So, it's win, win and win. Mr Speaker, Sir, about Rs1 billion will be generated by the 20,000 tourists that are expected during the FIFA World Cup. Not only will these people come but, obviously, when they come - there will be about 6,000 people at any time in Mauritius - a whole atmosphere of football will be there. We are going to put up giant screens in various places around the coast, around Mauritius. Our own population as well as the tourists will come and enjoy the FIFA World Cup. In fact, Mr Speaker, Sir, as you know, FIFA wants to make the world cup an African occasion; not just a South African occasion. This is one way that this is going to happen. The rooms will be sold via 160 travel agents and two operators around the world. So, think of the exposure that Mauritius will get in all the markets of the world; Argentina, Chile, Alaska will be selling the possibility of taking a room in little Mauritius. It is fantastic for Mauritius, Mr Speaker, Sir. I would like to thank the guys from FIFA and, of course, I will like to assure FIFA that we will give them all the support, be it formalities for the planes, formalities for the tourists coming or marketing support that is necessary to make of this FIFA match full of adventure, a great success, Mr Speaker, Sir.

So, confidence is returning in our destination at the beginning of the year. There was a lot of criticism; Virgin had gone, many airlines had started getting cold feet. People were talking about bad news for long haul, the price of petrol was not good, and recession was coming. So, where do they cut? They cut long haul destinations, and they cut Mauritius. We lost 10 flights a week; we lost about 150,000 airplane seats a year; a huge amount, and more than 15% of our tourists could have disappeared in this way. So, we fought back slowly, Mr Speaker, Sir, to generate the confidence in our destination.

I am very happy Mr Speaker, Sir, that, towards the end of the year, out of the 10 flights we lost, we will be getting for sure seven flights back. Corsairfly is coming, for the first time from Nantes, three times a week now. Eurofly is moving from two to three flights a week. Maybe, due to what we have done for the Italians, they will go for more flights. I hope so Mr Speaker, Sir. Emirates are going from seven flights to nine flights as from the end of this month. Emirates is so, important, Mr Speaker, Sir, for our destination, because it opens Mauritius to the

world. We have to diversify our products. We cannot just live on Europe, whether it is old Europe or new Europe; we have to diversify. If there is a problem here, we got it from there. We get from India. Emirates is very strong in India. Mr Speaker, Sir, it is important for our destination that we can open up to the rest of the world. Virgin airlines are coming back on 26 October, and Transaero from Russia is also coming back at the end of this year, Mr Speaker, Sir. We are getting slowly back our air access, our air capacity.

My last subject will be Air Mauritius. Air Mauritius, Mr Speaker, Sir, cannot be overprotected. The worst thing that you can do for Air Mauritius is to overprotect it. Overprotect it, it will get inefficient and will start, in fact, having twice the number of people they need, running planes where it does not need. The worst thing that can happen to any company - and any economist knows that - is overprotection. So, it cannot be overprotected, Mr Speaker, Sir. The guys at Air Mauritius know my philosophy and the Government's philosophy. In choosing between Air Mauritius *serrer la ceinture* or 1.2 million people *serrer la ceinture*, I will always go for Air Mauritius *serrer la ceinture*, Mr Speaker, Sir.

If they are inefficient, if they have wastes, if they can make economies, they should do so. They cannot expect to run business as usual, and it is the country that makes the sacrifice, the country that does without tourists, the country that has to close its hotels. That cannot happen. Although we give all the support to Air Mauritius – MTPA gives all the support to Air Mauritius - it cannot be overprotected. It must be fit to fly and fit to face a competition. That is the only way I see that Air Mauritius will survive, Mr Speaker, Sir, at least on my patch. I am very pleased to report to the House that the situation has greatly improved at Air Mauritius. Measures have been taken to stabilise its revenue, its scheduling, the way it operates certain routes, the way it markets - and we have mentioned that marketing has been done in India, Reunion, France, everywhere. By the way it markets, it has been able to stabilise its revenue, and efforts to reduce costs have also borne its fruits. Obviously, Mr Speaker, Sir, all this has been helped by a strong euro, because a lot of its revenues are in euro and a lot of costs in dollars. Every time the euro increases against the dollar, that is good for Air Mauritius.

Mr Speaker, Sir, I must say that it has been helped by the rise in the price of the barrel of petrol. We heard so much talk before. Of course, it had gone down to \$36; brent crude has gone down to \$37 a barrel and, now, it is \$65 and \$66. This is also good news for Air Mauritius, Mr Speaker, Sir, because it does reduce by so much the hedging losses. But, Mr Speaker, Sir, what did we do at Air Mauritius? We did not fire a single person, except some pilots at the end of their contracts. We did not fire staff; we did not fire the management, except one or two that needed to be changed. We did not make any distress sale of its building. When we could not get a good offer, we did not take a good offer. We have not sold the helicopter operations, we have not sold the hotels in Rodrigues, because doing all this, at a time of economic recession, would have meant only one thing, namely that we were getting lower prices than actually they are worth. That is what it would have meant: panicking. Selling Air Mauritius for *cinq sous*, at Rs8 per share to a foreigner could have been done, but we did not do it. We did not even ask the shareholders for additional money. We kept our cool, we kept our calm and, today, things are much better at Air Mauritius. In fact, the business must be run by people, and if we put the right person in the right place the business runs itself. This is what we have been trying to do all the time. There is still a lot of work to do; for the food on the planes and whatever. Next time, we will travel on Air Mauritius, be it in Business or Economy, we must be able to look forward to the food that we have on board. When we will be able to make people look forward for the meal

that we have on board, I think we would have solved a lot of problems on marketing. This is what we are doing and, in fact, we have appointed Jacqueline Dalais now, to help us revamp the food. Everything is being looked at, so that we get a good product. As I said, Mr Speaker, Sir, it is the right person in the right place which is going to make the decision, and Government has avoided panic decision, has avoided selling assets at distressed prices.

Mr Speaker, Sir, I am very pleased. I checked the share price of Air Mauritius yesterday, and it has risen from a low of Rs8.50 at the time of crisis to Rs13.20 today; 55% increase in share price. It's not what it ought to be, but it is increasing. People have confidence in what this Government is doing for Air Mauritius.

We are talking about putting value back in the hands of 12,000 small shareholders and putting value back, of course, in the assets of the hon. Vice-Prime Minister and Minister of Finance. We are talking about putting value and creating wealth again for the shareholders of Mauritius - if I may say so, the long suffering shareholders of Air Mauritius. And something else - of course, Mr Speaker, Sir, the announcement was very pleasing, in fact, it shows that we are reversing the trend like nothing else. The announcement was made yesterday by the management of Air Mauritius, that, in fact, now, they no longer need the Rs400 m. that the National Pension Fund had given as loan to Air Mauritius, that they are now going to relinquish and return this money back to the NPF, Mr Speaker, Sir. That's very good news, Mr Speaker, Sir, at a time when we keep increasing Government guarantee for loans. Now, we are returning the Rs400 m., we will not need it at the end of its term. And secondly, Mr Speaker, Sir, of course, we will be relinquishing the guarantee that goes with it, which the taxpayers have kindly granted to Air Mauritius. We are not talking about Rs1 m., not about Rs100 m., but the whole staggering Rs400 m. is involved in this returning money to the NPF. Proof, if ever, Mr Speaker, Sir, that *la situation d'Air Mauritius est en voie d'assainissement*.

Mr Speaker, Sir, to conclude, faced with an unprecedented situation and a worldwide economic financial crisis never seen before in our lifetime, this Government has shown that it has the will, the know-how and the ability to fight, to protect all our people. Mr Speaker, Sir, we firmly believe that the people of Mauritius have a sacred right to live a decent and prosperous life. At the Ministry of Tourism, we have left no stone unturned and spared no effort to ensure a steady stream of visitors to our island and to restore confidence in our destination.

Mr Speaker, Sir, the population should be in no doubt whatsoever that adversity only serves to strengthen the resolve of this Government to perceive, to deliver our electoral promise, our electoral programme, to change the life of our citizens and to ensure that in our daily thoughts and actions, above all, we need to ensure and we are ensuring that we are 'Putting People First'.

Thank you very much.

(11.03 a.m.)

**Mr P. Jugnauth (First Member for Quartier Militaire & Moka):** M. le président, j'ai écouté le vice-Premier ministre et ministre du tourisme, l'honorable Xavier-Luc Duval, et je dois dire que son discours me fait penser à quelqu'un qui est plus terre à terre, en tout cas beaucoup plus terre à terre que son collègue, le ministre des finances.

*(Interruptions)*

Ce n'est pas *divide and rule*, M. le président! C'est ce que j'ai entendu. J'apprécie et, donc, je le dis. Par contre, en ce qui concerne le budget, je le répète, je suis déçu, car je trouve que c'est une occasion ratée. En tout cas, nous nous attendions à ce qu'il y ait un certain nombre de mesures de soulagement pour la population en général mais, en particulier, pour les travailleurs. Et je le répète, nous sommes *fundamentally in disagreement with the economic philosophy that has been adopted by the Minister of Finance since he has assumed office in July 2005*.

I repeat again, when I look at not only 'Setting the Stage for Robust Growth', the different Budgets, the Stimulus Package and now the Budget we are debating today in this House, it is clear *qu'il a un fil conducteur, c'est vrai, mais le fil conducteur c'est qu'il est* very, very private sector biased in whatever policy, whatever measure he has taken during the last four years.

During my intervention on the Additional Stimulus Package Bill, I highlighted how the hon. Minister has put the private sector people first and the Mauritian people last. I enumerated a number of measures which has brought numerous billions of rupees, gifts given to a privileged few in the private sector. When I talk about the private sector - because I once heard him replying to me that *le secteur privé c'est aussi les tabagies, les garagistes à Triolet, Plaine Verte, etc*; he knows very well that I am not referring to these people - I am referring to the group of people who have continuously been benefiting and who are still benefiting in spite of - I agree - the very difficult situation which is prevailing internationally and which has started to hit us.

I said in the Additional Stimulus Package Bill that this group of private sector people have benefited and are, in fact, benefiting today, and this amount has now exceeded some Rs50 billion, and I quoted hon. Ms Nita Deerplasing. Yesterday, she said there was a private letter sent to the Prime Minister; but private letter is her expression, her opinion, her feeling about these handouts that have been given, and I am happy that she has expressed her discontent; I know she is not the only one, there are others also. But I again emphasise, Mr Speaker, Sir, that there is an absence of balance and equilibrium between the measures and the decisions in favour of economic operators and those meant for workers and the population at large. Absence of balance and equilibrium, and I know that there are some people who, of course, are very happy that he is in Government, that he is Minister of Finance, looking after their interests, making him *non seulement le ministre des finances de l'année, l'homme de l'année, l'homme de la décennie* and what not. When we look what has happened in the world, when we look at all these brains, the best economists in the United States, those who have been advising the same Lehman Brothers, Morgan Stanley, AIG, General Motors and all that, we do not need to be boasting about who is the best and who is not the best. There is a situation today; of course, it was not welcome, but it happened and it has opened our eyes, and that is why - although I won't go as far as the Minister of Local Government, hon. Dr. J. B. David - we need to have a rethinking, a review of the traditional capitalist system of economy that we have. We, on this side of the House, have always been saying that there is a need for Government to intervene, to regulate and to act as a watchdog in order to try - I am not saying that we will be able to prevent - to prevent such chaotic situations to happen again. This, of course, will be lessons - there are going to be many casualties also, like what we are seeing around the world - but I hope that when we come to the new economic order, at least, we will be able to help future generations to come.

We need to look at what is happening in our country, we need to look at the facts. The CSO has clearly said in a study that there are now more poor people, and that the gap between the poor and the rich has been widening. This is a fact; I mean, unless we don't agree with the

CSO. Yesterday, hon. Ms Deepalsing came with a graph. Fair enough! We can go for in-depth study about who has been doing better than the other, but the fact today is that not only there is the CSO, but I'll refer the House to a study also which has been done by the UNDP about the human development index. The hon. Minister of Finance talks about economic growth. It has been on average so much for the past four years, that we are doing better. All right, if he is doing better, it is well and good. But what is the actual situation? The UNDP human development index showed a deterioration for Mauritius in terms of human development index. In 2004, we ranked 63. In 2006, we ranked 74 - from 63 to 74. Probably, some Members are not aware what is this UNDP human development index. It indicates the fruits of economic success that have been shared equitably. And the factors that they take into consideration to come up with this figure is all about quality of life indicators, life expectancy at birth, adult literacy rate, combined growth enrolment ratio for primary, secondary, tertiary schools, *GDP per capita*, life expectancy index, education index, and so on and so forth. We can have an improved economic growth. Although the hon. Minister has been saying 6% at one time, which figure we never reached - anyway, let us not argue about it - but 5% of economic growth or 4% going down to only a few. Is it trickling to the population at large? How far is it benefiting our people generally? In that case, one can argue, better have an economic growth of 4% rather than 5%, but which is really trickling down to the people. That is why we should not only look at a few figures and come along and say: "look, we are, in fact, much better." It is not the real picture. When I look again at what the hon. Minister has been saying throughout, for me it is clear now that there is going to be another Budget in November, because probably the strategy of Government is to wait for November and announce a number of measures that will make people think that, in fact, the economy has now improved, things are getting better and so on. I won't venture on that, because we know that general election is the prerogative of the hon. Prime Minister. Of course, he will decide, but to come back to economics and to the Budget, it is clear now that, in November, we will have another Budget. We will wait for November to know what has been going on all this while.

Let me come back to this obsessive private sector bias, which has proved to be very detrimental to the population at large. And I shall refer to the 2006/2007 Budget Speech and the 2009 Budget Speech. When presenting the 2006/2007 Budget, the first of the present Government, the Minister of Finance said and I quote -

"Our greatest deficiency is the misery we have imposed on our workers by protecting jobs, we have made it impossible for our younger workers to find employment and for those who lose their jobs, to get back to work. The inflexibility of some laws and the rigidity of some regulations and practices have consigned tens and thousands of our compatriots the margins of development. They have been excluded by the very system that purports to protect them."

For the hon. Minister of Finance, at that time, job security was a deficiency and a misery for workers. Could you have imagined, Mr Speaker, Sir, a Labour Minister saying this? I leave it to the Members of the Labour Party to appreciate. But as a remedy now to the newly found misery, the Minister of Finance proposes reforms to the labour laws in accordance with the IMF and the MEF's long-time request. This is the blunt truth and, in fact, the MEF had over the years - I have been Minister of Finance also, they have always come with the same shopping list - been asking for flexibility in order to be able to hire and fire. And the Minister of Finance satisfied that

employers' earnest desire when he came with the new labour laws that took away some of the acquired rights of the workers. I am not demagogical to say all, but some, the main ones.

M. le président, le ministre des finances a donc donné les pouvoirs aux patrons pour transformer les travailleurs en véritable paillasson. Les travailleurs sont aujourd'hui à la merci de leurs employeurs et ce gouvernement a, au fait, légiféré en faveur de l'insécurité et de la précarité de l'emploi. Le coût de licenciement a été réduit au profit des patrons et, au fil des quatre dernières années, en plus, les travailleurs ont été privés de compensation salariale adéquate reflétant la perte réelle de leur pouvoir d'achat, et nous savons aussi ce qui s'est passé récemment. Suite à la PNQ sur la compensation salariale et d'après mes informations, le ministre des finances voulait à tout prix et, encore une fois, à la requête de la MEF, du secteur privé, avoir un *salary freeze for this time*. Le ministre des finances a peut-être ses raisons, mais il pensait aussi qu'on ne pouvait pas accorder d'augmentation. Qu'est-ce qui s'est passé au niveau du gouvernement ? Il doit y avoir surement des voix qui se sont faits entendre pour dire que *we cannot accept the request, we cannot go by the request of the MEF and that we should give, at least, a percentage of salary in terms of salary compensation*.

Et en sus de cela, le plafond pour le paiement de la compensation maximale a été réduit et cela me fait rappeler une chose aussi. Concernant le taux d'inflation, je ne vais pas entrer dans les détails mais le ministre parle de *unprecedented times*. *Yes, we agree that we are at unprecedented times*. Quand on parle de *unprecedented times*, cela veut dire quoi ? Cela veut dire que surtout ceux qui sont au bas de l'échelle et la classe moyenne – ils souffrent déjà – vont commencer à faire face à beaucoup plus de difficultés. Et quand on fait face à beaucoup plus de difficultés, M. le président, la priorité des priorités c'est la nourriture. *At unprecedented times*, voilà qu'on vient changer la façon de calculer le taux d'inflation et qu'on vient dire à la population que *food items are going to have less weightage and now we are going to take telephones and things that we don't consume*, comme si on est en train de faire un grand pas en avant ou un grand progrès à l'île Maurice, que maintenant la nourriture est devenue comme quelque chose d'acquis et qu'il faut prendre d'autres items en considération. C'est grave ! Mais je disais que le plafond pour le paiement de la compensation maximale a été réduit et que le ministre a induit la Chambre en erreur l'autre jour. *I will prove it*.

**Mr Speaker:** This is not parliamentary. Can the hon. Member find another term to say it, but not that one?

**Mr Jugnauth:** *All right, let me give the facts, and I will let Members of this House come to a conclusion.* L'autre jour – *it is on record* – j'ai demandé au ministre pourquoi le plafond a été changé de R 4,300 à R 2,700. Normalement, auparavant, on donnait *full compensation*. Et le ministre Sithanen a répondu : *"We did not do that, Mr Speaker, Sir. We have set up an independent institution. It is the independent institution (faisant référence au NPC) in its wisdom that has done that."* M. le président, c'était en mai 2006 quand le NPC n'était même pas encore intégré. *I am going to table this document, this is the very document that was laid before this House by the hon. Minister when he decreased the ceiling from Rs4,300 to Rs2,700. At that time, there was no NPC. In fact, NPC was created after. He came in the Budget afterwards and he proposed to now abolish la tripartite and to create the NPC. I leave it to the House pour conclure comment le ministre des finances, lorsqu'il a répondu, has been very candid about it. He replies in such a way and he is so sure of himself that people tend to believe.*

*(Interruptions)*

Je dirai que c'est bel et bien lui qui a réduit le seuil pour le paiement de la compensation maximale de R 4,300 en 2005 à R 2,700 en 2006. Et, en quatre ans, les patrons ont économisé presque R 3 milliards sur la compensation salariale. Le comble dans tout ce massacre social demeure la déduction obligatoire d'un pourcent des salaires pour les travailleurs pour subventionner leur éventuel licenciement si cela devrait arriver. En fait, la vraie misère imposée aux travailleurs est l'œuvre du ministre des finances. Je dis le ministre des finances parce que nous savons tous que c'est lui qui a voulu à tout prix venir avec les nouvelles lois du travail dont plusieurs provisions ont été contestées par nous et, d'ailleurs, je dois féliciter mon collègue, l'honorable Soodhun, qui, à l'époque, avait proposé pas moins de 28 amendements. Malheureusement, le gouvernement a décidé que les amendements devaient être balayés d'un seul trait de plume. Malheureusement, nous voyons dans quelle situation nous sommes aujourd'hui.

In June 2006, Mr Speaker, Sir, the Minister suddenly discovered that job security, as I said, was a misery for workers, and protecting jobs was a deficiency. And nearly three years after, in 2009, the same Minister, after gifting employers the power to hire and fire workers, has told the nation in the Budget Speech that saving jobs was amongst his new priorities. He comes and says: "now, we need to save jobs." This remedy for saving jobs is dishing out billions of rupees of public money to the private sector enterprises and, on top of that, without any real guarantee that those enterprises are, in fact, going to save jobs.

Of course, when I look at some of the reactions of the people of the private sector, they have clearly stated that they welcome public money to save enterprises, but that there is no commitment on the other hand to save jobs. Protecting jobs are not really their primary concern because the hon. Minister told them earlier that protecting jobs was a deficiency, and he gave the employers the legal tools to fire workers as and when they wish. And to add insult to injury, the Minister of Finance told us in this very House, while answering the Private Notice Question on enterprises, that they have so far benefited from the ASP, that he cannot give the guarantee that jobs will really be saved at the end of the day and he added that he even cannot give the guarantee that enterprises themselves would be saved. We heard that already one of the enterprises that has benefited from the ASP is on sale. I leave it to the appreciation of the House. I say again that this is how this private sector bias has been detrimental to workers and to the nation at large.

All along these four years, Mr Speaker, Sir, the Minister's philosophical approach has been to help and over help the economic elite. I have enumerated the gifts when I intervened on the ASP Bill, and I will not go into that again, although now some more millions are being given in the 2009 Budget. But my colleagues have already talked on that aspect, and it has amply been proved that the Minister of Finance has been *hyper sensible* to each and every shopping list of the private sector gurus while, at the same time, he has been *insensible* to the population's cry of despair, which has resulted largely from his economic and fiscal measures.

Mr Speaker, Sir, I will now seize the opportunity provided by these debates to demonstrate how the Minister has systematically fleeced the population to get the fiscal space – he boasts himself about the fiscal space - he has obtained. Let figures speak for themselves.

First, VAT receipts have increased from Rs13.7 billion into 2005/2006 to Rs18.6 billion in 2008/2009, that is, a staggering increase of nearly Rs5 billion, although the rate of VAT has not increased. Government has collected billions more due to the cascading price increases

following the massive 20% depreciation of the rupee in 2006. On the one hand, the population has been fleeced, on the other the depreciation has brought some Rs10 billion in the coffers of the economic operators, and that is mainly for textile, sugar and tourism.

Second, individual income tax collected by Government has increased from Rs2.7 billion in 2005/2006 to nearly Rs4.1 billion in 2008/2009, which represents an increase of Rs1.4 billion. The middle class has had to pay a heavy price after the Minister of Finance completely abolished the numerous tax exemptions that tax payers were benefiting, including on education and on housing, interests that they were paying on housing loans.

Third, the National Residential Property Tax has brought some Rs233 m. in Government coffers in the last two financial years. Here again, people from the middle class have been fleeced.

Fourth, receipts from taxation of interests have amounted to Rs1.1 billion since its introduction, from those who have strived to save some money after paying their income tax for years. Again, the hon. Minister, the other day, in reply to a PQ, said that there is no worry about this outflow of capital. Unfortunately, Mr Speaker, Sir, I say again in this House, that, after this measure to tax interest on deposits, it is again the big depositors who have transferred their money to another jurisdiction. They have done that for two reasons. First, because hearing that the rupee would depreciate they would anyway benefit when they transfer in foreign currency and, second, as a non-resident they escape the 15% of taxation on interest here. And who has to pay for that? In fact, people who cannot transfer their money abroad and who have not got that amount also to transfer. They have been the ones who have been worst hit by this measure.

Fifth, receipts from road motor vehicles licenses have gone up from Rs732 m. in 2006-2007 to Rs986 m. in 2008-2009, following a 62.5% increase of road tax on certain categories of vehicles. Some additional of Rs255 m. have been removed from the pockets of the population.

Sixth, the Minister of Finance has also imposed a levy on petroleum products, 15 cents per litre, and now consumers have started to pay for the billions of hedging losses encountered by the STC.

Seventh, subsidies on SC and HSC examinations fees. At one time, it was abolished and, now, it has, in fact, been abolished for a majority of students. Therefore, Mr Speaker, Sir, the population has really borne the brunt of the Minister's fiscal policy, subsidy cuts and new salary compensation framework. There has been also massive under spending on capital projects for which budgetary provisions had already been allocated and, while this fiscal space thus created, added to the unprecedented grants that were obtained from the European Union under the Sugar Accompanying Measures for Economic Restructuring, this has enabled the hon. Minister to come to the rescue of again the private sector enterprises in the present context of the economic downturn. The question that I ask is very simple, Mr Speaker, Sir: is there money available to come with an Additional Stimulus Package for the private sector? By the way, the use of 'additional' itself shows that there has already been stimulus to the private sector. Now that it is additional, there is more 'stimulus'. If it is so simple to earmark Rs14 billion to salvage the private sector, without aggravating the budget deficit, then why is it that the Minister refuses to come with a true stimulus package or with a package, at least, for the population? My friend, hon. Bodha, in his speech, has quoted examples where other countries have done it. The answer is simple, Mr Speaker, Sir. Why is it that he has not done it? It is because he is looking in one direction; the direction of the private sector? When it comes to give generous handouts to the

private sector, then there is no increase in VAT. Because I hear him so often saying: "if we have to do this, we have to increase VAT." If he proposed any measure like giving a little bit more subsidies for our children, those who are going to sit for SC and HSC - Fair enough, if he doesn't want to give it to everybody - he could have given, at least, Rs30 m. or Rs40 m. "If we do that, we have to increase VAT; if we have to give an increase to workers in terms of salary compensation, we have to increase VAT". Anything you do to improve the life of ordinary citizen of this country, he says that "we have to increase VAT". But, when the private sector comes with a shopping list of Rs40 billion, there is no question of increasing VAT!

Does anyone hear the hon. Minister saying: "the private sector is asking so much and, if we have to fulfil their requirements, then we have to increase VAT"? With the private sector, there is no increase of VAT, Mr Speaker, Sir! It is only for the poor and the middle class! That is why I say - and I am not being demagogical. I am trying to be an eye opener, I am trying to say things as they are, and I am trying to show this very private sector bias of the hon. Minister of Finance - there should be equilibrium between what is given to economic operators - I am not saying that we should not give to economic operators; we should. - and the measures that are taken in favour of the population.

We agree that enterprises, in different sectors, are facing and will be facing difficult times, but it is also the case for the workers and the population. When the hon. Minister speaks about unprecedented tax, they are also facing difficulties, and they should also be relieved. We cannot relieve them totally but, at least, there should be some measures to show that there is consideration and that we are doing something to also *soulager la population*. That is why, Mr Speaker, Sir, I reiterate my appeal to the Government to re-establish the balance and equilibrium, to ensure social stability without which, we know, there are no economic stability and no progress. If the hon. Minister feels that taxes and duties have to be suspended to help companies, it is alright. We see that he has provided exemptions on a number of taxes, including land transfer tax, registration duties, levies, other taxes. Fair enough! Let us come to the help of those operators. But, let us also consider this 1% levy on wages and salaries for the ordinary workers. Something could have been done on that.

We cannot understand how the Minister can provide such a fiscal gift to the upper class of society, by exempting them from land transfer tax and registration duty on luxury villas, apartments and so on, costing some Rs7 m. Those people are able to pay about Rs6m., Rs7m. or Rs8 m., and they are given exemptions while, on the other hand, a newly married couple who purchases a plot of land has to pay 5% registration duty. A father, who is in need of money to pay his son's university fees, has to sell his plot of land and pay 5% of tax. A modest family, who has saved enough or has contracted a loan to acquire a small house, has again to pay a registration fee. Why are there such flagrant injustices?

I'm not saying that everybody should be exempted but, again, what I am saying is that, if you do for those who have, there must be something that you can do for those who do not have. This is the point that I am making. Why is it that you can't review the National Residential Property Tax? I have said it on numerous times. It is unfair. First of all - and I don't want to go back into history - the first time that the hon. Minister proposed this National Residential Property Tax, it was on bare land only. And then, voices were raised in the Opposition, and people started to criticise, and so on. The hon. Prime Minister was in a listening mode, and then we know that he has asked the hon. Minister of Finance to review it. There was a committee – it was made public - that sat again, at the instance of the hon. Prime Minister, which reviewed that

whole National Residential Property Tax. But, again, in its actual form also, we do not agree. Because somebody living in one area cannot be paying the same tax than someone living in another area. We know that the value of an immovable property is different depending on areas.

As regards taxation on interests, why is it that something could not be done about it? Why is it that we could not decrease it? I say it candidly. Why is it that 15% could not be brought to 10%, for example, in a spirit to alleviate the difficulties of other people?

The repo rate has been reduced to the benefit of enterprises. Fair enough! I am not saying that it should not be reduced. Mr Speaker, Sir, when I look at this scheme for those who are going to benefit from subsidies on SC and HSC examination fees, it is stated that they would benefit 100%. In a household, if the total revenue exceeds Rs7,500, you do not benefit 100%. *M. le président, on aurait pu augmenter le plafond et le mettre à R 9,000, R 10,000 au lieu de R 7,500! Qu'est-ce que cela aurait coûté au gouvernement? Quelques millions de plus ! Il peut donner 14 milliards, et il ne peut pas montrer de considération pour des gens qui sont en difficulté ? Unprecedented times! For them also, it is unprecedented times! Why is it only for the private sector and the rich?*

Mr Speaker, Sir, it is a question of political will, and Members of the other side of the House have also said it. I am happy to quote again hon. Ms Deepalsing. She has said that she does not agree with Tina Wallace when she says that there is no other alternative. There are alternatives! It is a question of political will! You have choices! The hon. Minister has said that, in life, you have got choices to make. Yes, you got choices to make! But you need also to have the political will and the economic wisdom. It is a question of mindset and culture, Mr Speaker, Sir, and we have to be fair towards the people of this country. I simply say that I disagree when he says that there is no other alternative. I don't want to list the number of things that he has been proposing, saying that there is no other alternative. Then, he came back! The National Residential Property Tax is one of them as well as the School Feeding Programme. So, it shows that there are alternatives. But do we have to put pressure on the Government, on the Minister of Finance, so that he changes his course of action?

I have said, many times, that there are different alternatives to the economic model and to the fiscal policy that has been proposed by the hon. Minister of Finance. If the hon. Minister of Finance thinks that the only other alternative is to increase VAT, I say he is wrong.

The fiscal balancing act can be done otherwise, without increasing VAT. Effective fiscal policies should be ones that motivate both economic operators and the population. I publicly made a number of suggestions and proposals. I won't go back onto it today, Mr Speaker, Sir, because otherwise it will take not only my time, but the time of the House also. I heard him again saying from a sitting position: "Well, say what are the proposals?" At least, the hon. Prime Minister *a reconnu que nous avons fait des propositions*. I was in this House when the hon. Prime Minister was making his speech on the Additional Stimulus Package Bill. I hope the hon. Minister of Finance was listening to him, because that would be serious if he does not listen to his boss!

*(Interruptions)*

The hon. Prime Minister, at least, said that the MSM made proposals. He might not agree. He said he does not agree with those proposals. Fair enough! But, at least, we made proposals. Let me remind him – probably, on 01 May, he was not listening to the Prime Minister; I saw it on

TV – that the hon. Prime Minister said that “the MSM has made proposals, but we don’t agree”. I hope the hon. Minister of Finance was at that meeting! I say this, because we have taken a number of commitments towards the people on tax issues, overhauling the tax regime for the SMEs. We know that it is not easy. I am not saying it as if it is so easy that tomorrow we can do it. But, I say that if you have the political will, you must be able to do something about it, whether it is income tax and support for those who are at the lowest rung of the ladder.

Mr Speaker, Sir, I have heard, unfortunately, some Members saying - and, even the Prime Minister said it – “when the sea was calm, the sky was blue, the sun was shining and still shining...”

*(Interruptions)*

I don’t want to go into that, Mr Speaker, Sir. We have also been facing some difficult times, not as it is today, I agree. It is a worldwide situation. The financial sector is collapsing. We must be honest. There has been the terrorist attack in the United States, war in Iraq and Afghanistan, SARS, *la vache folle*, world oil prices have nearly doubled at that time. We know that the existing preferential regimes were coming to an end. The Multi-Fibre Agreement definitely came to an end, the sugar protocol had to be changed, and we had to be prepared. In fact, I am not only happy, I am proud that I came with the reform with regard to the sugar sector.

Despite all this, we have not imposed on the population an unsustainable fiscal burden. In fact, we made courageous reforms in the sugar sector, in the textile sector, and we have been criticised also. I remember when we came with the sugar reform - I won’t go into that - how we have been criticised by some who said that the package that was being offered to the workers was not enough, that they would have given better package, and so on. But, the truth is that the same package is being given now.

*(Interruptions)*

What has changed, Mr Speaker, Sir? Apart from training!

*(Interruptions)*

I will come to that later, because this is something that I really cannot digest.

We have also spent Rs42 billion, at that time, in terms of social infrastructure. I heard the Minister of Finance and some Members speaking about *l’héritage légué par le précédent gouvernement*. Let me quote a few comments made on 15 June 2000 on the economic performance of the then Labour Government between 1995 and 2000 -

*« En cinq ans, entre 1995 et 2000, le constat est que le gouvernement travailliste est friand d’augmentation de 100%. Ainsi, au cours de cette période, les dépenses publiques sont passées de R 18 milliards à R 36 milliards sans qu’il n’y ait eu aucun projet d’infrastructure majeur qui ait été conçu. Les recettes des taxes directes et indirectes ont augmenté de R 11 milliards à R 22 milliards et le servicing de la dette R 3.6 milliards à R 7.2 milliards. »*

Ecoutez ceci, M. le président. C’est de l’irresponsabilité !

*« Nous avons battu le record de l’Argentine qui a doublé ses dépenses et sa dette publique en 10 ans. »*

Maintenant, question pour un champion, M. le président. Qui avait dit cela ? Il ne répond pas ! L'honorable ministre des finances l'a dit, à l'époque ! Ce que je veux dire, M. le président, c'est que c'est de la malhonnêteté de venir dire voilà ce qu'on a légué, et voilà que lui-même....

**Mr Speaker:** This is not parliamentary. You cannot treat a Member of the House to be dishonest! Please, withdraw it!

**Mr Jugnauth:** Yes, I withdraw. That was doing politics. That was because of La Source!

Mr Speaker, Sir, I have been, time and again, since 2007, drawing the attention of the nation that the Minister of Finance was not telling the truth on the real state of the economy. *On doit dire la vérité !* I refer to official figures, indicating a deterioration of the principle economic indicators. Yet, again, when presenting the 2008-2009 Budget, the hon. Minister of Finance said and I quote –

“Last year, we had an early harvest; this year, we are seeing a bumper crop.”

In his summing-up speech, at the end of the debates, on 24 June 2008, he went on to say that the growth rate would reach 6.5% to 7%. At that time, the hon. Minister of Finance chose to blow his own trumpets to show to the people that his supposed reforms were giving fabulous results. The financial crisis, we know, had, by then, already started in the U.S. As early as mid-2007, many economists in the U.S. and the U. K. rang the alarm bell on this crisis. They had actually written books and delivered lectures. Why I say this? It is because I know that the hon. Minister of Finance is not only well versed, but he reads all these books and all the lectures. They were saying that this crisis was to unfold. In early 2008, the Federal Reserve's Chairman, Mr Ben Bernanke, warned of possible economic recession worldwide. Here, in Mauritius, there was bumper crop, there was nothing to worry about, and everything was rosy according to the best Minister of Finance that we have had.

*M. le président, lors d'une conférence de presse, le 29 mars 2008, soit quelques semaines après la mise en garde du président de la Réserve Fédérale Américaine, le ministre des finances affirmait ceci, et je cite –*

« Maurice peut faire face à la crise internationale »

ajoutant que -

« Grâce à nos réformes économiques et une gestion correcte, nous n'avons aucun risque. »

*On avait fait un vaccin qui nous a rendus immune to the international financial situation that was unfolding.*

But, before that, Mr Speaker, Sir, the economic indicators had already deteriorated. Above all, the Minister was surfing, *je dirai, sur un nuage d'orgueil. On peut se poser la question : est-ce qu'il avait sous-estimé, à ce moment-là, l'impact que pouvait avoir sur Maurice le cyclone financier à dimension mondiale qui était en gestation ? Avait-il vraiment cru que l'île Maurice allait en être épargnée ? Parce qu'il a longtemps, après son 'bumper crop', parlé de résilience de l'économie mauricienne.* Non, M. le président ! Il comprend ce qui se passe. Je dirai

qu'il n'a pas dit la vérité à la population à ce moment-là. Il aurait dû venir dire quelle était la situation économique réelle.

*(Interruptions)*

Non, il le savait. Je dis qu'il le savait, parce qu'à la première ligne de son *Additional Stimulus Package* présenté en décembre 2008, il dit ceci –

*"For over 15 months, the sub prime mortgage crisis that started in the U.S. has been creating havoc in the major financial centres".*

Cela veut dire que, depuis le mois d'octobre 2007, le ministre savait qu'un gros nuage économique et financier se profilait à l'horizon. Mais, il a choisi de faire valoir son orgueil. Et ce que je trouve déplorable, c'est qu'il y a pas mal de membres et ses collègues ministres qui ont été induits en erreur. Vous-même, vous vous appellerez, M. le président, qu'en répondant à la PNQ du 31 mars 2009, le ministre du travail, l'honorable Jean François Chaumiére - et je ne le blâme pas - avait déclaré dans cette Chambre, et je cite -

*"The new labour laws were adopted in August 2008, at a time when there was no indication that the financial crisis, which originated in the US, would reach our shores".*

Donc, il est clair que même les ministres avaient cru ce que le ministre des finances leur avait dit, notamment que cela n'allait pas atteindre nos rives, etc. Alors que le ministre des finances lui, le savait, de par la première phrase qu'il a dite dans le document du *Stimulus Package*. Et, au moment où la vérité a inévitablement fait surface, M. le président, le ministre des finances a concocté, à deux reprises, dans son *Additional Stimulus Package* et dans le budget présenté le 22 mai dernier, des mesures, dicté de par peut être son obsession de vouloir protéger à tout prix les intérêts du secteur privé. Et, subitement, toute la faillite dans la gestion économique du pays avec les indicateurs virés au rouge pendant longtemps, est maintenant mise sur le dos de la crise financière internationale. Maintenant, on crie au loup! Maintenant, pour justifier ce qu'on n'a pas pu réaliser pendant ces dernières années, on crie au loup et on parle de crise internationale. On donne au secteur privé, et on prive la population des mesures de soulagement.

Laissez-moi venir, M. le président, aux indicateurs économiques, que j'estime très importants, pour qu'on puisse juger de l'état de la situation. Pour ce qui est de la dette publique, on a su la vérité dans les *Estimates* circulés le 23 mai dernier. Au 30 juin 2009, le *total public sector debt*, va atteindre R 162,4 milliards, sans compter les R 6 milliards enlevés au moment de l'abolition du *Consolidated Sinking Fund*. Le chiffre de R 170 milliards, que j'avais mentionné lors de mon intervention sur le *Stimulus Package*, s'est révélé presque exact. En décembre 2009, ce chiffre va encore grossir pour dépasser les R 176 milliards, toujours en ajoutant les R 6 milliards du CSF.

En fait, en quatre ans, la dette publique a augmenté de R 56 milliards, à la raison de R 14 milliards par an; c'est le constat. Et le ministre a voulu nous faire croire qu'il n'est pas approprié d'évoquer la dette publique en termes absolus. Lorsqu'il était dans l'opposition, je peux citer nombre d'exemples où il se référait à la dette publique en termes absolus. Même quand il assuma les fonctions de ministre des finances, après les élections de juillet 2005, il est resté dans la même logique, car dans son document *Setting the Stage for Robust Growth*, regardez, M. le

président, ce qu'il vient dire. Il mentionne la dette publique en termes absolus, à la page 4, paragraphes 35 et 36, et dit: *'total public debt now stands at Rs105.7 billion; public sector debt now amounts Rs120.4 billion'* en termes absolus à l'époque. Alors, quand cela lui convient, il brandit des chiffres absolus, et quand il refuse de dire la vérité, il se cache derrière les pourcentages. Maintenant on parle de pourcentage et non pas en termes absolus. Je dis que cela n'est pas correct. Et je cite les indicateurs, comme la balance des comptes courants de l'Etat qui accusait un déficit R 28 milliards, avant même que le ministre n'évoque les effets de la crise financière internationale sur l'économie mauricienne. Idem pour la balance commerciale qui accuse depuis longtemps déjà un déficit de R 60 milliards. Et le taux d'épargne, M. le président a chuté à 14% du PIB. D'après les derniers chiffres, on prévoit 10.1%, pour 2009. *It is a national record.* Tout comme l'inflation, après ces 16 dernières années, on n'a pas vu un taux d'inflation plus haut que ça.

Donc, ce qui nous attend, malheureusement, est pire. Plusieurs personnes ont attiré l'attention sur l'imminence d'une crise de la balance commerciale. M. le président, je ne vais pas revenir sur l'exode des capitaux. Je le maintiens, parce que le gouverneur de la banque centrale, lors d'une déclaration qu'il a faite dans une conférence de presse le 14 novembre 2007, a dit ceci, et je cite –

*"La banque de Maurice veut voir clair dans le mouvement des capitaux. Il est primordial qu'une économie ouverte sur l'extérieur et qui veut jouer un rôle de premier plan en tant que centre financier dans la région puisse présenter des statistiques précises(...)"*

*I will not go at length into what he has been saying.* Je vois que le ministre fait comme si ce n'est pas grave, ce n'est pas sérieux. Moi, *I am very concerned about it*, et je pense que le gouverneur de la banque centrale a raison *to be concerned*. Le ministre est venu dire qu'il n'y pas eu d'étude. *There has been no study, no inquiry.* Je ne sais pas moi! *Which is which?* Le gouverneur avait annoncé, à cette époque, qu'une enquête avait été initiée auprès de 125 entreprises, qu'un questionnaire à cet effet devait être retourné au plus tard le 26 novembre 2007. Le ministre nie qu'une telle étude a été entreprise, et annonce maintenant qu'un *foreign assets and liabilities survey* sera lancé. *Which is which? The Governor is saying that there has been a sort of inquiry into the outflow of capital.* J'espère que le ministre va nous éclairer davantage. *Whatever be the case, Mr Speaker, Sir, I maintain that there have been billions of rupees that have left the country or rupees that have never reached our shores following the Minister's decision to tax interests at 15%.*

Et, ce qui est plus grave maintenant, c'est qu'on est en train de négocier avec le FMI au cas où. Le Premier ministre l'a dit, ainsi que le ministre des finances. Moi, je le vois comme ça. Quand quelqu'un demande au centre cardiaque de préparer un lit, les cardiologues sont en *stand by*, les médicaments sont prêts; c'est-à-dire, à n'importe quel moment on est prêt pour entrer au centre cardiaque. Car, sinon, on ne demande pas au *cardiac centre* de préparer un lit, de réserver des médecins, etc. Je suis d'accord avec le ministre des finances quand il dit que l'avenir économique est très, très sombre. Mais pour différentes raisons! Lui vient dire que c'est à cause de la crise internationale, et moi je viens dire que *it is part of his doing* ainsi que la crise internationale. Il y a les deux. Le ministre malheureusement continue - s'il est têtu, c'est son droit - dans cette même direction à vouloir...

*(Interruptions)*

Je dis qu'une partie de la population est toute proche de l'enfer, et qu'on envoie une partie du secteur privé au paradis. Faites attention! Voilà où nous en sommes, M. le président!

Laissez-moi venir sur ce que le ministre avait dit, parce que quand je parle du secteur privé, je dois dire que jamais je n'ai vu un ministre des finances aussi *pro-private sector*. Jamais ! Lors du débat sur l'ASP Bill, j'avais dit que le ministre des finances est venu avec onze sous-comités, et j'avais fait mention du comité concernant les infrastructures publiques. M. le président, *there is a saying: to err is human*. Et, comme tout commun des mortels, il se peut que j'aie fait des erreurs. Si j'ai dit quelque chose and *I find that it is not correct, I will come to this House and I will say: I am sorry, this is not correct*. J'avais dit qu'il y a un comité qui a été institué par le gouvernement. Je parle de ce comité on *public infrastructure* that was co-chaired by a member of the private sector.

*(Interruptions)*

I am not blaming hon. Cader Sayed-Hossen. He said that he has checked, and I assert that it is totally irresponsible to assert would-be facts that are totally erroneous and based on totally unfounded information. Le ministre des finances aussi avait réagi *pour dire que* I have come with erroneous facts, I am saying things that are nonsense, and that we have to be serious. I am serious, Mr Speaker, Sir! When I say things in this House, I try to ascertain, as much as I can, the veracity of what I say. As I said, if I make a mistake, of course, I will come and apologise. M. le président, *il a peut-être voulu institué ces onze sub-committees*. I am going to table a document, which has been circulated to some officers. In fact, it has been circulated by the Ministry of Finance; Additional Stimulus Package, monitoring and implementation; sub-committee No. 1: infrastructure and public sector projects; private sector lead: JEC; public sector lead: Project Planning Committee, Mr Rambhojun.

*(Interruptions)*

It has been circulated. I am tabling it. *Ce n'est pas fini!* What I hear again is that I have wrong information. I see in the press the article, whereby the Minister himself says –

*“D'un point de vue général, je suis satisfait de l'étroite collaboration entre d'une part les différents ministères et, d'autre part, entre les secteurs publics et privés. Des sous-comités paritaires ont été mis sur pied”.*

*Constitution de onze sous-comités!*

*Et il vient dire –*

*“Les onze sous-comités constitués et leurs co-présidents sont comme suit -*

- Projets d'infrastructures publiques: JEC et M. Rambhojun du ministère des infrastructures publiques. »*

Fair enough! If Government has not been able to institute that committee, let me put my argument in a different form again. At least, there was a will from the Minister of Finance to institute those committees, and there was the suggestion that it should be co-chaired by a member of the JEC. Has it materialised? No, it has not been materialised! Well and good! Parce que ce serait unacceptable, M. le président ! Mais, ce que je veux faire comprendre à la

Chambre, c'est quand je dis qu'on regarde dans une seule direction, c'est encore une preuve flagrante. Et je comprends très bien quand je vois l'honorable ministre Anil Bachoo ; bien sûr, qu'il n'est pas content! N'importe qui aurait été ministre des infrastructures publiques n'aurait pas accepté! Mais, encore une fois, il y a eu des voix qui se sont élevées, et le comité n'a pas pu être institué. Tant mieux ! Et, d'ailleurs, je dois dire que si des voix se sont fait entendre, je les respecte, parce que c'est comme cela qu'il faut faire.

Laissez-moi venir sur les *investment projects*. On a créé six fonds, M. le président. Mes amis en ont parlé: *unprecedented ESE, when money was appropriated in 2007/2008 to be spent in 2008/2009*. Du jamais vu! *And we call this voodoo accounting*, parce qu'on ne voulait pas dire la vérité *sur the actual budget deficit*. On avait fait des formules mirobolantes. Mais combien a été dépensé ? Je pense, avec raison, que certains membres de la Chambre ont évoqué le *Solar Water Heater Scheme*. *It was time-bound* le 31 décembre 2009. Là aussi, je pense que le ministre aurait pu faire un effort, parce que si c'est un succès, tant mieux. Il vaut mieux que ce soit un succès et si cela va dans la même direction que Maurice Ile Durable, je pense qu'on aurait pu faire quand même un effort.

*Social projects enunciated 2008/2009 Budget*. Comme je dis, on reprend les mêmes, et on recommence. J'ai écouté l'honorable ministre Anil Bachoo. J'espère qu'on va pouvoir les réaliser avant les élections. On aura peut-être le temps jusqu'à l'année prochaine de réaliser un certain nombre de projets. Je le souhaite ardemment, M. le président. Il ne faut pas qu'on *repackage* certaines mesures. Le peuple aussi attend que ces projets se réalisent.

M. le président, je trouve tragique que le ministre ait choisi d'enlever R 600 millions du budget de *Human Resources, Knowledge and Arts Development Fund*. J'apprécie la décision de faire un nouveau campus pour accueillir 8,000 étudiants au coût de R 600 millions. Je suis entièrement d'accord, et je le félicite pour cette initiative.

*(Interruptions)*

*Again, we are talking about tertiary education. Let us give the chance to all our students to be able to sit for SC/HSC examinations*. Pourquoi faut-il que ce soit seulement ceux qui peuvent payer les frais d'examen qui peuvent prendre part aux examens ? Ceux qui n'en ont pas, mais qui ont du potentiel, ne pourront pas prendre part aux examens du SC et HSC. *Give them the chance! Why this targeting on education?* On est en train de parler de *targeting*. *We were criticised for targeting on pension*.

*(Interruptions)*

Fair enough! I accept! Mais pourquoi *target education* ? Je pense que l'éducation aux jeunes est une priorité.

On aurait dû donner la chance à tout le monde et, comme je l'ai dit, j'apprécie ce projet d'élargir l'espace pour nos jeunes. C'est dans cette direction qu'il faut aller. Même chose pour le *social housing* – transfert de R 740 millions pour le *SJR Fund*. On a réalisé un projet à La Valette, Bambous, pour trente familles. Bravo ! Mais, ce n'est pas assez! On aurait pu faire mieux que cela. Dans le budget de 2006/2007, on avait parlé du *Empowerment Programme* ; on avait parlé de 2,000 à 3,000 arpents qu'on allait diviser en lots de 50/60 toises. *It has never happened!* On avait aussi parlé du *Land Based Oceanic Project*. Moi, j'ai des réserves sur ce projet, mais on verra avec le temps, si cela va se matérialiser. On avait parlé de cinq villages touristiques, qui n'ont pas été réalisés. *Nine low-cost industrial estates* n'ont malheureusement

pas été réalisés. M. le président, j'avais fait un *road map* lors de la présentation de mon dernier budget, 2005/2006. Mais, le vice-Premier ministre et ministre des finances *just cast aside* tout ce que j'avais énoncé. Nous sommes à quatre ans maintenant, *and projects are lagging behind very, very badly*. Pour ce qui est du *implementation*, on est d'accord. Je sais qu'il y a des problèmes sur *the implementation but, unfortunately, it is not the way to solve the problem by creating the Road Development Company*. Je ne vais pas faire un procès au gouvernement. Le ministre a répondu l'autre jour à la *PNQ*. Il a donné des garanties, et qu'il y aura des *procurement exercise*. J'espère qu'il y aura de la transparence, et que le ministre va répondre plus tard aux questions concernant le *Road Development Company*.

Le ministre sait très bien ce que la *MCB Focus* avait dit en raison du retard de réalisation des projets gouvernementaux. Il est à craindre que ces faiblesses - si elles ne sont pas résolues - entravent les opérations dans plusieurs secteurs, empêchant du même coup l'expansion économique projetée dans les années à venir. Maintenant, comme je l'ai dit, le gouvernement veut accélérer les procédures, mais il faut que ce soit fait dans la transparence. Et moi, j'aurais souhaité, qu'au lieu de venir avec le *Road Development Company*, de peut-être *beef up the Procurement Board*, donner les ressources humaines nécessaires. Là aussi, il faut se méfier, car il y a toujours de la suspicion. M. le président, on sait que lorsque des contrats sont alloués, les gens commencent à, non seulement douter, mais à avoir une perception où la suspicion va être le maître mot malheureusement.

En ce qui concerne le *Bus Rapid Transit System*, nous ne sommes pas d'accord là-dessus, quoi que le ministre avait dit l'autre jour que '*in the event that in future we would wish to have un système de métro léger*'. Je dis que *we are making a big mistake*.

Let me come to something, which I have heard a few Members on the other side say. They have been criticising the former Government. On entend souvent parler du *Illovo deal*. Certes, il y a eu le *Illovo deal*. Mais c'est quoi le *Illovo deal*? Premièrement, l'État a obtenu 600 arpents de terrain gratuitement dans la région d'Ébène et de l'aéroport. L'État avait pu acheter 3,000 arpents de terre à Highlands pour la somme de R 125,000 l'arpent. Nous avions déjà présenté le *Master Plan* à la presse. Tant mieux! Je suis content que le ministre continue dans cette direction. La SIT avait pu acquérir, au nom des actionnaires, qui sont des planteurs et des travailleurs, 7,000 arpents de terre à R 125,000 l'arpent. En contrepartie - c'est vrai - selon les dires même du ministre, dans le passé, les sucriers avaient bénéficié de concessions fiscales d'un montant d'un milliard de roupies. Alors, faisons un simple calcul, M. le président. Pour 10,600 arpents de terre, obtenus immédiatement après la conclusion du *deal*, le déboursement total était de R 1,2 milliards, et si on ajoute un milliard de concessions fiscales, cela fait R 2,2 milliards. Si on fait la division, le coût à l'arpent s'élève, donc, à R 207,547 l'arpent. Voyons maintenant ce que le secteur sucrier a bénéficié du présent gouvernement en termes de cadeaux depuis juillet 2005. R 2 milliards, avec la dépréciation massive de la roupie en 2006; R 5 milliards des fonds venant de l'Union Européenne, versés dans le budget national pour financer le *VRS II*. Là, je dis, que le *VRS I* a été entièrement financé par le secteur sucrier.

*(Interruptions)*

Ils avaient un *loan* qu'il ont remboursé! *We do not agree!* R 6 milliards de concessions fiscales sous le *Multi Annual Adaptation Strategy* et, quatrièmement, R 5 milliards sur dix ans, avec l'augmentation de 254% du prix du sucre. Cela fait un total de R 18 milliards. Qu'est-ce que le gouvernement a reçu en retour? Deux milles arpents de terre réclamés...

(*Interruptions*)

Assumons qu'on aura les deux milles arpents ! Donc, si on fait le calcul, c'est R 9 millions par arpent. C'est la terre et le ciel, M. le président. Ce n'est pas comparable ! Et là, je saisir l'occasion, car l'autre jour, lors de la *PNQ*, j'avais essayé de poser la question, M. le président, *but you stopped me from putting that question, and rightly so !* Je vais évoquer l'actionnariat pour les travailleurs et les planteurs au niveau des *IPPs* ...

(*Interruptions*)

Non, c'est dans l'accord ! On a parlé de '*actual and new ventures*'. On a parlé de '*existing companies*'. Le Premier ministre avait dit '*existing and new ventures*'. Tout d'un coup, le ministre des finances parle de *new ventures*. Mais, *which is which*? Il est en train de contredire le Premier ministre. Alors, il faudrait savoir si ce sont les '*new ventures only*' ou bien des '*existing companies*'. Le ministre des finances vient dire maintenant *that he has not been able to find the right vehicle*. De décembre 2007 à mai 2009, il cherche des véhicules. Il est en train de faire des *paths* ; je comprends. Les chemins sont devenus des *paths*. Mais s'il n'y a pas de véhicules, comment peuvent-ils aller dans les *paths*? Ce n'est pas sérieux, surtout venant de quelqu'un qui est plus qu'intelligent, tellement brillant. Il n'a pas pu trouver pendant tout ce temps *the right vehicle!* L'autre jour, il a parlé du *SIT*. Il avait trouvé des véhicules à cette époque, mais maintenant il ne trouve pas de véhicules. He is not only *running out of steam, out of fuel*, mais il ne trouve pas! On a fait beaucoup de cadeaux. D'ailleurs, il dit que je le critique - tout à l'heure je vais revenir là-dessus. *He said that I target him, but that's not so.* Je critique le Premier ministre pour l'accord qui a été fait entre les sucriers et le gouvernement, et je le critique. Je pense que *it is still not balanced. We could have obtained more from the sugar sector.* Pour le *Food Crop Insurance Scheme* aussi, M. le président, ce n'est pas sérieux. L'honorable Mme Hanoomanjee avait fait mention l'autre jour du *Small Planters Welfare Fund*.

*Le ministre de l'agriculture a répondu pour dire que this Food Crop Insurance Scheme qui concerne les potatoes, onions, tomatoes, carrots and so on did not work. I beg to disagree. But, anyway, if it did not work, it took him four years to realise that it did not work, and now he is coming, as if he is introducing - he is not introducing - it. He could have modified and improved au lieu de laisser cela, et il vient dire maintenant que it did not work. Ce n'est pas sérieux.*

Je viens surtout à cet aspect. Cela me touche quand certains membres et l'honorable ministre des finances - ce syndrome a atteint aussi l'honorable ministre Gokhool - viennent dire que je fais des attaques *of a personal nature. I target them. I don't have to target them. I have never targeted them.* Que ce soit ici - depuis que je suis dans la Chambre, vous êtes témoins - que ce soit à l'extérieur, dans les réunions publiques ou privées, jamais je n'ai fait des critiques d'une nature personnelle concernant que ce soit le ministre des finances ou le ministre Gokhool. *I have criticised them for the measures and decisions that they have taken.* Mais, par contre, je vais demander au ministre des finances *to look at himself in a mirror.* Pas plus tard qu'hier, dans son *summing-up* à la télévision, il avait dit : '*ti Jugnauth, ti Jugnauth*'. Auparavant aussi, à chaque fois, il se référait à '*ti Jugnauth*'. Et puis, il vient dire ...

(*Interruptions*)

**Mr Speaker:** Order, please!

**Mr Jugnauth:** Et puis, il vient dire que Pravind Jugnauth ne sait pas calculer la dette publique. *All right! I take it! I don't mind whether I am 'ti Jugnauth' or whatever.* M. le président, pour moi, cela passe. Je ne le prends pas personnellement. Mais moi, je n'ai jamais fait et je ne ferai pas d'attaques personnelles. Les gens viennent dire que je critique leurs décisions, la politique économique, et aussi dans le domaine de l'éducation. Je l'ai fait, parce que je crois sincèrement dans ces critiques. Un point à la ligne! *I can reassure them probably that there is nothing personal with regard to those hon. Members.*

Je ne vais pas entrer dans ces détails, parce que je crois que j'ai pris beaucoup de temps de la Chambre. Quand les ministres viennent dire que je les critique, il faut voir ce qui s'est passé aussi. Qui est celui qui est venu en deux occasions - peut-être une a été très largement *publicised* avec sa lettre de démission - dire qu'il n'y a pas de solidarité au niveau du gouvernement, qu'il n'a pas le support de ses collègues ministres, et qu'à un certain moment il voulait soumettre sa lettre de démission ? Bien sûr, il ne savait pas à qui soumettre sa lettre de démission, et il a attendu le Premier ministre retourner de l'extérieur. C'est lui qui doit voir autour de lui avant de regarder que ce soit du côté de l'opposition ou *outside this House*.

M. le président, je dis, encore une fois, *that I have criticised this Government on a number of issues - and we have made proposals also – on law and order, education, health care, agriculture, SMEs, and I could go on and on.* Mais laissez-moi aussi dire, M. le président, qu'il y a un manque d'équilibre, que *Government is looking too much towards the economic elite and there could have been some measures with regard to the people and to the middle class.* Je ne vais pas être démagogique pour dire que tout n'est pas bon dans le budget. D'ailleurs, je constate que le ministre des finances a augmenté l'allocation *for the recipients of social aid, sending their children aged up to 7 to Day Care Centres*, ce que j'apprécie. Je trouve très bien les fonds qui ont été alloués à la NHDC. Il y a quelques mesures aussi que j'avais mentionnées tout à l'heure que je trouve très bien.

*When we are talking about unprecedented times*, je crois que nous avons donné un exemple. Le 1<sup>er</sup> mai, j'avais fait un appel à tout le monde et nous avions dit que les parlementaires du MSM allaient contribuer 2% de leurs salaires à un fonds. Et j'avais fait un appel *to the public at large, for those who earn at least Rs50,000*, pour exprimer leur solidarité dans des moments difficiles. Je suis entièrement d'accord, et je suis aussi très content que le gouvernement – quand je parle du gouvernement, ce sont les ministres - ait suivi, mais ce n'est pas suffisant. Tous ceux qui sont intervenus l'ont dit, à l'instar de l'honorable Ms Deepalsing ainsi que quelqu'un d'autre. J'espère que ce sera quand même un exemple à suivre pour tout le monde. Mais ce n'est pas seulement les membres de la Chambre. Par exemple, le secteur privé, je parle de ceux qui ont quand même un revenu très confortable. Dans des moments difficiles, il faut montrer cette solidarité. D'ailleurs, on a demandé au ministre des finances de nous indiquer dans quel fonds on va verser l'argent.

Mr Speaker, Sir, I wanted to just say one thing also. Probably the Minister will be able to enlighten later on, because I find that a bit unclear. *J'ai parlé de lack of transparency, et je vois que les figures that have been published – je parle du Budget Estimates, the detailed expenditure and the actual expenditures for 2007/2008 by different categories - were not available either in the recent PBB 2008 or on the Ministry's web site.* I don't know. I am not saying that it is deliberate, but probably the Minister would be able to enlighten us. I say this, because when I take the budget figures for 2007/2008, the summarised form that was presented on page XXIII of 2009, July/December PBB, shows that the actual net acquisition of non financial assets is not

Rs6 billion 25 million as per Budget Estimates of 2007/2008, but only Rs4 billion 539 million. If we look at the Capital Expenditure and the net lending estimates, they show a figure of Rs13 billion 102 million for 2007/2008. Last year, we had pointed out during the debate on the Budget - I don't know whether it is again some voodoo accounting tricks - that the figure of Rs13 billion 102 million includes the amount allocated to the funds and not expenditure incurred. There is also the investment in equity, Rs1 billion 651 million, which have been excluded from the total. We have, therefore, to exclude Rs5 billion 281 million, and this means that the actual capital spending plus the net lending amount to Rs7 billion 821 million instead of Rs13 billion 102 million. Probably the hon. Minister will explain later on, but what I am saying is: is it a case, where instead of a 3.3% deficit announced by the Minister, the true budget deficit for 2007/2008 is 1.2%?

If I look at the actual figures for the Revised Budget Estimates - let me say it so that the Minister would probably clarify during the summing up - for 2008/2009, I see the same device has been used, and I don't see the actual figures. Net Acquisition of Non Financial Assets is not Rs7,25 billion as per Budget Estimates of 2008/2009, but only Rs6,5 billion. And the expenditure and net lending as a percentage of GDP is only 2.3%, that is, it is worse than 2007/2008. But we note that, in the Revised Estimates for Budget 2008/2009, a total amount of Rs4.3 billion has been added to the funds, and these are accounted in capital expenditure and net lending. These have not been done, I would say, in total transparency; the details have not been published. It is only through an examination of the summary of revised expenditure for 2008/2009 that we can decipher this way of doing things.

Again, Rs1 billion extra have been allocated to the Ministry of Industry, Science & Research, and this has not been detailed out anywhere, unless I am wrong. And in centrally managed initiatives from Government, Rs1 billion have been added and only Rs500 m. in equity to SIC are shown in the figures. As regards the Ministry of Agro Industry, I see the transfers for their accompanying measures for the sugar sector, the VRS and other measures planned for 2011 have been frontloaded to 2008/2009, that is, an amount of Rs850 m. Probably the Minister will explain, but in the way of doing things, it is clear that, in fact, there is a bigger *marge de manoeuvre*. So, I hope that this has not been done with a motive behind, I would say.

Let me conclude, Mr Speaker, Sir, that we all agree that there is an international financial crisis that is hitting the world economy and that will also affect Mauritius. We agree that enterprises need support, but I would say that the population also needs support in these difficult times. There is a pressing need to re-establish the balance between economic and social measures. This can be done, as I have said, if there is the political will and the economic wisdom. There are definitely alternatives to the economic philosophy of the Minister of Finance. Again I'll have to quote my good friend, hon. Ms Nita Deerpalsing, because in a recent interview she says that she agrees. I don't know whether I still have it, but I am happy that in a recent interview to 'Mauritius Times', after I have spoken on the Stimulus Package, she said that on that score she agrees with me. Well, good enough if she agrees! But before I resume my seat, let me congratulate you, Mr Speaker, Sir, for the improvement that you have made to this House not only with the furniture, with the new audio system, with the computers that are being installed. As you said yourself, since 1967, there has been no improvement, and I think the timing also was good, because I came to this House when it was very appropriate.

I thank you, Mr Speaker, Sir.

*At 12.45 p.m. the sitting was suspended.*

*On resuming at 2.16 p.m. with Mr Speaker in the Chair.*

**The Deputy Prime Minister, Minister of Renewable Energy and Public Utilities (Dr. R. Beebejaun):** Mr Speaker, Sir, allow me to start by congratulating the Minister of Finance. I think many people consider this as a ritual, but it is not. I think he tried his best in very difficult circumstances and, listening to hon. Members in this House and also to people outside, at one time I wondered whether people realise that we are living in a globalised world, that whatever happens elsewhere does affect us if not soon, eventually later. I am glad to say that saving jobs, protecting people, preparing for recovery, which is a leitmotiv of this Budget, depends a lot on what my friend, the hon. Vice-Prime Minister, Minister of Tourism, Leisure and External Communications, hon. Xavier-Luc Duval, said this morning, that is, the implementation of the measures that have been announced, and this is the key to the success of the measures announced in this Budget.

I would not dwell long on this. I think the public at large does appreciate that, in the circumstances, the best that could have been done is being done or is proposed to be done. I would add that, in difficult times, challenges are sometimes opportunities, and I congratulate, once again, my friend, hon. Xavier-Luc Duval, for grasping at opportunities in this difficult world and bringing tourists from places hitherto unknown to Mauritius; and I would say congratulations to him! This should be an example to all of us here to innovate quickly, and the quickness of the response to me is what matters.

Mr Speaker, Sir, today, I will take my time to reply essentially to the Leader of the Opposition, former Prime Minister. I appreciated many of the things he said, though I could not quite follow, at times, the trend. The hon. Leader of the Opposition was, at times, cheerful, jocular and serious and, at times, very biting in his remarks and my problem is, knowing the difference between these different moods, whether they were meant to convey a message or whether they were genuine facts.

I will address these issues as I go along. Mr Speaker, Sir. The first remark – and I think it was a friendly jab - was Dr. Beebejaun, the Deputy Prime Minister had said *tini, tini, dans six mois, nu pu amène* light rail, and I appreciated that remark because I never said it. For one reason, Mr Speaker, Sir. I have been, as everybody knows, a fervent follower of what was perceived to be the leading thinker of the times and, in 1991, I was in a crowd listening with fractious attention to the then Leader of the Opposition saying that when we come to power there would be the light rail. In 1991! And I even said it, in my innocence, *le train sifflera trois fois*, and nothing has happened! And this is the story of light rail, Mr Speaker, Sir.

This is the story of light rail, Mr Speaker, Sir, unfortunately. I do not lay the blame on any particular party, Government or anything. It is inherent in our system of making decisions. We have moved from light rail to bus, from bus to monorail and back again to light rail. Until light rail was going to go round Port Louis, *la rue Saint Denis, la rue Saint Georges* and, God knows where else, *la rue la Poudrière*, and, eventually, in 2005, we had a look yet - and I say yet again - at what was proposed for a mass transit system. The expert that we had, added yet another recommendation to the numerous reports available and the reason that he put forward for an open bus way; it is not just a bus way, that is, it is a bus way with state-of-the-art stops, so that we would be able to convert it into a light rail system eventually. I know, at the time, the choice was largely decided not only on financial ground, but also to include the bus workers and the bus

industry into this project so that we would be able to start at least - make a start - in five or 10 years. We are no further than the Iberinsa report of the 1990s which said exactly that. I will say, Mr Speaker, Sir, in 2005 when I was Minister, I was thrilled. Somebody came up, he had a monorail elevator, tremendous, and I still think that a monorail elevated system would be ideal. But, what about the cost? He came up with a proposal of Rs18 billion. We were thrilled and he said he would bring his money and everyone said: "take the money and build the thing," Easy. Then we asked him: "how much do you expect as guarantee in terms of ridership and fares?" He said: "We will take about that later."

This is no way, Mr Speaker, Sir! We can do what we can afford whilst, at the same time, looking ahead of the times. This is the state of the situation, I would say. I thank my colleague, hon. Anil Bachoo, for saying that the project started with a new Government, but they have been ongoing as well and put in the cupboard or somewhere and then *depoussieré, comme on dit*, and then started all over again. But, Government is a continuity, and I am happy today that infrastructure is at the forefront of development and it will serve us in the future. It is money well invested, and I am keen to point out that what the Minister of Infrastructure said yesterday about an open transparent method of procurement is being going on so far. Unfortunately, open, transparent procurement has delayed a lot of our projects, with a change from CTB to CPB and other measures as well. But it is a price to pay for transparency; having said that, now the projects will start.

I will make the same comment for my colleague, the Minister of Public Utilities, who has done a lot of work during these past three years. What I will say is a continuation of what is done and it is only fair to acknowledge that what is happening today is the effort of the past colleagues.

Having said that, Mr Speaker, Sir, I will dwell on the subject relating to my Ministry. It is a long exposé, but I will try to shorten it. We have energy, water, wastewater and *Maurice Ile Durable*, all these tremendous responsibilities, very challenging, and the energy policy today is at the forefront of all the *soucis* in the world regarding energy production. We have an energy policy, which we have already adopted to transform into action; we have an Energy Strategy Action Plan which will be finalised in October 2009. It will address all aspects of energy demand, supply, utilisation for the power and transportation sectors and it will lay emphasis - this is very important - on energy efficiency, development of renewable energy and energy pricing. These are the three pillars, Mr Speaker, Sir. In any Action Plan, we must take into consideration the energy efficiency, development of renewable energy and energy pricing. But, I would point out that there are three features of the transition from where we are with a future; there are three features that are not widely appreciated. I quote from the Cantor Report; the first is that it may take generations to transform the energy circuit. It is complex, it demands different technologies and it is not going to happen overnight. But as Cantor Report rightly points out, it will take us time, but we have to do it. Secondly, introducing more energy, efficient equipment takes less time. This is a message of Vitol, getting energy efficient equipment into our forms and our normal everyday life.

Changing buildings, energy supply sources, lifestyles will take a lifetime, it is considerable time. So, there we are! We have three options in front of us; we have the transformation of the energy sector, we have the introduction of more energy efficient equipment and we have to change the buildings. The second issue that we must think about is insufficient attention is being paid on energy efficiency. I repeat that and I say that this is the crux, the

immediate future: energy efficiency control. The third, which is also important, is the absence of institution required to make this transition. So, we are in a transition period, we are facing challenges which have to be met, we have no other choice and we have to go ahead with it.

Energy efficiency is, as I have said, the centre piece of our energy policy. In brief, what does it do? It chooses less energy to provide the same level of energy services. It makes absolute economic sense and whether it is introduced in the home, in the industry or in transport, this is the issue we should address in the immediate future. It makes energy efficiency take precedence over all other measures whether it is the renewable energy or any other consideration. But, as I said, and I repeat, it is cost-effective. An economic development can take place without increase in generation, in the production of energy. Mr Speaker, Sir, what we have to aim at is energy efficient appliances in home such as refrigerators, ovens, stoves, dishwashers, energy efficient buildings, design and application and energy efficiency application in the industry. So, we have in the home, in buildings and in the industry. I would like to draw attention here that the design of the new passenger terminal at the SSR Airport, under the scrutinising eyes of our Prime Minister, will be a showcase of green building and, as I hope, will be the MCB new *bâtiment* at Ebène. These two probably will act as showcases but, first, I would pay tribute to the Prime Minister for insisting that the passenger terminal at Plaisance should be state-of-the-art, energy efficient and a green building. I have report that the MCB is also working on the same line at Ebène.

The prize winning energy saving design at RT Knits factory makes economic sense. Mr Speaker, Sir, I was fortunate enough, in January, I think, to take the opportunity and go to RT Knits, and it is interesting. They have got a prize at the end of the year, and everybody believed that they had put photovoltaic cells on their building. There were no photovoltaic cells there and, yet, they were doing well. They had got energy saving devices in their production, in the lighting, ventilation and in everything else.

I asked the two managers of RT Knits what made them do it, because they had already designed it about six years ago before it became fashionable worldwide to talk about energy savings and green buildings. The answer was very simple. They told me it makes economic sense for them, they have a lot of savings with the energy design, they are quite happy and they will extend it. But, they have yet to go on photovoltaic, which I have asked them to do.

Mr Speaker, Sir, if we look at the energy consumption at the CEB per household, the average household in 1992 consumed about 1,175 kWh every month. It is expected to double by 2015. So, there we are! Energy consumption going up in the home per household. Our standard of living has gone up, our expectations have changed, we use more fans, air conditioners, refrigerators and, as we go along, the energy bill goes up, the energy consumption goes up. With an effective energy efficiency programme for the next ten years, concentrated on commercial and residence home, - I leave the industrial ones to design their own - I think we should make headway and save about 300,000 to 500,000 tonnes of imported coal, equivalent to \$27 m. Apart from the savings in coal, we will have savings also in investment in new generation capacity and reduction of carbon dioxide, emission, of course, between 125,000 to 250,000 tons.

Mr Speaker, Sir, it is remarkable that till today, in spite of this demand, in spite of the increase in electricity bill, we are not conscious enough about energy efficient measures, energy efficient products, energy efficient services in the home. The CEB February bill of this year, in spite of all that I have heard in this House and outside, stresses that we are not thinking about

energy efficiency and energy savings. We are not! And we are going to be caught up with climate change, it is going to come; the energy bill is going to go down, unless we take measures. Mr Speaker, Sir, I take this opportunity to inform the House that we had complaints from Members in this House, and I took the trouble of looking at their consumption, past four months, year by year, November to March or whatever it is, and when we add it up, there has been no change with the same energy consumption except that it gone up one month and it comes down the other month. What happened in February of this year? The question was asked in this House, and I was grateful for it. What triggered this reaction? The complaint that the CEB *compteur* was not functioning, or whatever it was. The plain truth, Mr Speaker, Sir, is we had a heat wave and climate change is in front of us and we are going to pay for the consequences, unless it takes the appropriate steps.

So, today why don't we pay attention? There are various barriers to our thinking. There is lack of information. Not enough! We are trying to do our best. There is no consumer awareness, the high capital cost of energy efficiency and technologies, absence of legal framework and inadequate professional capacity as well as technology barriers. So, I consider barriers in two categories. There are technologies barriers - I will come to that later. But also there is lack of information, lack of awareness and advice to householders how to best use their electricity. So, with this in mind, the UNDP has funded, through the Global Environmental Facility, a project entitled "Removal of Barriers to Energy Efficiency and Energy Conservation in Buildings" and they have funded this project with \$912,411. The project includes preparation of an Energy Efficiency Bill including labelling of electrical appliances, carrying out energy audits in public buildings to prevent to the extent possible energy wastage and preparation of a Grid Code for Small Power Producers.

Mr Speaker, Sir, incidentally, *en passant*, I would like to point out that we are holding various workshops on this, and the consultant last week informed me that we were the only and the first small island developing State working on an Energy Efficiency Bill. The Bill is already prepared, the legislation will provide for enhancing and enforcing of energy efficiency measures and the establishment of an Energy Efficiency Unit at my Ministry. This is important, and I will say why in a minute. The functions of the Energy Efficiency Unit will be to develop guidelines for energy efficiency, implement energy efficiency programme, develop and maintain data indicators on energy consumption and efficiency, conduct training programmes for energy auditors and energy managers, develop minimum energy efficiency and labelling requirements for appliances, develop and implement programmes for consumer awareness and education. So, there we are, from information to audits - very important the auditing.

Moreover, amendments will be brought to the Building Regulations so as to have more efficient buildings designed in terms of energy savings. So, this leads me to one thing. The Leader of the Opposition pointed out that the "*Observatoire de L'Energie*" mentioned in the Budget Speech of last year has disappeared. My colleague, the hon. Minister of Finance, has rightly pointed out that he cannot insert each and every item but, if there is one thing that I will accept is sometimes we do not communicate enough, we do not communicate what we are doing, we do not tell people everyday that we are having meetings, but things are moving, Mr Speaker, Sir. I took the trouble of the taking the time of the House to enumerate these long functions of the Energy Efficiency Unit and that the hon. Leader of the Opposition will no doubt recognise the Energy Efficiency Unit as the equivalent of the "*Observatoire de L'Energie*" with the Energy Efficiency Bill as the legal framework.

So, the “*Observatoire de L’Energie*” is important, and I think that the hon. Leader of the Opposition mentioned it. It is right that he should know that it is on course, this is being taken care of in the legislation, and we are probably jumping the gun a little bit and appointing an Energy Efficiency Director of the Unit by July to start working on the different challenges that face us. Mr Speaker, Sir, before I proceed further, I would like to remind the House and assure whoever has any doubt that Government is committed to the issue of renewable energy. Our commitment is there; however, we need to be realistic and recognize the effective development of renewable energy, be it photovoltaic, be it wind energy, be it solar thermal, be it ocean or wave energy requires details studies to access the techno-economic feasibility in view of the reduction - it is important, Mr Speaker, Sir - of recent and unfamiliar technologies. Technologies - we call it, the second generation technologies - may be recently introduced during five or ten years, but, in Mauritius it will be new and we have to learn that we do not make the mistakes of the past. It also needs heavy investments, important, and, no doubt, as my friend, hon. Alan Ganoo has said recently to me, it will need incentives and financial support so that potential investors and promoters can join in. I think this is *sine qua non*, otherwise no one will come and develop renewable energy here under prevailing condition worldwide. Whatever support we decide as we go along, it is quite understood that there are technical barriers, technology barriers, heavy investment barriers.

The Master Plan for renewable energy is here; it is in the process, it is ready. But, in the meantime, we are not waiting for the Master Plan. We have too many Master Plans. I think we should go for action. And I am glad to say, yes, we are encouraging private sector initiative for the development of renewable energy.

Mr Speaker, Sir, broadly speaking, we have renewable energy, whether wind, photovoltaic, hydro. We can divide it into minor or major projects. I'll start with the large wind projects, energy projects in the pipeline. So, there we are - large projects, small projects. I'll start with the large projects.

The one in the pipeline is the Bigara Wind Farm Project. I am given to understand, Mr Speaker, Sir, that the Bigara site was identified as long ago as 1980s. So, it is being with us a long time. The history of wind energy is being a sort of accepted, then rejected and then accepted again. There has been a lot of controversy - I will come to that later - about wind energy. But Bigara was identified a long time ago. I understand that the previous Government signed a MoU with the Ministry of Non-Conventional Energy Sources of India to produce energy, and Suzlon Energy intended to implement a wind project. That's what I am given to understand. And then it disappeared and they accused us of not doing anything, that we are not paying any attention to renewable energy. Why did it disappear? I could not find out. Apparently, the CEB objected, the CEB was not prepared to pay the price at that time. There has been no incentive, no encouragement to go ahead with it. But, Mr Speaker, Sir, we are reviving this project. We have at the moment a transaction adviser who is looking at this project on a PPP basis and with a 25-40 MW capacity at Bigara. Now, what does the transaction adviser has to do? We often get questions as to why a transaction adviser, but we do not have the know-how to go ahead with it. So, the transaction adviser...

*(Interruptions)*

It is a new name. He is adviser on the potential, availability of land, direction of wind and all these other issues, including connectivity to the grid. All these are important. The Bigara land

site - about 48 hectares - I hope would be the first, if not among the first wind power projects. If all goes well, by March 2010, we should have an investor and go ahead with the project. Missed opportunities in 2000/2005! It could have been done since 1980s, but have not been done. So, we are taking it up from here and see how we can move forward. Of course, there is always the question of cyclone, cyclone risks and so on, but we will deal with them. We will let the technicians, the technologists decide about all these state-of-the-art wind power plants. I would like to add one word here, Mr Speaker, Sir. There has been no project in Mauritius or elsewhere where it has not *soulever les passions*. 10-15 years ago, wind power was unacceptable; it was ecologically unacceptable, the noise was terrible, birds' life was affected. There were all these objections. Today, it is probably one of the most accepted form of renewable energy, and I am glad to say that the complaint about noise has, as far as I know, been resolved and the acceptability is high at this juncture. I hope that when it is set up, there will not be an invasion of different interests to say it should not be built up; the problem is not building it, it's building it there. You can build a wind farm by all means, but do not build it here; you should build it somewhere else. And this has been the problem with other issues as well in terms of power generation. So, we must be careful. There are other interests as well. We have Aerowatt who has shown an interest for a capacity of 20MW at Roches Noires, Mon Trésor Mon Désert for a capacity of 25MW at Britannia. I am glad to inform the House that I did personally go and visit the site and they are very professional. I am happy to say that we will help them *dans la mesure du possible*, for them to set up this wind farm. Very good! Very professional measurement of wind data! Different heights! So, there we are, three renewable energy projects in the pipeline: one at Bigara, one at Roches Noires and one at Mon Trésor Mon Désert. But, we must not forget Rodrigues. Rodrigues is interesting, Mr Speaker, Sir. In Rodrigues, we already have wind turbines and we are now at the moment building two further wind turbines of a limited capacity of 275 kW each, which will be commissioned in July 2009 and two additional units in January 2010. I am glad to see that Rodrigues is leading in terms of wind power energy at a small scale, but it's in proportion to what they produce; this is significant. We will be producing - when the units are set up - about 1280 kWh to meet the present requirement of 5,700 kW. So, it is a quite a sizable contribution to energy production, and it makes Rodrigues a pioneer, a leader, as far we are concerned, in wind energy in the State of Mauritius.

We have hydropower, Mr Speaker, Sir. The advantage of hydropower is of being long lived, it is low-cost option, it is extremely flexible in terms of power grid operation. You can put on the grid within four minutes - first class! The House may be interested to know that the first hydropower station in Mauritius was installed at Réduit, 40 kW turbine, by Major Atchia. For the record, this very innovative Major Atchia was the great grand-father of Mr Dawood Rawat. So, this explains possibly a little bit of this entrepreneurship that we have been talking recently. Having said that, Mr Speaker, Sir, I move on to say that the last and the biggest hydropower station was built at Champagne with installed capacity of 30 MW in 1984. And who will not remember - those who are my age or a bit younger - the objection that were raised to Champagne? It is thanks to Sir Seewoosagur Ramgoolan and Sir Satcam Boolell that this project went ahead. There were numerous objections not only from the CEB, but from environmentalists, from other sources also. Every major project has had objectors, and this one has gone ahead. Today, it is of tremendous use to this country and it is giving us a sort of safety, especially at peak hours when it can come on quite quickly, when the electricity generation is expensive and it serves us during peak hours.

When we introduced the Midlands Dam project, which was incidentally started under the Government of Dr. Ramgoolam and me as Minister of Public Utilities, there was in that project a hydropower option. But, in 2000, when we left Government, this hydropower option was not exercised. We are talking about renewable energy, insisting on renewable energy, as if we are late, when opportunity was missed. We should have put that power plant; it is minor - it is not major - but it helps. We should do what we preach, Mr Speaker, Sir. And we do it, we don't preach!

We are putting up a hydropower at Midlands and Nicolière; modest, mini, but it is there. Just to reassure or to correct the Leader of the Opposition when he says that there were two power stations at Midlands Dam, I must say that there was one and the other one is downstream at La Nicolière. There has been no '*envoyer trois fois*'. *Les appels d'offres* at Midlands *n'ont pas été renvoyés*, but the date of submission of bids has been extended for three weeks only, and the reason is that we are thinking of increasing the capacity of Midlands Dam or make allowance for increasing its capacity. In that case, the power generation will have to move a little bit further away. That is the only reason. There's nothing else to comment about, except *ce petit retard de trois semaines qui est lié à un changement dans le dam* itself.

We talked about solar energy and photovoltaic. Photovoltaic is the production of electricity from light. Mr Speaker, Sir, it is nothing new in Mauritius. We have had the photovoltaic system in 1998. In fact, in 1998, Mr Speaker, Sir, 125 solar power street lighting units and a grid-connected system for the New Government Centre building were installed in the context of the commitment taken under the UNFCCC/Kyoto Protocol to reduce emission of greenhouse gases. That was in 1998, 10 years ago! We had PV street lighting systems and in the Government building. As I said, the implementation of this project has been an unmitigated disaster; everything went wrong, from the site of installation to the maintenance and from the lack of technical know-how, of qualified technicians, the unpreparedness of it all. I am not putting any blame on anybody, but what I am saying is that we should learn from our mistakes and not go rushing and accepting gifts, and finding that, years later, it has vanished. The photovoltaic units have all disappeared, been vandalised. Some of them have gone to Agalega and to other places. We did a survey recently, and none of them is working – down the drain – because lack of foresight, of commitment to a project. We have to be careful and learn from our mistakes. The one on the top of the Government building is not operational, and there is no engineer. We will have to get an engineer at great cost to see whether it can work again.

Photovoltaic technology. We are talking about large projects of photovoltaic, but we have the idea to produce electricity from sunlight at micro levels, micro generation distributed units. And I am glad to say that the Prime Minister informed me last week that President Sarkozy is going to accompany us with the introduction of this technology in Mauritius. It won't be easy. I'll talk about the cost in a minute, but the opportunity is there. But, before we do it, Mr Speaker, Sir, we need a framework. And this is what the Grid Code is all about. Grid Code for small power producers only means a connection code and, in this case, small producers of less than 50 kW, can access to the grid. It is not easy. It is not going to be done overnight. We have to change the grid also at low voltage to accommodate this electricity generation, but it can be done. The Grid Code will define the rights, responsibilities and conduct of parties planning to produce renewable energy on a micro scale. The Grid Code standard for grid connection has been set.

However, an important issue must be addressed, Mr Speaker, Sir. It comes to the cost. According to the consultant, he sets a tariff of electricity at Rs7 per kWh, and he reckons that the

person interested to put it up will require a grant of Rs150,000 for one kW installation for photovoltaic and Rs50,000 for wind per kW installed. It is not cheap, but I hope that, with better technology, as we go along, things will get better. There is no doubt about it. Prices have already got down. The experience in Reunion will help us to set up this technology. The Grid Code is there and, interestingly enough, we have also received interest for solar power plant, not the 50 kW, not the mini producers, but the big ones. We have yet to see how it is done and, for those who are interested, we have an exhibition panel on top of the CEB building in Rose Hill. It is producing electricity, very modest, but it is a beginning, and we are learning from it. The efficiency is about 13% - not very high - but it is a start. So, they must not say that we are not paying attention to renewable energy, whether it is at micro level or at macro level. There are constraints and limitations. There is also this problem of energy from wind. It is unstable, unreliable, and the access to the grid could be limited in that sense. So, we leave it to the technologists to work it out, but I gather that, for Mauritius, we will not, under the present conditions - and I repeat: under the present conditions - have more than a 15% to 25% of the maximum demand in terms of wind energy, meaning around 60 MW for the production of electricity. Without any sort of incentive, the installed cost per kW is in the range of 4,000 USD for solar panels and 6000 USD for the solar panels plus the system for inverter and batteries. So, we have to look at the cost implication as well.

Mr Speaker, Sir, the concept of *Maurice Ile Durable* is interesting for me. It is a major challenge. And when I was asked by the Prime Minister to take responsibility for the *Maurice Ile Durable*, my first reaction was: 'what is *Maurice Ile Durable*?' We are still working on it, because it is so wide. And I quote what I said at the beginning, and I'll say it again today: It is everything to everybody. Whoever wants a little funding today, *Maurice Ile Durable*. I don't know why. *Maurice Ile Durable est le 'fourre-tout' de tous* - to use the expression - and yet, it is nothing new. What are we talking about? We have talked about sustainable development for a long time; what is sustainable and what is not. What we are talking about is long term planning. It becomes, as I said, everything to everybody, but I am grateful for the many institutions that have helped us with the concept of *Maurice Ile Durable*. I thank, first of all, the University of Mauritius. They had a seminar, a MoU signed with the *Université de Technologie de Compiègne*, to come and work out. And the first question was: 'what is *Maurice Ile Durable*?' And the second question was: what should we do to attain this objective? And third: what are the technologies, what is required to make this happen? It is not going to end today; it is a long term process. Some of it can be done now, but we will have to wait for some of it.

I congratulate the hon. Minister of Environment as well as the Minister of Public Infrastructure, hon. Bachoo, for their efforts to contribute to *Maurice Ile Durable*. The Vice-Prime Minister and Minister of Tourism, hon. X. L. Duval, this morning, has talked about keeping Mauritius clean, making it a healthy place to live in. I also quote the Professor who came about three weeks ago. Mr Speaker, Sir, we are talking about national heritage, about conservation of our national heritage, but our national heritage is all Mauritius. He said that 'It is not just one spot where you go to in one day, and then you are very happy, you come out. This heritage will be the heritage that we will give to our children.'

I go all along with what has been said this morning; this ugliness, this lack of sanitation and carelessness. This is what we should address in *Maurice Ile Durable*. *Maurice Ile Durable* should also be that the population gets what it wants in a minimum sense, that is, water, sewage and electricity at affordable prices. All this is *Maurice Ile Durable*. It is social justice as well.

So, it is a tremendous challenge, and it is not the responsibility of Government, I or hon. Dr. Sithanen. It is the responsibility of all of us. We have a price to pay for it. We must be ready to do it. And, to my mind, with the Prime Minister, hon. Dr. Ramgoolam, he means to do it, he will do it, and he will make sure that *Maurice Ile Durable* is not just a paper thing, and will take form.

What have we been doing so far? Concerning *Maurice Ile Durable*, we have concentrated on the energy side, that is, energy saving and energy efficiency. Quite rightly! It's a beginning, and it is not difficult to do. Concerning the CFL lamps, we have disposed about almost a million lamps today. But yet, we have to educate the public how to use them effectively, to put them in places where they are used for longer hours, not just in a corner. I have said that before, and I find that many of our friends who have bought these lamps are putting it for one hour everyday when it should be put where most electricity is used.

Secondly, we are going to street lighting as well, and we have also the light emission diode which we are going to put. All these are energy saving, Mr Speaker, Sir. We are going to replace street lighting in rural and urban roads - to a limited extent - and we are going to replace conventional lightings in public buildings and, as I have said, light emission diode.

Concerning the MID Fund, I take the opportunity here to thank the UNDP, the British Council, the University of Mauritius, Rajiv Gandhi Science Centre, the Minister of Science who has taken a great interest to give us the facilities at Rajiv Gandhi and other Ministries and private sector organisations for their contribution to sensitise the public on *Maurice Ile Durable* and the energy implications' side. But, I repeat, energy is only one aspect; there are many others about *Maurice Ile Durable*.

*Maurice Ile Durable*, as it is constituted today, has to be modified. We have, fortunately, the support of UNDP to set up a technical team to assist the MID Fund. And *L'Agence Française de Développement* has provided 1 million euro for capacity building and technical services. So, we are grateful to the international organisations for helping us. We have also to reflect on the effectiveness of the fund and whether it meets the purpose for which it was set.

Recently, I visited a Carbon Trust in London. I keep saying that we learn a lot by meeting the right people, and what I am going to say comes a little bit from the Carbon Trust in London. What they are doing is reducing carbon emissions faster on a greater scale - that's fair enough; provides the know-how and resources, including funding to help business and public sector organisation. But what we should be doing is to provide the know-how – we have not got it yet. I think the MID Fund will have to look into ways and means of providing it, and support the development of emerging low carbon technologies.

I will come to the Solar Water Heater Scheme. We talked about being victim of one's success. It's a good idea. I note that almost all Members have asked about the Solar Water Heater Scheme and its future. May I remind the House that, when the hon. Vice-Prime Minister and Minister of Finance talked about it, the target was to double the number of solar water heaters in use in households. At the time it was announced, there was 25,000 solar water heaters estimated to be in use. And, accordingly, the budget was fixed to double that number, meaning 25,000 more, amounting to Rs250 m.

I would like to inform the House that, when the scheme was introduced, there were only six suppliers, and this number rapidly increased to 39. The scheme got invaded by suppliers, and

the hon. Leader of the Opposition was right. The scheme got invaded by suppliers with products of various qualities and standards. It is unacceptable! So, we set up a check process. We are doing what the hon. Leader of the Opposition said. I am glad to say that he is in line with what we have doing, though he may not be aware. We have put a stop earlier on to this potential abuse; I repeat ‘potential abuse’. Today, we have set up standards for these water heaters, and we have got the help of the MSB, the Ministry of Industry and from all quarters, to see that it is no longer supplier driven. It was driven by suppliers before. Quite rightly! The information has been given to this House! It is fictitious. We have had to stop and check. This is why there are two parts to it: the applications and the numbers; the numbers that have been vetted and approved, and there is also the number where it has been paid. And today, we have 4,500 payments, and probably the number will grow. This slowness of the process is because of what I have said before, but I can assure the House that I will make sure that no one abuses the system. It's not only a question of Rs10,000 going down in the pockets of people. We have a scheme to save energy. And if we embark on a scheme, which is wrongly done, it will fall into disrepute, and a good project will go *à l'eau*. So, we have to insist about quality, and also the period of guarantee. Some of them would not give more than three years. We have insisted on a guarantee of seven years and not supplier driven, but quality of product driven. This is the philosophy of it all, and we are now going to put inspectors to go round before dishing our public money, to see that it is actually installed and that it is working. It will take a little bit more fund, but I think it is well worthy that we do have these checks and balances on the spending of public money.

I hope that, from what I have just mentioned, the hon. Leader of the Opposition will be assured that public money will be well spent, and the appeal made is to look at it, not to close the door. For the moment, let's see how it works. Give us time, and then we will take the decision of how to proceed further. In the meantime also, we have opened it up to charitable institutions, hospitals and public buildings. All this is energy saving, and we are going ahead with it. Once again, I will reassure the House. But, Mr Speaker, Sir, the solar water heater is not new. It was introduced 10 years ago. And the mistake that was made 10 years has now been rectified. There was no control on quality. There was no grant; it was a loan. But there was no quality for 10 years, and we have started on this issue of quality control before we dish out public money.

Interestingly enough, we have companies that are aware of the corporate social responsibility. And we have two at the moment that have joined the Solar Water Heater Scheme. I visited one of them a few months ago at Mon Trésor Mon Désert and, as part of their corporate social responsibility, they have provided 120 employees with solar water heaters at their additional cost. What is interesting in that is that they went from house to house to inspect the houses, advise the employees about solar water heater, put them on the list, then ordered the solar water heaters, and helped them to put it up.

Tremendous! I really put on record that this is the sort of scheme that we should be following.

Next is RT Knits, which I visited, as I said, for other purposes. They also said to me that they are willing to install water heaters for their employees. They have 600 employees on the list. I think we should encourage others to follow as well, and they will do it.

Mr Speaker, Sir, we now come to independent power producers. I am sorry that the Leader of the Opposition adopted a very aggressive stand. Probably, he may be right or he may be wrong, I don't know, but let me tell what the facts are. Currently, there are four coal/bagasse

and one coal plant producing electricity in Mauritius on a year-round basis. There is a couple who do it during the crop season only. The technology used is in the chain grate system, otherwise called the spreader stoker system. This technology used for the combustion of either bagasse or coal in the boiler is old - I repeat this technology is old - and is less efficient than burning coal using other technologies such as pulverised coal or fluidised bed technologies. So, we are talking about coal-fired plants, with or without bagasse. The Leader of the Opposition mentioned 'this dirty coal technology' done away across the world. I replied to that, in part, on Saturday last, and so I won't dwell much on it. I am not sure, Mr Speaker, Sir, whether the coal is dirty or the technology is dirty. It can't be the coal, because it is the same coal that we have been using for decades. It can't be that. So, it must be the technology. May I remind the House – for those of you who have not been here - what is the latest power producing plant in Mauritius. The latest, most recent coal based power plant technology, is operational since 2005. As recently as three to four years ago, we had a new coal power plant entirely called Mauritian Power Plant, installed somewhere in the country. I think we should, once for all, clear this debate and acknowledge what happened, and then move on. The issue, at the time, was that unsolicited offers were received for new power plants from Medine and CTDS for coal/bagasse projects, and Suzlon for diesel power plant. A Request for Proposal was launched in 2002 for a 30 MW plant, and only two responded: CTDS and Suzlon. History will retain that the unsolicited coal/bagasse project, for which they were invited subsequently, turned out to be a coal only power plant, with outdated equipment, inappropriate, wasteful, inefficient, dangerous and hazardous to the environment, and coal transported over a long distance which adds inefficiency in the overall energy balance. So, it is as recently as 2005, Mr Speaker, Sir. A proposal for coal/bagasse turned out to be coal only, using inefficient equipment, using old technology, and this outdated equipment, as we all know - it is now in the *moeurs* - has been lying around for 20 years in various parts of the island. I won't go into that. But what is more important is the technology. That coal power plant is old technology. It is a spreader stoker technology, and this is dirty. I'll borrow the term used by the Leader of the Opposition. This is dirty, filthy and inefficient in terms of energy output. It is 20% less efficient. It produces more carbon dioxide and more bottom ash.

This project, Mr Speaker, Sir, had an EIA licence, I am informed, in a record breaking time of 60 days. Can you imagine 60 days to obtain an EIA licence? Some may say 90 days, I don't know, but 60 days. What is more important, both fly ash and bottom ash disposal were not provided for and are to be seen scattered in the country side – an ecological disaster! So, there we are! An inefficient plant producing more pollution, but worse, no provision made for disposal of the waste product. Mr Speaker, Sir, that's history! And I repeat again - it is worth that I say it – that world reserves in coal are immense and across continents - these are 2009 figures that I am going to quote - like China, Africa, America, Russian Federation. Amongst others, there are huge coal reserves, which can last between 100 and 200 years. So, the issue is not coal, but the technology. Coal power plants are currently being installed for the next ten years, and I have a list of all the countries that are installing them now. But, I will acknowledge, and I think we should do the same, that it is decreasing in numbers. But, for the next ten years, at least - these figures are there - they are being produced everywhere. I confirm that there is no carbon capture and storage technology on a commercial basis going on at the moment. President Obama and Joe Biden, in their recent address on new energy for America – it is only last month – have instructed the department of energy to develop on a commercial scale coal-fired plants with carbon capture and sequestration. It's state-of-the-art and not yet in commercial production. It is possible, and

President Obama and Joe Biden have instructed that they use new technology and device or whatever, and to apply them on a commercial basis.

Mr Speaker, Sir, I'll end on this. CT Power - it depends if it goes on or not. The Prime Minister has already said what is going to be done - is to use current technology, not the state-of-the-art. The state-of-the-art has not happened yet. There is no state-of-the-art. It will use pulverised coal, and more importantly again, it will make provision for disposal of ash. There will be an ash pond, secure, and there will, therefore, less pollution.

Mr Speaker, Sir, faced with this, what are our power options? Generation of electricity at micro level, wind or PV? Generation by wind energy, which has limited capacities because of the instability? Also wave, geothermal? We have expressions for ocean power production of electricity. People have shown interest. And, now, we have geothermal. I have listened to them. I received them, and we welcomed them. It is no good saying we closed the doors. And I hope that the one who is talking about geothermal is serious. But to prospect one site costs about USD4 m. So, there is quite a challenge on that side.

Mr Speaker, Sir, I have already talked about the Land-Based Ocean Industry, and I don't think we should go much longer about it. I can assure the House that it is ongoing. The project, started - and I think hon. Pravind Jugnauth talked about it - as cold water, 1,000 kilometres down and so on, that could be bottled and sold. We have not got the market for it, but we'll try. But, for sure, the interest is there to have salt water air conditioning. This is going on and, we hope, in the months to come, we will firm it up and come to the House with some valid projects.

Mr Speaker, Sir, from the energy sector, I will move on quickly to water sector reform. The potable water sector reform was initiated in 1998. A management contract was awarded to look at this non-revenue water. We are all familiar with it, I won't go along. Unfortunately, this one major milestone in the reform process, which should have been pursued, was stopped.

The previous Government decided to put an end to the contract and appoint an International Finance Corporation adviser on reform options. With what result, Mr Speaker, Sir? Two or three years lost, water running and the IFC came back and recommended the same thing, a Management Services Contract. We are going ahead with it; we are appointing a private sector operator, and I would like to inform the House that we are not doing anything that is not without the approbation and consult of the unions. I have had a meeting with Professor Olsen, both unions, the Wastewater Management Authority and the CWA, and we will take them along as we go ahead. But it is unacceptable that after decades of trial, we are still at a non-revenue water of 50% or maybe more. This is totally unacceptable and we have to get along, get the know-how and the technology that are needed, and go ahead with this project. It won't be solved in days, weeks or months, it will take years because there are about 1000 km of network to be changed, but we will make a beginning. I am sorry that, in 2000, for whatever reason, this was stopped. It should have been continued whether with another consultant or contractor, I don't know, but it should not have been stopped and discontinued and not started again.

The CWA, in the meantime, is doing very minor projects in villages and towns, and I am glad to say that we are getting some results, but nothing like what we expect on a national scale. And interestingly enough, looking at attending to losses, attending to pilferage, attending to sort of messing up with the system, they have been able to reduce the non-revenue water in certain quarters to 30%, which is good, but it is on a micro-scale, it is on a very small scale. We need to

do it in a much better and more professional way. Recently, the CWA has taken to name and shame the same people who are abusing the system.

Mr Speaker, Sir, I won't go at length, suffice to say that in Port Louis there is an absurd situation going on for years. When there are heavy rains, you don't get water because it is muddy. When it is dry, you don't get water because there is no water available. This is unacceptable. What we are doing is that we are putting up a rapid filter system to deal with it and we are putting up also eventually, as we all know, the Bagatelle Dam which has been ongoing for years, but we hope to be able to do it. With the introduction of the Bagatelle Dam project and a treatment plant, hon. Dr. David will be happy, because the south of Port Louis will be well attended.

I have listened Members concerning water supply from the east, north and south and everywhere, and I can tell them that what can be done will be done quickly and the other is medium to long term. There has been a study to find the best situation for a dam and it happens to be in the south, in Rivière des Anguilles. The proposed dam which is interesting enough for the information of this House is 15Mm<sup>3</sup>, but with the rainfall it comes to 50Mm<sup>3</sup> which is tremendous. So, it has got a tremendous potential and with that we will be able to meet the economic development needs of the south and the south-west of Mauritius.

At Mare-aux-Vacoas, there is a problem coming up, Mr Speaker, Sir. The water requirement has increased over the past three or four years. From 19,000 cubic metres per day, it is now 110,000 with rainfall being uncertain for some reason or other. So, we are thinking of diverting water to Mare-aux-Vacoas to address the needs. This is one reason where there are complaints that the water is being switched off during certain hours, it explains it; everybody believes that there is a lot of rain and it's unlimited, but that's not the case.

In the wastewater sector, Mr Speaker, Sir, you shake your head and you wonder what is going to happen. The programme was initiated in 1998, we have accumulated today three years' delay and it is not your fault, it is not mine; it's the system, we don't have technicians, we don't have managers, we don't have people to manage the system, we are short of these and, yet, we are embarking on *milliards de roupies de projets*. We have to look at this again, how we deal with it.

Just to give you an example. On the National Sewerage Programme, there is a delay of three years. What does this mean? This means the Plaine Wilhems Sewerage Project Lot 2, estimated at Rs1.2 billion in 2001 was awarded for Rs2.3 billion. Rs2.1 billion was wasted over the years on haggling and discussing on all sorts of things.

The Baie du Tombeau project was estimated at Rs300 m. in 2002 and was awarded at a cost of Rs464 m. in 2007 - delays costs, and we have to address this issue at the root of it all. The private sector and the PSO, I hope, will attend partly to this problem, but we need to do some rethinking about it and we will, in due course, do it.

Mr Speaker, Sir, I cannot end without talking about summer time, also called Day Light Saving Time. I remind the House that this was introduced on a pilot basis after legislation passed in this House. It was on a pilot basis and I apologise to Members here who felt that they and their *mandants* had to pay the price of it. It was a trial, it had to be done and has been done and the conclusions are as follows. I quote what was in the Budget Speech –

“To reduce peak demand by some 15 MW and reduce energy consumption by 3 to 4 Gwh.”

The result is reduced by 13 to 18 MW, which is above the range and the total quantity of energy displaced from peak to off peak period was around 3.4 Gwh. So, the calculation is fairly clear, and the monetary savings are around Rs36.4 m.

Mr Speaker, Sir, by the end of this month, I will submit a full and detailed report including the economic impact, social aspect and social acceptability. I thank the Mauritius Research Council, the Joint Economic Council, the Mauritius Employers Federation, AHRIM and the Central Statistic Office for their inputs in the assessment of the impact of summer time pilot project.

As I say, the objective in terms of energy has been achieved, but whether it is acceptable, whether we want it, when we provide all the information - as I said from the beginning, we are not here to defend any stand; we are here to provide information, let the public decide what they want, and then we'll decide the way ahead.

Mr Speaker, Sir, I have taken the time of the House, and I will leave maybe on a little bitter note, if you would excuse me. In 1997, I was forced, and I said it, to take an alternative path and, today, I find myself here. At that time, I said to my friends to read the old mariner's tale. I hope they have read it, but it is a bit allegorical and, a few months or years later, I talked about drowning but not waving, and hon. Bhagwan reacted very violently to that. Today, I would advise them to read Lewis Carroll poetry about The Hunting of the Snark, and we'll find there some political philosophy. And with that, I leave you to ponder.

Thank you, Mr Speaker, Sir.

(3.30 p.m.)

**Mr J. Cuttaree (Second Member for Stanley & Rose-Hill):** Mr Speaker, Sir, listening to the hon. Minister of Finance not only in the House, but in all the statements he has made outside the House, he would have us believe that during the past nearly four years he has done so many great things with the economy of this country that today, in spite of all the problems which the world is facing, he has been able to create a resilient economy, Mr Speaker, Sir. If we look at the Additional Stimulus Package document, which he presented at the end of last year and which we debated a few weeks back, it is all about the problems we are facing. There is a whole section in the document entitled: “Reforms have saved the economy.” He is right! We are saved! But then, why do we need to discuss all the problems that the economy is facing like restructuring, handouts and fears for jobs, because he has changed the economy into a resilient economy and we are all right!

Mr Speaker, Sir, let us go back to the reform programmes of the hon. Minister, which started in his Budget of 2006/07. Mr Speaker, Sir, I ask a question to Members of Parliament: why don't they go and ask people out there: when you remember the Budget of this Government, what do you think of? Removal of exemptions for individual income tax, studies abroad, insurance, mortgage loans, NRPT, examination fees, denial of school children food and we can go on like this! This is what is in the mind of people. This is why even the Taxpayers' Association, in their recent memorandum, asked Government to review some of the measures like the NRPT, tax on savings and level of exemption for income tax purposes.

But then the hon. Minister did two things also. He eased procedures for doing business - I have no quarrel with that - and he also reduced the corporate tax from 30% to 15%. He had to balance one against the other and he chose to do it that way. Mr Speaker, Sir, this reform of the hon. Minister and the Government, if you can sum it up in one sentence and this is the national consensus about that Budget of that reform is that it is a reform which lacks fairness and it is biased in favour of the owner of capital.

However, the hon. Minister claims that it is this reform which has encouraged investment and growth. Indeed, in the Budget Speech of 2006-07, there is a highly politicised and gloomy statement about the situation that the Government is supposed to have inherited after the last general election. So, the situation was very bad and everything was going wrong with the economy. Then, he comes along and, within one year, Mr Speaker, Sir, he claims that he has had results which are beyond expectations, the country is on the path of growth and investment is flowing in.

Does the hon. Minister want this country, any person or economist in the world to believe that if they inherited such a bad economic situation, could they have turned that economy round so much within one year with the measures that he brought in? He must be a magician. Well, this is one of the words that he has not used about himself; maybe he will start doing it now.

Mr Speaker, Sir, indeed, one has to ask what happened in 2005/06, the years after the general elections. It is true that private investment, FDI increased and that growth also increased. But it is important to ask oneself is in which sectors did this happen. The Government came in 2005. Between 2005 and 2006, when they claimed that the economy had turned round, give one sector that they have opened up to allow the economy to turn around?

Indeed, Mr Speaker, Sir, I looked at the report of the Board of Investment, Ministry of Finance for year 2006/07. If you look at the distribution of investments by sector, where did this total investment for 2006 come from? What are the sectors which attracted the investors?

First, we have 42% for IRS. Maybe, today, they will say that they were behind the IRS. Somebody before had been qualified as saying '*pas moi ça, li ça*'. Maybe this one will be known as '*pas li ça, moi ça*'. Second, we have seafood: 11%. Thirdly, we have ICT: 13%. Fourth, we have hotels. You remember the number of hotels which we launched and we encouraged to put on *chantier!* They said that these hotels would be empty. No one would go in these hotels, there was going to be too much hotel capacity! *Pas touche nou la plage!* Some people were even organising demonstrations all over the island against the opening of these hotels.

Mr Speaker, Sir, if you add these four sectors, you will get 42% for IRS, 26% for hotels, 13% for ICT, 11% for sea food; the total of these four sectors is 90% of total investment. Why is this so? Because we had created these sectors and they were building up. Mr Speaker, Sir, if you look at the ICT sector, the Labour Government, at that time, created the Ministry and by the time they left there were only 250 people working in that sector. Then, Government changed, the then Prime Minister, Sir Anerood Jugnauth, went to India. I think it was in August or September 2000. He met the Indian Government, the then Prime Minister, Mr Vajpayee, and he obtained the support of India to launch an ICT industry in Mauritius. The result was that we had one line of credit of \$100 m. to launch this new sector, Mr Speaker, Sir. When this happened, we had to create the infrastructure for people to come and invest in this sector. This is where we created three cyber city towers. What were they saying? *Eléphant blanc!* Now, they will say they did it,

but it was on Illovo land. Maybe they also did the Illovo deal because they have got the land; maybe they did the Illovo deal, they are going to build Highlands and the new University. After some time, you will start hearing about this, I will not be surprised.

Do you know why investment came to Mauritius? I read it in the BOI report. They have a page on Accenture, the world leading company in ICT, and they quote the Chairman, the Senior Executive of Mauritius Centre of Accenture who said –

“Accenture has started its operation in Mauritius in January 2002. Mauritius Centre is part of our global delivery network. We provide services to Europe and US clients for its development and BPO with a team of 600 people. We are constantly growing (...). We chose Mauritius based mainly around three areas which demonstrate the ability of Mauritius to deliver high value BPO and it is as an offshore location. People of high skill professional, bilingual French, telecommunications are reliable, infrastructure is reliable, the environment is there.”

Accenture says that they came to Mauritius in 2002 because of these attributes which we created. Mr Speaker, Sir, when you have a booming investment in these sectors, they come around and say: after one year we have been there, we remove the food from the children’s mouth, we tax savings of people and so on. And there were so many billions of rupees worth of investment coming. Then they will all sit and clap. I say ‘great’!

Mr Speaker, Sir, if you leave this to one side for a moment, and we come to the situation that we are facing, if we look at the three Budget Speeches of the hon. Minister - 2006/07, 2007/08, 2008/09 and then 2009/10. The first three speeches, Mr Speaker, Sir, were self-congratulatory. There were big Budget Speeches which have been written to the glory of the hon. Minister. Highly optimistic! I can quote page 58 of the first one –

*« A travers le budget que je viens de présenter le gouvernement a défini la loi de l’avenir et de l’espoir. Nous avons proposé un nouveau modèle de développement, accès sur l’ouverture, l’initiative et les risques calculés. Nous avons lancé une réforme en profondeur de notre économie, de nos institutions, de notre société pour que Maurice toute entière puisse se transformer et affronter les défis présents et à venir avec confiance ».*

The next one is in the same vein, he goes along and he says how brilliant he is and how he has been able to do great things for the country. I quote him –

“Last year we braced ourselves to face the confluence of threats coming from everywhere. We have done it. Today, we are harnessing the waves of opportunities and there are many. The future looks bright.”

In 2008/09, he says –

“There can be no doubt that strong dynamics in our economy bearing the promise of all resilience and even higher growth paths, more rapid rise in the standard of living and more solidarity”.

Then, suddenly, Mr Speaker, Sir, we have the Budget Speech of 2009. All these great things which were happening in the country, and then suddenly we hear –

“All these set a glum and favourable and even hostile backdrop of economic growth in Mauritius. This unprecedented economic storm is already pounding our shores; it is affecting the real, fiscal, financial and the external sectors of our economy.”

So, suddenly, we have a Budget which says that this country is facing a catastrophe. If you read the four Budget Speeches together, this is what you find, Mr Speaker, Sir. I said that before; I do not say that the hon. Minister did not know what was happening. If somebody is intelligent and he does something which appears stupid, I do not say he is stupid. I ask myself the question, why? Because he is thinking that he is the saviour of everything. He does not focus on what should be focused. He was more concerned at being self-congratulatory. Why he did that Mr Speaker, Sir. The Opposition, for two years, had been ringing the alarm bells in the EPZ, in the tourism, on the current account, on the level of reserves.

I remember hon. Bérenger, the hon. Leader of the Opposition, had been giving a press conference on these issues. Do you know what happened? Hon. Dr. James Burty David, as communication adviser of the Labour Party, and his Secretary-General, Mr Virahsawmy, went on the TV to make a statement. This was broadcast six times. They made a statement, saying...

*(Interruptions)*

**Mr Speaker:** The hon. Member can talk about what hon. David said. But the other one who said it is outside the House, and the hon. Member should not bring it here.

**Mr Cuttaree:** A Minister in the House has gone around and threatened the hon. Leader of the Opposition on the TV. He said: “*dire li faire attention, na pas faire population paniquer, nou pou deal are li.*”

I almost saw him in prison for one year without trial.

Mr Speaker, Sir, this is history. No one can deny that. But then, Mr Speaker, Sir, consistently, the economic commission of the MMM, the various people who speak in the name of the MMM have been saying that we will see a contraction in the EPZ of 30%; that, by the end of this year, we will be seeing double digit unemployment figures; that tourism arrival will go down by 25%; that tourism revenue will go down by 30%; that we are going to have a deficit which we did not have before; that the level of debt was going to become unsustainable. We said that we will have no choice but to go to the IMF. The IMF is already pounding at the door, Mr Speaker, Sir. Indeed, there are various sectors and, to start with, let us take the EPZ, because this is the sector which is the most fragile and where the problems can really cause lots of social upheaval in this country. For a long time, this problem of the EPZ has been with us. We have been facing the problem of globalisation, the problem of the loss of preferences. And, in this Budget of 2006/2007, the hon. Minister said two sentences –

“In the manufacturing sector, restructuring is most pressing for textile and clothing.”

And then he says –

“We will require significant amount of financial resources to tackle these problems.”

And, then, what did he do? Mr Speaker, Sir, the only thing he did was to tackle what already existed. There was a National Equity Fund, which we had set up before. In his Budget, he said there was Rs500 m. in that National Equity Fund, out of which he would take Rs250 m., and use it for equity, for reengineering of firms. We know who have benefited from this Fund.

And then, he said that he would make sure that there is another Rs250 m. from the private sector to create a second Equity Fund, thus making a total of Rs750 m. available for restructuring, and that Enterprise Mauritius will work with both the EPZ and the non-EPZ to facilitate restructuring.

One year later, Mr Speaker, Sir, in his budget, he himself explained the dire situation in which the EPZ was finding itself, and the need for financial resources to restructure. He announced that the SIC had already contacted a private partner and is setting up the Fund with Rs500 billion for restructuring. And one year later, that partner had disappeared!

Then, if you look at the Budget of 2008/2009, there is no programme for the restructuring of the EPZ! On the other hand, without doing anything, what does he say? The textile sector has pulled through its difficulties, and forecast that this sector will grow by 4.6%, this year, that is, in 2008 and 2009. He did nothing to address the structural problems. He said that in June of last year. Six months later, he comes up with a Stimulus Package, saying there is a catastrophe which is looming up for that same sector. Mr Speaker, Sir, what did he say? In the Stimulus Package, he said –

“(...)Our Export Oriented sectors, particularly textiles and tourism are the most severely hit by falling demand(...)”

Mr Speaker, Sir, what is the solution then? He announced some new efforts. If you look at the Stimulus Package, there is nothing in it. Do you know what he said? I quote –

“Firms of all sizes across the entire economy are affected(...)”

Manufacturing and Export Sector

First, for export oriented firms, we will give assistance to make up for falling demand in Europe.”

How will he do that?

“We will set up a representation unit to provide marketing back-up and marketing intelligence to support companies in the US market to take full advantage of AGOA including the derogation under AGOA for textile and apparel firms.”

This is all. Structural problem, restructuring, liquidity problems are going to be taken care of by this unit by looking for markets for these firms. But he came up with a Manufacturing Adjustment SME Development (MASMED) for Rs500 m., and he said this was for Small and Medium Enterprises. Now, he is coming with a Saving Jobs and Recovery Fund to take over MASMED, and this will have Rs3 billion. Of these Rs3 billion, he is going to take Rs500 m. to give to SIC to purchase assets. In his Budget Speech, he does not say what are the procedures which are going to be adopted for the disbursement of fund for this Saving Jobs and Recovery Fund. Therefore, let us assume that it will be the same procedures as for MASMED. He should have said it, but he didn't do it. Therefore, we have to assume that it is going to be that. What is that programme? He says in the Speech that the Saving Jobs and Recovery Fund for textiles and clothing manufacturing will have Rs500 m. available for equity support, for liquidity working capital, including guarantee for bank support and asset purchase for asset, etc. He also said that the firms will have to prepare all credible reengineering plan for equity support. However, what is the key element in that? The key element in that is the commercial banks which will decide!

If I read the Minister rightly, he says that he is proposing to have a committee, chaired by the Ministry of Finance, comprising of the Bank of Mauritius, the JEC, the Mauritius Bankers Association, and the Ministry of Industry. These are the people who are going to monitor this programme. Therefore, I ask the hon. Minister a simple question, but which everyone is thinking about. Can he tell us what is the response of the banks to these proposals? How are they responding? Are they going to collaborate? Are they prepared to put their money there? What are his expectations of the success of this proposal for restructuring or re-engineering, Mr Speaker, Sir? My information - I may be wrong, but this is the information I have. Of course, the hon. Minister is in a better position to tell us about that - is it that the banks do not believe that there are many firms that will be saved by this proposal. I speak under the correction of the Minister. Of course, he himself said, as my friend, hon. Ganoo, is telling me, that he cannot give any guarantee of what is going to happen. But the procedure which is being utilised by the bank is very clear. The bank, that is, one main bank, is appointing independent consultants to look at the firms which are in difficulty, and the consultant will report whether these companies can be turned around. And, if the answer is yes, then they will look at the proposal. If the report is in the negative, no lend. So, this whole process for the saving of enterprises is - if I may use a French word - *très aléatoire*. And we want to hear what the Minister has got to say about this.

If we look at the EPZ, the problems are twofold. First of all, due to the recession in our main markets, the effective market has been reduced considerably. People are not purchasing and, therefore, we cannot sell. The second point is that we have a problem in terms of prices. Because the market is small, our competitors are cutting down prices, when they are not being subsidised, to be able to hold on to their market shares. Thirdly, with the recession, the market has changed, that is, people who were consuming medium-range type of clothes are now going back to more basic type of clothes. But, if you look at the EPZ sector in Mauritius, one finds that not all firms are facing the same difficulties. There are firms which have structural problems, which need re-engineering, which need restructuring, and these are the same firms which are having these liquidity problems. Therefore, the question one has to ask is: will solving the liquidity problem solve the structural problems, to enable them to compete? And I think this is the basic question which any financier, whether it is Government or the private sector, the banks, is going to ask. And, the Minister, himself, says that the re-engineering will prepare the firms which have problems to bounce back when the crisis is over. When will the crisis be over? I don't blame him if he says he does not know, because I don't think many people know. We don't know. Therefore, we don't know how long the bailing out is going to be. Therefore, if that crisis is long and deep, will the Government have sufficient resources to keep bailing them out until the situation changes? I understand that the banks have given themselves a maximum of 18 months, but then they would have their consultants to monitor all along how the situation is moving, to make sure that they don't lose their money. These companies have liquidity problems, cash flow problems - whatever it is or whatever you want to call it - some of them do not even have money to pay their workers. They are not getting paid by their clients, and these firms are already indebted severely. When you are giving them additional loans, you are, in fact, increasing their debts. Therefore, if the crisis lasts for long, a fundamental problem will be raised for the Government. The question is: what would be a reasonable expectancy that the Government will be able to recover the public funds they have advanced? The other question is: what about those firms which are doing well, but which are worried about the future? These people are not asking for money. But, they are drawing the attention of the authorities to the fact that if the latter does not look at them and the problems they have, they will join the queue of

those which have problems. What is the main problem, Mr Speaker, Sir? They are talking of the parity of the rupee. Obviously, I am not going to get involved in that. But, the other problem is their competitiveness, which is being affected by the cost of inputs. These people buy inputs at monopoly prices. They have to compete on the international scene but, here, they are restricted to purchase their inputs at monopoly prices from the CWA, the CEB, the Wastewater Authority, the STC, and we all know the problems of inefficiency - not to say more - we find in these parastatal organisations, Mr Speaker, Sir. I was shocked to learn that the energy items, in fact, amount to 10% *du chiffre d'affaires* of these companies, and that their labour cost is about 15%. I know what I'm talking about, because I got the information. 15% labour cost and 10% energy items, Mr Speaker, Sir. And, then, what are we talking about here? All the time, there is a big hullabaloo about the cost of wages, increase in salary compensation, productivity, whereas, at the same time, through inefficiency of the STC - the way it works; no transparency - and the CEB, you are actually making these people pay astronomical sums.

Only through the last two increases in the price of fuel oil - people can go and check - the fuel cost of some vertically integrated companies has gone up, Mr Speaker, Sir, by Rs1 m. per month. The hon. Minister cannot say he does not know about it. What are we going to do with the cost of freight, with Air Mauritius, all these problems which are killing the firms which have successfully been fighting to be able to stay afloat? Therefore, Mr Speaker, Sir, there is a big problem here. Unfortunately, again, Government has done nothing. The hon. Minister does not tell us whether, first of all, he is aware of the problems and second, what he is going to do about it.

The same thing happens for the Small and Medium Enterprises. We talk a lot in this House about the SMEs, their potential for employment creation, democratisation, help to small people and women in difficulty. This is where the future and stability of the society lie. But, Mr Speaker, Sir, over the past four years, various funds have been allotted for use by SMEs. I will ask a question, and I hope the hon. Minister can answer. He is not responsible for that. He puts up the funds, but he is not responsible for the result. It is his duty to ensure that the results are there. Therefore, the question I am going to ask him is: how many projects where the SIC, the Development Bank, SEHDA and Enterprise Mauritius have been involved, have been successful?

Indeed, Mr Speaker, Sir, if we look at the Stimulus Package, it highlights the vulnerability of the Small and Medium Enterprises, and states there is a need to reengineer, improve access to financing and restructure, that financing is available, and that Enterprise Mauritius is here to help them develop a business plan for them to be able to get the money.

But what has been the result over the years? I quote the president of the Small and Medium Enterprises Federation who, in March 2009, said that, since 2008, 2,000 jobs had been lost in that sector, and that the proposal in the Budget failed to address their main problems, namely the failure of State institutions to accompany them successfully, Mr Speaker, Sir.

Indeed, what the operators say is that, every year, it is the same thing. They make requests, Government makes proposals, and the result is that nothing is implemented. For example, I think three or four years back, the SIC was going to spend Rs200 m. every year to provide equity to SMEs to help them develop. Do you know how much has been spent? Out of a potential of Rs600 m., only Rs60 m. have been spent. Do you know why? It is because the

SIC wants to put its money in profitable enterprises, instead of trying to help these enterprises to become more profitable.

We all know about the failures of institutions like SEHDA, Enterprise Mauritius; internal bickering, Minister on one side, Chairman on the other side, Chief Executive on the other side, politicisation, the chain of command does not exist, people do whatever they want to do. No solution has been able to be brought about because of political reasons, and the biggest losers in that situation are the SMEs, Mr Speaker, Sir. I understand that the Minister has put funds at the disposal of the empowerment foundation to help the SMEs, but the money is not disbursed because the business plan of these enterprises, which should have been prepared by Enterprise Mauritius, have not been done. Enterprise Mauritius has done nothing to help in the development of these business plans. And, maybe, this is why, in the Budget Speech, here, the hon. Minister makes reference - he does not talk about SEHDA or Enterprise Mauritius, he talks about the Ministry for Business - that he is going now to make sure that consultancy firms are going to help the SMEs. *C'est un aveu!* If you need one! The Minister is telling us that, what has been done in the past three years, giving this responsibility to Enterprise Mauritius and SEHDA to help, has not worked and that, now, to be able to disburse these funds to help the SMEs, he has to go and seek support from private consultants, Mr Speaker, Sir.

Concerning the Development Bank, Mr Speaker, Sir, lots have been written and said about it. On the one hand, there is SEHDA, on the other hand, there is Enterprise Mauritius; and now, we have got the Development Bank. But, if we look at what the hon. Minister of Finance talked of, namely the safety net for the SMEs and micro enterprises, none of these institutions are being mentioned as going to be involved with the SMEs.

Furthermore, I have been given to understand – I hope the hon. Minister will be able to clarify this – that the Minister himself has proposed that a new organisation be created, 'englobing' SEHDA and the Development Bank, to have an efficient organisation, a new one, which would be able to work with the SMEs. I understand that there were consultants who have been working on this project, but there is no mention of that in the Budget. Is it because, once again, this is too tough a political nut to crack, even for somebody like the hon. Minister of Finance, Mr Speaker, Sir?

The other problem, as I said, is the problem of markets for Small and Medium Enterprises. I know that some people have been saying that Small and Medium Enterprises do not work only on the domestic market, but work on the regional market. But, we all know that this has not been a success. I have been Minister of Industry, and I know that it is difficult to work on the regional market and, with the economic problem the world is facing, the regional markets are going to become much more difficult for the small and medium enterprises. Therefore, we have to look at the local market. But, it is obvious that these small and medium firms cannot compete with imports on the local market. I saw in one of the Budget Speeches that mention was made that these local firms will have to be given assistance/support for them to become resilient and competitive, in order for them to be able to compete against cheap imports which are coming in. Fair enough! But what has been done? Nothing! The situation, being as it is now, the purchasing power in Mauritius is down on the local market. The market is difficult. Countries like China, Thailand, Malaysia – I can go on and on - are cutting prices, as part of their philosophy of exports. These imports, which are coming in, are going to be cheaper than what they have been, and they are going to kill the small and medium enterprises. This is why I don't understand how is it that, in his first Budget, the hon. Minister came on with the removal of

tariffs on a whole list of products, which are actually produced by the local entrepreneurs and, instead of people producing locally, the imports have gone up. I was talking to the hon. Minister responsible for international trade the other day. I told him: let us not think that it is not possible to protect our industries. The tariffs are low: furniture, shoes, *mine appollo* or whatever it is. The tariffs are either zero or low, but there is absolutely no problem with the WTO to raise the tariffs, because we have bound our tariffs at 65% - if I am not mistaken - and our effective tariff is about 8% to 10 %. If the Minister wants to raise the tariff to protect these small industries, there is absolutely no impediment; it is the political will which has to be there, Mr Speaker, Sir. Obviously, I am not talking about the regional market, which is different, but I am talking about imports in these countries I have just mentioned, especially in Asia. Mr Speaker, Sir, I don't understand why Government hesitates to raise the tariffs as a protection to these local firms. The Minister knows about the problem, because, in his Budget Speech, he said that he is going to freeze the tariffs. It is not a question of freezing the tariffs. If you freeze the tariffs, you are creating a situation where there is a *status quo*. What we need is to increase tariffs, to give a lifeline to these people. This can be done if, as I said before, the political will is there. The hon. Minister of Business has laid great emphasis in various statements on the SME Bill. About three months ago, he said that the new Bill was going to come. The Minister mentioned it again in his Speech, and, maybe, he will have a chance to tell us when that Bill is going to come.

Mr Speaker, Sir, let me now make a few comments on the tourism sector. The Vice-Prime Minister and Minister of Tourism, hon. X. L. Duval, was very optimistic about what is happening in the tourism sector. I don't need to quarrel with him; I hope he is right. We all hope that he is right, but we will know in the months to come, Mr Speaker, Sir. There is one thing, which I don't understand, namely this hotel reconstruction scheme, there was a big hue and cry on Government side and various quarters, about the low rentals which hotels are paying. Therefore, recently, he raised all these rentals. Suddenly, he comes along and says that, now, he is going to go back to the old rental. He didn't see what was happening. Mr Speaker, Sir, I think there are three hotels which are in this situation of reconstruction. Two of these hotels are actually on freehold land. There is only one which is on leasehold land, and that is Coco Beach Hotel. Everyone knows that Coco Beach Hotel is already in the process of reconstruction. They have closed down; they are selling all their furniture, and the hotel is going to be pulled down before the Budget. So, this is going to be manna for Coco Beach Hotel. How do you explain that? Sun International made, I think, Rs2 billion or Rs3 billion of profit last year. Now, they are reconstructing their hotel; they have already started the reconstruction, and you give them manna, *ène ti casse!*

Mr Speaker, Sir, there is another issue - it is too important; I have to mention it - which is the IRS. What the Government is doing now is a symbolism of its hypocrisy when it was in the Opposition. What didn't they say then about IRS! Economic apartheid! They said that hon. Bérenger is going to get all the 'white' to come and live in Mauritius! Hon. X. L. Duval said that we are going now to go back in time, where all the Mauritians are gardeners, maids and drivers. Everyone knows that. And now, what are they doing? Now, they are going to help the promoters on IRS; these people are going to be allowed to take loans in local currency to be able to purchase. Now, there is going to be cash flow relief for promoters of IRS. I never thought I would live to hear that. Thirdly, IRS promoters are now being allowed to do *morcellement*, with all facilities. They are allowed to do *morcellement*, but on condition that they sell their plot at half a million US dollars - Rs15 m. Democratisation of the economy!

## (Interruptions)

He hasn't interrupted me, and I appreciate that. He is smiling, that's a good sign. Even in the bleakest period, one has to keep the spirit. I am being nice to him; I said that he is not responsible for this.

Mr Speaker, Sir, I heard on the radio today - I don't watch T.V - the hon. Minister was saying: "today I am going to deal with the Opposition about infrastructure." He said we did not do anything, I have got a whole list of things that we did, and I will just mention a few. You know, in the wastewater, in four and a half years, we disbursed Rs10 billion. The hon. Minister, I think, mentioned that we did not do anything about *l'hôpital Jeetoo*.

## (Interruptions)

Not him, but somebody else said that on the radio. I heard that this morning. Maybe, he has been badly quoted. We created Brown Sequared Hospital, the Souillac Hospital, we did completely the Flacq Hospital and we put the money in the Budget for Dr. Jeetoo Hospital. Who is responsible if this is not done? I would advise the hon. Minister to get somebody to look at the Director of Audit Report and to draw to his attention what the Director of Audit's says on the Dr. Jeetoo Hospital: if this hospital has not been completed already, it is due to the incompetence of the people who are at the helm of the Government, Mr Speaker, Sir. If you look at the draft Capital Budget of 2006/2007 and under Dr. Jeetoo Hospital - project value: Rs800 m., cumulative expenditure up to 30 of June 2005 - when we left Government - Rs47 m., estimates for 2005 and 2006: Rs75 m., revised estimate: Rs2 m., and estimates for 2006 and 2007: Rs30 m. This is their Capital Budget. They should go and try to find out what has happened to Dr. Jeetoo Hospital.

We can go on about schools, housing, social infrastructure, roads, NDU works. We can go on and on and if we take the environment, you will see what is the amount of money the previous Government spent to ensure that there is sustainable development in this country. If we again go back to this problem of infrastructure, let me tell the Government one thing. They might vote any amount of money, billions of money, but the question I ask the hon. Minister and the Government is: does he believe that this Government, this administration has got the capacity to deliver? And I tell you, Mr Speaker, Sir, that I think this is the biggest problem we have in this country. It is the capacity to deliver on infrastructure. When you read the audit report - I am the chairperson of the Public Accounts Committee where there are many Members on both sides of the House - all around you find problem, inadequate staffing, incompetent staff; sometimes, things happen which border on corruption and then politicisation, *laxisme*, obviously, but the wrong choice of people very often for political reasons. All these problems have been highlighted and, in fact, for last year, if you look at the report of the Director of Audit for 2007 and 2008, financial mismanagement has led to cost overrun of over Rs5 billion. In one year, cost overrun of over Rs5 billion. What is the Government going to do about this? If you look again at what the Director of Audit says in his report last year, Mr Speaker, Sir, in terms of project implementation - and I advise the hon. Minister to maybe have a look at that -: 'if the shortcomings relating to project implementation are properly addressed, Government can mitigate most of the unnecessary costs arising therefrom. Those shortcomings call for an urgent need to review the whole concept of project management from inception of project to final handing over'. And when I say that it is the Government which is responsible, it is because what the Director of Audit says!

The recommendation made in the report of 2005 and 2006, which are reproduced above, are still relevant. Three years - nearly four years - before, the Director of Audit highlighted these problems. Nothing has been done. We lost Rs5 billion of taxpayers' money last year because of these problems. There is not a single word, I have not heard a single Minister, even the Minister responsible for infrastructure, coming and addressing this problem and say there is a problem there. We are aware of this problem. What are we going to do to solve the problem at a time when we have a crisis like this, which is buffeting the shores of Mauritius, when they are telling the *veuves* and *orphelins* that they should not have 2% increase on their allowances, when they are denying the poorest workers a salary increase which is *calqué* on the rate of inflation, that is, they are reducing deliberately their purchasing power? Government is losing money and they are not doing anything, they make as if the problem does not exist, they don't know about it; for three years, they have been sitting there, doing nothing, and this is not political - it is in a way political because it shows the callousness and the incompetence of those who are running this country today, Mr Speaker, Sir.

I come to the last part of my speech, Mr Speaker, Sir. The hon. Minister makes a great deal of his objectives of saving jobs. Labour legislation in all countries of the world has, as one of its objectives, the protection of the workers, and the protection of the workers is above all the protection of his job. If you have to summarise the piece of legislation which was voted in this House - the Employment Rights Act; and I don't think there is anyone who can disagree with me on that - the main result of this legislation is that it has made employment more precarious in this country. It is much easier for employers to sack workers. At a time when the Minister says that workers are threatened, at a time when he is appealing to the employers not to sack workers because of that situation we are living in today, at the same time there is a piece of legislation which makes it easier for people to lose their jobs.

Mr Speaker, Sir, in 1982, I was Minister of Labour in the Government. This was a time - I am giving a factual statement - when there were over a hundred thousand unemployed people in the country. People were losing jobs, factories were closing down. And what did the Government do? We amended the Labour Act to bring in section 39; I was the Minister at that time. This section 39 made it impossible for an employer to sack a worker in any circumstance, unless he employs more than 10 people. It goes to the Termination of Contract Services Board, and he cannot do that before four months.

Now, you have a piece of legislation, Mr Speaker, Sir, which gives the power to an employer to sack somebody for economic reasons - this is what we are dealing with - and he just has to inform the Permanent Secretary of the Ministry of Labour. There is no compulsion on him to justify that he has to do that. He can notify that worker any time that he is going to be thrown out. How can you, on the one hand, say that you want to protect the interest of the workers, when, at the same time, you have just put up a piece of legislation like this on our legal books; this is a text, an Act of Parliament, which you have passed, at the time when you were preparing the Stimulus Package. What callousness! And, then, you talk about putting people first, saving jobs, saving this and that! I don't think anyone in that Government will have the guts to come and say that: alright, we are giving Coco Beach back the returns on their rental. We are doing this for the IRS, but we are going to go back on this legislation for 18 months, just like we are doing for the other things, because we need to protect the workers. Do it for the next 18 months, and the people of this country will be grateful to you, even if it is only one person who does not lose his job!

Mr Speaker, Sir, as I said before, since the economic crisis of the 1980s, this country took on a new path in 1982. Many Members, even if they find themselves on the other side of the House today, have been participating in that reflection and in that exercise to develop a new paradigm for the country, even if today they spit into their own plate, in which they have been eating. This was export-led growth. We developed a new growth strategy, and that growth strategy allowed this country, as time went by, to enjoy a relative prosperity, Mr Speaker, Sir.

When the attributes we had, like plentiful and cheap labour were no longer with us, we invented new strategies, new pillars like financial services, hotel development and more recently ICT, seafood, IRS. All along, we came up with new pillars to make our country more resilient, to give jobs to our people and protect our society. And this strategy, which we had, was elaborated in a period of sustained growth. And this was foresight.

Now, the situation is different. There is a grave, serious economic crisis which is affecting us. My problem with the Government is that it is looking at this problem merely *d'une façon conjoncturelle*. It is not going to the root of the problem, and it is only adopting fire fighting measures to face the consequences of the crisis. Indeed, this is why what I found is very interesting. The hon. Minister, all along, states that, after the crisis is over, our economy will act as it was before, textiles, tourism and financial services will be fine. It is only a question of waiting for 18 months - although, sometimes, he says he does not know, but I don't blame him for that, because no one knows – and, then, things are going to be alright.

But I don't think so, Mr Speaker, Sir. If you look at the recession of the 1930s, when it was over, there was a new world economic order which came. Those who did not prepare themselves to face this new world economic order were swept away. This is why, for us in the MMM, the question is not about one measure here or another measure there; we would have done it and we would have done it in time. May I remind the hon. Minister that, when we asked the hon. Prime Minister, who was the then Leader of the Opposition, why he does not come up with ideas, he said: "I don't come with ideas, because I don't want you to steal them." This is why, as I said, the MMM is working on a strategy to reinvent Mauritius, in order to enable this country to face this new world economic order, which will inevitably emerge after the present crisis is over.

Mr Speaker, Sir, we are now dealing with a crisis which can have profound effects on our people. The Minister of Finance has come up with proposals, which he says will bring the required solutions. I hope he is right. But, I firmly believe that he has got it all wrong. It's not now that he gets it wrong. He has been getting it wrong over the past years, when his duty was to restructure the economy to adapt to the changing world circumstances, globalisation, preferences and all the crisis brewing up. Had he taken the right measures, instead of self congratulating himself, our situation would not have been as precarious as it is today.

Mr Speaker, Sir, my message is very simple: Government has lost the plot, and is now panicking because it did not anticipate the gravity of the crisis. And because it did not anticipate the level of the crisis, it failed to take appropriate measures at the right time. It allowed the situation to degenerate so much, that the Minister of Finance cannot today say what will be the result of his measures. I always like to refer to history, as it makes you realise that situations repeat themselves.

Mr Speaker, Sir, in 1940, you would remember there was Chamberlain. He was having a lot of difficulties because of the war, and he had started to go into disgrace. There was a

conservative Member of Parliament, called Leo Amery, and he made a magnificent speech, quoting Oliver Cromwell. He said to Chamberlain: "Let us have done with you. In the name of God, go!" This is what I tell the Alliance today. In the name of God, for the good of the country: Go!

Thank you.

*At 4.50 p.m the sitting was suspended*

*On resuming at 5.32 p.m with Mr Speaker in the Chair*

**The Prime Minister:** Mr Speaker, Sir, first of all, let me start by thanking you and the Deputy Speaker for having presided over these debates with great tact, as usual, and great patience.

Mr Speaker, Sir, first of all, I want to look at the context of the presentation of this Budget. We should all know - and I put emphasis on 'all' - by now, that the world economy is experiencing its worst slowdown for nearly 80 years. Since 2007, the world economy has deteriorated and has continued to deteriorate. Problems that originally started in the United States mortgage market have spread and undermined the global financial system. And these deep seated problems in the financial system have in turn produced a major macroeconomic crisis.

What was a major financial crisis has turned into a worldwide economic crisis. The world, Mr Speaker, Sir, is now experiencing its worst global recession - even worse than the Great Depression of the 1930s. This unprecedented recession in turn has brought about a sharp fall in world trade, which has spread the recession even to countries which were not involved in the original financial crisis, and that includes Mauritius.

It is clear, Mr Speaker, Sir, that we are experiencing a long lasting change in our external environment, and it is inevitable that Mauritius will be affected by this continuing - and I put emphasis on 'continuing', Mr Speaker, Sir - slowdown in the world economy. All the economies of the world have been affected or are being affected, from rich to emerging, from developing to poor. All the economies in the world are being affected. Even China, India and the countries of the European Union have been affected. Now, Mr Speaker, Sir, if countries of their magnitude suffer from the downturn, it is obvious that we cannot be forever spared as the world economic recession deepens, for we live, as we all know, in a globalised world. Unemployment has been rising worldwide. According to the ILO, 100 million people will lose their jobs this year. Another 100 million will fall below the poverty line, dramatically increasing poverty worldwide.

What is worse, Mr Speaker, Sir, most experts not only did not predict this unprecedented global economic crisis but none can predict how deep it will be or when it will end. There is continuing uncertainty, there is heightened volatility, and there is no clarity - nobody can see ahead. The World Bank, the IMF, the OECD, the African Development Bank, the Ministers of Finance of different countries are all changing their forecasts regularly.

I said, during the debate on the Additional Stimulus Package, that even the British Chancellor of the Exchequer, Rt. hon. Alistair Darling, himself admitted recently that he was wrong about the length and severity of the recession and that he had been forced to tear up his economic predictions. For members who perhaps do not know, the British Chancellor of the Exchequer has an array of economists - not one, not two - at his beck and call. Not any economist, this is no ordinary team in the Treasury, Mr Speaker, Sir; yet, they all got it wrong.

And everybody understood this in the United Kingdom, for everyone is aware that there is lack of clarity ahead.

Even, as I have said before, Mr Speaker, Sir, Mr Larry Summers, the economic Tsar of President Obama, a former secretary for the Treasury, who was a great believer in the market, who believed that markets should be left alone and that they can be relied upon to regulate themselves, has now changed his views and is urging for massive Government spending to help the banking institutions and various industries which would otherwise close; leading to further massive unemployment.

We do not see that everybody in the United States say: 'no, no, we should not do that, we should distribute money all over the place.' This is why I find it difficult to understand the logic of the economic arguments of some Members of the Opposition.

Mr Speaker, Sir, who would have thought that General Motors, the icon of the auto industry in the United States, would file for bankruptcy one day, with debt amounting to nearly \$55 billion? Not million, but billion dollars, Mr Speaker, Sir. Who would have thought? That's exactly what happened yesterday with dramatic consequences for employment not only in the United States of America, but also in the UK, Germany and Belgium, because General Motors has plants in these countries. People are going to lose their jobs in these countries because General Motors in the United States has filed for bankruptcy.

This is what happens in a globalised world. We are living in a globalised world. I find it hard to believe that Members of Parliament themselves do not realise this, Mr Speaker, Sir. That is what I find difficult to believe. Maybe, we do not say that everything we say is right, but there are certain facts that remain facts, Mr Speaker, Sir. Even in Canada, where there is no General Motors plant, they are closing down this plant which manufactures parts in Canada. They are also losing their jobs.

Mr Larry Summers - nobody here I am sure will say that he is a fool - is known and has a reputation in the United States and worldwide. Mr Larry Summers was asked how could he explain that **he**, who believed in the market, that the market was, can be allowed, can be relied upon to control itself, to regulate itself, now come around and say that Government should help to put money in banks so that banks can lend to people. Unheard of! And when they said how he can explain this 180° change, he simply said: 'when circumstances change, I change my opinion'. That is why, Mr Speaker, Sir, we need to be able to abandon old mindsets, live in the real world and adopt a flexible attitude and not resist change to changing circumstances. And that, I find, I must say not all, but most people are not realising this.

We have all seen Mr Speaker, Sir, how the markets failed to regulate themselves in the midst of this major global downturn.

There are indeed many lessons to be learnt about market failures, but it was President Obama who, in his inaugural speech, eloquently zoomed in on the fundamental lesson that we must learn and we must keep in mind. Let me quote from that memorable speech. He said –

"The question before us is not whether the market is a force for good or ill. Its power to generate wealth and expand freedom is unmatched, but this crisis has reminded us that without a watchful eye, the market can spin out of control – and that a nation cannot prosper long when it favours only the prosperous. The success of our economy has always depended not just on the size of our gross domestic product, but on the reach of

our prosperity; on our ability to extend opportunity to every willing heart – not out of charity, but because it is the surest route to our common good.”

That was in his inaugural speech, but then, with circumstances that have developed, he has seen to it that there was an urgency to help failing enterprises in the United States, Mr Speaker, Sir. We have to adapt to the changes that are happening in the world.

Mr Speaker, Sir, we, in the Labour Party, could not agree more with what President Obama said. In fact, this is exactly what the Labour Party has stood for ever since its inception, and this is precisely what we have been saying and have been committed to all the way back to the days of SSR who was a convinced Fabian.

The idea that we have to keep a watchful eye on the market I said the other day, and I coined this phrase: Replace the invisible hand of Adam Smith by the guiding strong, firm hand of the Government. And that economic policy has to reach out to the many and not be restrained to the few. It is also encapsulated in our campaign theme of 2005, that is, democratisation of the economy.

Mr Speaker, Sir, although what is happening to the world economy is beyond our control, we must continue to adapt our policies to minimise the impact of the world recession on our economy.

For instance, the policies that we have pursued since we were in Government aimed at improving the state of the economy and public finances have helped us weather the early stages of the crisis well.

Everybody knows, Mr Speaker, Sir, that we inherited an economy in serious decline. We have taken bold steps, started bold reforms which have stood us in good stead. Without these reforms, Mr Speaker, Sir, we would have been in a deep recession already. I noted what hon. Cuttaree was saying, because he does not agree with this, and I will come back to that later. We have been ahead of the curve and we have been congratulated by many institutions for having been not only pro-active but also speedily reactive. Reforms have really, we believe it, saved this country from economic chaos.

Although, because of the continuing global recession and we are the first to admit it, we have had to downgrade our growth forecasts for the economy from over 5% to around 2%, this is a smaller decline that most countries are experiencing. In the United States, in the European Union, in China, growth has fallen by substantially more than 5%. Further, because we achieved a decline in Government debt relative to GDP, we have, in this Budget and the Additional Stimulus measures previously announced, been able to create the fiscal space to offer support to firms, in a focused effort to try and minimise any increase in unemployment.

Mr Speaker, Sir, let me here say a few words about the assistance we are giving to firms that are experiencing difficulties. The Government, as was pointed out, I think, by the hon. Vice-Prime Minister & Minister of Finance, by others I think also, is not there to dish out money to anyone who asks for money. I think the Vice-Prime Minister & Minister of Tourism, hon. X. L. Duval, said it clearly, the firms should come to Government as a last resort. And when they do, we do not just dish out money because they are asking for money, we analyse their case and we put conditions. I can tell you that the hon. Vice-Prime Minister & Minister of Finance has had cases where people have asked for money and their demand was rejected. There is no free

money to give. This is tax-payers' money. There is no free money to give. There are conditions attached to giving money, Mr Speaker, Sir.

Now, we know some may think that this is a golden opportunity to get money from the Government. We are aware of this. There are those, we know, who always complain - always cry wolf - they are always in trouble. Recession or no recession, they are always in trouble. As hon. Duval says, if you have a hotel which is not paying its way for five years, what kind of hotel is? What kind of businessman are you if you cannot run your business properly? There are these people; we know this, we are aware of this. Not everyone will do this, but we are trying to help and, of course, there are risks involved. Suppose in America, President Obama decided: no, no, I am not going to give money to the banks to lend to others, they have been making huge profits, I am not going to help General Motors not to put so many people out of a job, because these are taxpayers' money. But this is precisely why we do it, because we need to ensure that people, first of all, are not thrown out and do not lose their jobs. This is the most important factor that is pushing all governments in that direction, Mr Speaker, Sir,

However, let me say this: those who think they can make a quick gain and then disappear, we take guarantees as well, assets. Of course, there are risks that, at the end of the day, the assets might not match with what is being given; we do not know what kind of tricks have been done with all this. But those who think they will make a quick gain on the back of the taxpayer and disappear, I will ask them to think again, because they will be put on a black list. And, believe me, they will find it very difficult to do business again, whoever they are. I don't think I should say more at this stage, Mr Speaker, Sir, but we are looking at this as well.

This global downturn reinforces in my mind two key lessons, Mr Speaker, Sir –

The first one is that economic policy is about long-term changes and development. Precisely, because the economy can be so volatile, it is important that Governments plan for the long term and not just on the basis of what is happening today. It is because we have tried to do this, in fact, that we can offer support to firms and individuals in these difficult times. Rather than add to the volatility of the economy, we have been able to protect people and firms from the economic storm. It is only by pursuing the long-term interests of the economy that we can help people as much as we can in the short term. Throughout this slowdown and throughout the next upturn, it is my intention to continue to build the long-term health of the economy, together with the very able team that I have with me, Mr Speaker, Sir. This will bring again renewed prosperity, but also, more importantly, maximise our chances of surviving the worst global shock the world has known in the last 80 years or so.

The second lesson that has been reinforced is that economic success in Mauritius comes from cohesion. It is important that not only the fruits of economic success are widely shared, but so too are the downturns. It is inevitable in the midst of a global recession that profits will fall - inevitably. We have to help firms through this period, and make sure that our long run economic success is not jeopardised. But, if we help firms, we have to make sure that they help their workforce as well, and that is one of the conditions that we have put. I have been encouraged, Mr Speaker, Sir, that the private sector organisations recognise that workers too need protection from the slowdown, and this is why in this Budget we have announced all the measures concerning saving jobs and all of which are intended to preserve as much job stability as we can in these challenging times.

This Budget is an Action Plan to face the very daunting challenges of this world economic recession for the next 18 months. I heard hon. Ganoo saying late yesterday, I must say: ‘what kind of Budget is this? It is an Action Plan. No Budget should be an Action Plan!’ Of course, a Budget lays down the overall strategy of Government, but also lays down the plan ahead, more specifically an Action Plan to save jobs, protect people and prepare for recovery. For recovery will come! Make no mistake! And I hope we are there when the recovery comes, Mr Speaker, Sir.

It is a balance between these three major objectives; this is what we are trying to do -

- (1) contain the adverse impact of the continuing recession on our economy;
- (2) protect the most vulnerable groups in our society, and
- (3) protect our environment through the *Maurice Ile Durable* programme.

We have put Rs4 billion to save jobs, Mr Speaker, Sir; Rs2.4 billion to protect people; Rs2.7 billion to prepare for recovery.

Given the backdrop for the world economy, Mr Speaker, Sir, it was not an easy feat for the Vice-Prime Minister & Minister of Finance. Our priority has been to protect jobs; as I said, to protect the most vulnerable and to prepare Mauritius to take full advantage when the recovery occurs.

This meant that we had to control the fiscal deficit as far as possible. Had we not done so in the past, putting the deficit on a downward trend from 6% of GDP in 2005, when there was no world recession, to around 3%, we would have had today no fiscal space to allow us some, if I may call it, “breathing” space in this crisis, Mr Speaker, Sir!

In spite of all this, the fiscal deficit – because we have moved to that stage - is forecast to be 3.9% of GDP now. It is forecast to rise to around 4.8% in 6 months’ time and 5% in 2010, and to fall to 3.3% in 2011 – well within reasonable parameters in such circumstances, Mr Speaker, Sir. Look at what is happening in other countries! They have deficits of 12%, 15%, and they are going on bended knees to the IMF. And I say, Mr Speaker, Sir, this is no mean feat in the face of such unprecedented global crisis. We could have done otherwise. We could have allowed the deficit to run over 6% and do as the Opposition has been saying – give money away to this, to that; R10 m here; R200 m. there. We could have done that and spend, spend and spend. We could also have done that, especially as we are coming to the fourth year of our mandate, but that would be irresponsible and it would not be in the long-term interests of the country.

We have been ahead of the curve, Mr Speaker, Sir, and we want to stay ahead of the curve. Global capital markets are increasingly not funding large deficits. That is why, as a precautionary measure, we want to secure access to the Flexible Credit Line of the IMF. Now, the IMF - I should say this for some Members; perhaps they don’t realise - has just introduced this contingent credit line, which is available to governments which have met certain criteria, not to any government. We are in that position, precisely because we have managed the economy well.

The access to the Flexible Credit Line of the IMF, if we ever need it, Mr Speaker, Sir, is much better than having to go to the IMF in a crisis. We all know what conditions the IMF imposes in such cases. We just have to look around. Look at our neighbour next door, Seychelles! The IMF has imposed radical solutions on them, cut in subsidies amongst others – all

sorts of cuts. They had no choice, because they were in that precarious situation. We are not in that position, Mr Speaker, Sir, and that is why we want to have access to it if need be. Not only that, the very fact that we have access to it reassures others that we would not have had access had we been in a terrible situation.

Not only, Mr Speaker, Sir, we are acting responsibly not to allow our fiscal deficit to rise sharply, but we should also remember that as governments abroad have intervened to support their banking systems, they are insisting that banks reduce their overseas lending and focus on domestic firms. We have foreign banks here. This is what is happening. They are being asked to cut the lending in foreign countries and to focus at home, in the domestic market. The result is a sharp fall in foreign lending and this has led to severe problems in many emerging markets in countries like Dubai, Central & Eastern Europe. Go and see what is happening in Dubai, Mr Speaker, Sir!

In fact, the Managing Director of the IMF, Mr Dominique Strauss-Kahn, had predicted that this would inevitably happen and that FDI would dry up for developing countries.

And we should not forget, Mr Speaker, Sir -we seem to forget this - that Mauritius is a small open economy, dependent on world trade, exports and investment in the tourism sector. It is in this difficult context that we have presented this Budget. And, while acting responsibly, we have made it our priority, as I have said, to protect jobs, to protect the most vulnerable in our society and to prepare us to take full advantage of the recovery.

Mr Speaker, Sir, the best way to fight poverty is to ensure that people have jobs. It's the best way. We know the saying, Mr Speaker, Sir: 'don't give a hungry man a fish everyday, show him how to fish!' You won't even have to give him that fish. The Opposition seems to think that we should have given a full compensation in line with inflation for everybody. That is what they are saying.

I must say - perhaps they know but are not saying it - that the employers were advocating a total freeze in the wages. Many economists were advocating the same thing. In Singapore, Mr Speaker, Sir, wages were not frozen; they were actually reduced because times are difficult. Here, in spite of the unprecedented world recession, we have agreed to abide by the findings of the National Pay Council, and those who get up to Rs12,000 have had a wage increase according to a well-known formula, Mr Speaker, Sir, which takes into account both inflation and productivity.

Now, it is essential that we do not compensate just on the basis of inflation. It is not sound economics, whatever anyone would say. Mr Speaker, Sir, it is not just a question of income to individuals. The payment of wages and salaries has an economic role that goes beyond the provisions of income to individuals. The Opposition seems to have forgotten how many experts were invited to Mauritius to look at wage compensation. I remember hon. Soodhun, who was Minister of Labour then, was kind enough to invite me as Leader of the Opposition to listen to the experts from Singapore - we all know, there are reports and reports, I don't know how many in all there are - what they had to say about this ludicrous way we were doing things, and they recommended that we should change, we should mend our ways. Surely the Opposition knows of the vicious circle of wages chasing prices/prices chasing wages. It is a vicious circle and if you just look at inflation on its own, you are just stoking inflation, in fact; that is basic economics.

If wage increase is based solely on inflation, it prices people out of jobs and we lose our competitiveness, Mr Speaker, Sir. That is the naked truth of this. Nobody is going to invest in a country where you compensate workers on the basis of inflation alone without taking into consideration productivity. Don't forget, as I say, we are a small open economy. We are far away from the main countries where we export. Investors do not come to Mauritius because they like the sand, the sea and whatever else. They will go elsewhere if they find their profit is going to be diminished. Firms will close, and people will be out of jobs. If we do this compensation just based on inflation, we will achieve two things, Mr Speaker, Sir. We will lose jobs, and inflation is going to go up. We must break that circle, and that is what we are doing and in a reasonable formula. We should not be even doing this in normal times, but even more so in such precarious and uncertain times, Mr Speaker, Sir. What we need to do in such times is to ensure that jobs are saved and that enterprises, as far as possible, do not close down. There are some enterprises which are not managed properly, which have a very low productivity, which are now trying to see if they can get help from the Government. They will not, because we are not going to save firms just for a short while. What we want is to help firms which can actually recover and continue to operate. That is why, Mr Speaker, Sir, we must continue with our policy to democratise the economy, because I believe very strongly that we need to have more players in the economy and allow more competition. We have named the members of the Competition Commission just a few days ago. We must extend the economic base, because that is the way to increase prosperity. Everybody must be a stakeholder in the economy. That is the way forward. That is why we have set up a new Fund, The Saving Jobs & Recovery Fund. As I said, Mr Speaker, Sir, we have put Rs4 billion just to save jobs and Rs2.7 billion to prepare for the recovery.

The Vice-Prime Minister & Minister of Finance has mentioned in his speech all the measures we have taken to assist the Small & Medium Enterprises and our main export industries. I don't want to go through that list again. At the same time, once again, we have catered for those who are most vulnerable. And, Mr Speaker, Sir, when we speak of those who are most vulnerable, people don't realise that many women fall in the vulnerable groups. That is why we have made a special effort on our gender-based policies, not only to help those who are vulnerable, but also to empower them.

- (1) The allowance, for example, for single mothers has been increased by 40%, from Rs700 to Rs1,000, Mr Speaker, Sir. And they will continue to benefit from social aid as before, with a cut off naturally at Rs7,500 which is exclusive, I must say, of this allowance, and again also we have raised the age limit for the child, which was five years to seven years.
- (2) The allowances payable under the social aid to abandoned women and their children has been increased by 10%.
- (3) We have increased income support by 15%, and I can tell you we have worked out the figures and around 100,000 people are going to benefit from this.
- (4) We are accelerating the training and re-skilling of women through the National Empowerment Foundation. I can say that, since 2005, when we started this, more than 7,000 people have actually benefited from this.
- (5) I am amazed to say that everybody - on both sides I must say - is saying that we have not increased universal pensions for the old, for the widows, orphans and disabled. Even my good friend, hon. Jhugroo, was saying that I had said that I would double it. He was reading the wrong newspaper; that was in 2005. But we

have actually increased the pension. That is what I said. We have increased it, perhaps not as much as some would like, but we have actually increased it, Mr Speaker, Sir.

(6) We have also helped the CHA occupiers to become owners. Mr Speaker, Sir. Nearly 20,000 people have benefited from this measure, and this includes people in Agalega. We have also given money to improve the infrastructure of the NHDC housing, and also the one in Rose Hill, I should say.

*(Interruptions)*

I am saying that, even though it is in the hon. Leader of the Opposition's constituency, we have done it, because we are not going to treat people because of constituency, as hon. Lesjongard sometimes believes. We look at people - when they are poor, they are poor – wherever they are. We cannot treat people differently by constituencies because they voted for the Opposition or whatever. Poor people are poor people! We have to help them wherever they are! This is to name but a few of the measures we have taken, Mr Speaker, Sir.

Similarly, Mr Speaker, Sir, for those who are in the agro-industry. I will not go through the items, but very often I hear about these 60 tonnes that we have taken away from tax relief and the 4 x 4. There is a constant – even my colleague tells me this - reminder that this is wrong. I will come to that later. But we have done other things. It is a balance, as I say.

- (1) We have put Rs700 m. for small planters – for irrigation, derocking and land preparation.
- (2) We have reduced by 20% the contribution of small planters to cess because we think it was unfair. This is equivalent to about Rs60 m. over two years.
- (3) The Food Security Fund will contribute Rs350 m. to fund various projects for small farmers, breeders and fishermen.
- (4) Government is introducing a Food Crop Insurance Scheme for small crop planters – Rs15 m. are being provided under this scheme, which will benefit some 2,000 small food planters.
- (5) Rs45 m. have been provided for the setting up of three dairy farms and we expect that they will produce about 700,000 litres of milk by 2010.
- (6) We have provided nearly Rs300 m. for pig breeders. After the swine fever epidemic, lots of things have been done for the small breeders.
- (7) The Fishermen Investment Trust will finance new activities for artisanal fishermen. Furthermore, Rs28 m. will be provided to finance fibreglass boats for off-lagoon fishing. Rs45 m. have been earmarked to finance various medium-sized projects, such as fish processing, aquaculture and purchase of fishing boats.
- (8) The Maritime Training Academy will be extended to Rodriguan fishermen. While Rodriguans will also share the benefits that we have in Mauritius. Eleven measures have been mentioned by the Vice-Prime Minister & Minister of Finance for them.

One thing I noted when the hon. Leader of the Opposition spoke, and I think it is a good – I am not going to give any indication – suggestion, because we did it at the time in a sense of

modernising things. But the agricultural sector is a big sector. He mentioned in his speech that we should – he made this directed to me, I think - look at the Minister in charge of fisheries. I think it is a good suggestion. I will look into it.

*(Interruptions)*

I took this on board, Mr Speaker, Sir, because we look at the experience. It is a huge Ministry.

Mr Speaker, Sir, many of the measures enunciated in the Budget will, of course, apply to Rodrigues. These are in addition to numerous other measures announced specifically for the island. These will be in addition. They will benefit from all the measures of the Additional Stimulus Package supported by the National Empowerment Fund. Measures have been announced for small farmers, fishermen, SMES and particularly women entrepreneurs. Mr Speaker, Sir, my Government is fully conscious of the difficulties that Rodrigues is facing in the aftermath of the current economic meltdown, less than us perhaps, but still they are facing these difficulties.

I have noted what hon. Von-Mally has said yesterday. He made some proposals. I can tell him that we will look at this in our November Budget. We will see if we can do anything about this. I want to give him the assurance and also to our brothers and sisters in Rodrigues and all those in outer islands like Agalega and St Brandon that my government will stand by them during these hard times.

They have the right to say - yesterday I saw it, I heard him saying that, very late, after hon. Ganoo - that we should speak of the Republic of Mauritius, because they are all citizens of the Republic of Mauritius; and my mission is to make sure that each and every one of our citizens get the opportunities to live up to his or her god-given potential.

To ensure that all the benefits from the restructuring of the sugar industry benefits all those who are meant to benefit, we have ensured also that small planters and workers join the shareholding of all ventures under the Sugar Sector Reform Plan with 35% shareholding, and the Minister of Finance explained that we have already started this.

As for the share in the energy sector, I must say to the House, Mr Speaker, Sir, although there was, after the initial difficulties, good dialogue between us, we could not agree with the MSPA on the percentage of shareholding for the energy sector. We were not far, I must say; it is not that they were saying no percentage, but there was a gap which we thought, and we agreed in the spirit of dialogue - let's not say we are right - we will not impose as Government. We don't say that they are right, let us have an independent consultant, to look at this issue. We had to agree both on the independent consultant, this took a bit of time, but now we have done it, we have come to an agreement on the independent consultant and it is about to start his work.

Mr Speaker, Sir, for what I have said, this is proof that the word 'solidarity' is not just a word for us. It means ensuring human dignity, especially in times of crisis. Mr Speaker, Sir, we all know the commitment of the Labour Party to education and opportunity. I always say this: at the end of the day, *c'est l'éducation qui est la réponse à l'exclusion*.

This year, while maintaining free transport for schoolchildren and those attending university, we are building a new university campus – thus creating an additional 8,000 seats for tertiary education. And, at the same time, we are giving a real boost to our creative arts.

Mr Speaker, Sir, let me say a few words on *Maurice Ile Durable*, although it is my colleague, the Deputy Prime Minister who is now at the head of it; engineering it, should I say. I just want to say, Mr Speaker, Sir, we all know that the energy sector has been facing daunting challenges in the recent years as a result of climate change and global warming, coupled with increasing energy demand and rising energy prices, but my Government has responded to these challenges by developing the *Maurice Ile Durable* vision. The words did not exist before, Mr Speaker, Sir. It is an ambitious programme focussing on the use of renewable energy and the emergence of small power producers. Now, *Maurice Ile Durable* aims primarily at reducing our dependence on fossil fuels; that is the primary aim-facilitating our transition to a clean energy economy. However, Mr Speaker, Sir, even in the most developed countries, they recognise that this will take time, significant effort and massive investments. We, small Mauritius, cannot do this overnight at the risk of curbing growth – *on ne peut pas etre plus royaliste que le roi*. But, let me reassure the House. I have been in contact with Professor Joel de Rosnay. He is a busy man, an eminent scientist, as we know. I have taken his advice on board. He has already mentioned to me what we need to do is to have the latest technology in any of these projects. Of course, it is going to cost much more, and when it costs much more we must see how the cost will go to those who have to pay. He has mentioned, for example, special filters for the Covanta project. My understanding is - I take this from the Deputy Prime Minister - that they are already looking to that, even the World Bank is doing some financing, but they are apparently doing it, Mr Speaker, Sir. I will take on board the advice, because after all I made him my Adviser on *Maurice Ile Durable*. It's not a question of not taking his advice, but what we cannot do is that we cannot be *plus royaliste que le roi*. We cannot take the risk of putting this country into a difficult situation as far as energy is concerned. Mr Speaker, Sir, I remind Members that I took the initiative to save the Vallée de Ferney. It would have been an ecological disaster. Many experts agree with me today. As hon. Jugnauth said, the Government can make mistakes. But, what we want, Mr Speaker, Sir, is to ensure that there is no pollution that is going to affect our own the health and that of our future generation; we must minimise it to a maximum. Now, if they can do such plants in the centre of New York and Paris, we must make sure; naturally, as I said, Mr Speaker, Sir, these adaptations cost a lot of money. If I feel after the advice - an adviser is there to advise, Mr Speaker, Sir, but I will take his advice on board - that any project will be too dangerous for Mauritius, it will not happen. I can tell you this now and here. More importantly, Mr Speaker, Sir, the *Maurice Ile Durable* vision means a change in our way of thinking, in our approach and in our behaviour. It is culture change that we asking the people of Mauritius to do. Culture change, as President Obama stated, Mr Speaker, Sir, and I want to quote him. He said recently -

“More than anything, it will take a willingness to look past our differences, to act in good faith, to refuse to continue the failures of the past, and to take on this challenge together - - for the benefit not just of this generation, but generations to come.”

And that is precisely what we want to do. Mr Speaker, Sir, I am pleased that Mauritians of all creeds, of different socio economic levels, but especially the young are rallying behind the *Maurice Ile Durable* concept and I must congratulate - It is a small thing maybe, but you have no idea how much effect that has done – hon. Dr. Bunwaree, Minister of Education, Culture & Arts for having thought of the idea for the celebration of the Independence to have a small bookmark with all the good things that everyone of us can do to help us to limit carbon emission and to save energy. I can tell you many, many young people - it must be the same for him - have sent messages, emails to say, in fact, they are looking for more of these which, maybe, we will have

to print later on. Mr Speaker, Sir, as I said, I am pleased that they are rallying behind this course, this vision. It has aroused a genuine concern for issues related to sustainable development, and there is a gradual change in the frame of mind of the business community and the citizens of Mauritius. This is an achievement in itself.

Mr Speaker, Sir, my Government has already made ground breaking effort in the field of energy efficiency, and we will continue to do so as far as we can. Perhaps I should mention this, because it happened after I met the Director General of UNESCO in Paris last October. The University of Mauritius has been engaged actively in research in renewable energy and has set up a Centre for Sustainable Development. As a result of my meetings with him the creation of a UNESCO chair on Sustainable development at the University will be soon materialise. This is another pioneering development which would promote the knowledge base for policy formulation in the field of sustainable development and open the scope for research and development.

One of the pillars of the *Maurice Ile Durable* vision, Mr Speaker, Sir, is the development of small power producers in the energy sector. This would not only allow us to diversify our energy sources, but also achieve greater democratisation of the economy. To that effect, a grid code has been prepared, this again, in collaboration with Professor de Rosnay. The grid code sets up the technical parameters to allow domestic, industrial and commercial consumers to generate electricity from renewable sources for their own consumption and then they can sell any excess to the CEB.

The business community has responded to the *Maurice Ile Durable* project, I think, in a positive manner. I am pleased that they have included environmental and energy efficiency schemes in their Corporate Social Responsibility plans.

Mr Speaker, Sir, let me say a few words on law and order. Allow me, Mr Speaker, Sir, to say that in the Government Programme 2005-2010, we announced that my Government will take all necessary steps to consolidate law and order and will ensure that law enforcement agencies are provided with the necessary modern equipment and properly trained human resources to be able to fight crime.

Mr Speaker, Sir, our primary purpose is and always will be the safety and security of our citizens and visitors to our island, and the protection of our national interests. There can be no compromise on this issue, and I don't think anybody at the head of a country would compromise on such an issue. That is why we are continuing with the reforms of the police force, which started during my first mandate. In this regard, we have embarked upon a programme for a comprehensive reorganisation of the police force to reinforce its institutional and operational effectiveness.

Over the years, Mr Speaker, Sir, the Budget allocation of the police department has been on the rise. The Budget provision for financial year 2004/2005 was Rs2.8 billion, it went up to Rs3.5 billion in the Budget 2008/2009, and this Budget provision for the six months, that is, from July to December 2009, is already Rs2.4 billion. The increase in the Budget allocation of the police department is a clear indication of the importance my Government attaches to the law and order situation in the country.

I must say also the measures put in place to deal with law and order are starting to yield results. We can never be 100% happy; if there is one crime in the country, we are not going to be happy, but it is on the downward trend. In fact, we have noted that the overall crime rate has decreased from 5.4% in 2007 to 5.2% in 2008, and we have noted that there is a decrease of 11.8% in the rate of crime and 7.6% in the rate of misdemeanour for the first four months of 2009 compared to the same period last year, that is, 2008. This decreasing trend in overall crime rate, we expect, will continue, Mr Speaker, Sir. The world in which the police are operating today has changed and changed considerably. Technology has removed not only border, but also barriers; changes in society have opened up new opportunities, new threats, new challenges, and a growing customer culture has led to rising expectations of a customer service. The core role of police is and will, therefore, remain prevention, detection and reduction of crime, which are the main pillars of keeping crime at bay. We have taken, Mr Speaker, Sir, the following additional measures to combat crime in the country. These include -

- Reinforcement of front line policing. I must say that when the Commissioner of Police came in, he saw the problem. He has moved 300 police officers from administrative duties to police stations to increase police presence and visibility.
- Centralisation of command of certain small units under Divisional Commands has been made.
- Redeployment of Field Intelligence Officers under the responsibility of Divisional Commanders with a view to collecting and then distributing intelligence so that information can be reached at the lower level, at the Divisional level, for the purpose of preventing, especially detecting crime.
- The police are also working in partnership with 57 Government and Non-Governmental Organisations on the elaboration and implementation of programmes aimed at preventing and tackling crime.
- Specialised units of the force, such as the *Police du Tourisme*, the Police Family Protection Unit, the Anti-Drug and Smuggling Unit are adopting a coordinated approach in tackling crime. In the past, there was no real coordination.
- Another key element of the strategy adopted by the police is the involvement of the public at large through the Police Public Partnership Policing Program.

As I said, Mr Speaker, Sir, we want to change the police force to a police service. It takes time to change the mentality also, but we need to embark on that. Gradually, the police are also shifting from a confession-led investigation to scientific evidence-led investigation, and we now may say that the police are embarking on a technologically evidence-led investigation and policing. I am not saying that there will be no confession that will be taken into account, but it's turning towards evidence-led investigation. New technologies are giving us the modern means by which the police can discharge its duties in an efficient and effective manner. We are sparing no efforts to invest in new technologies with a view to providing the police with all the necessary tools and space. Mr Speaker, Sir, as part of the modernisation process of the police force, we have introduced - I know hon. Duval mentioned it - the CCTV Street Surveillance System at Flic en Flac in April this year. I am happy to announce, Mr Speaker, Sir, - and it is very impressive - that not only we have installed the cameras, but we have made sure - I have insisted on this - that when there is a crime we don't hear that, on that day, the camera was not working, the TV was

blank. All these people have to pay the consequences. If you have responsibility, you have to take your responsibility. We have seen this in the past. Something happens and you see that the video camera was not working. This won't work! You have to take responsibility, and that is why we have put professionals who know their work, who have designed the system. And I can say that already two cases, apart from the one case of rape where we have identified people at the filling station - there were no witnesses - have been resolved: one was, I think, a hit and run accident and the other one was an attack on a tourist, and three persons have already been identified and arrested.

In fact, I am sure we will see a dramatic decrease in crime in this area of Flic en Flac, because anybody who goes to visit that place where they do the monitoring would not dare to do anything in Flic en Flac as they won't be missed, believe me, in that area! It is a warning to all those who go there at night, as well.

*(Interruptions)*

That is so, Mr Speaker, Sir! We will! I must say, Mr Speaker, Sir, believe it or not, the cases of larceny against tourists have dropped by 40 % compared to the same period last year, and we are comparing last year to this year. That is why we are also going to introduce CCTV systems in Grand' Baie, Port Louis with the support of the Chinese Government, which are expected to be operational early next year. Apart from the CCTV system, a modern Digital Radio Communication System will be installed to link up all police units and divisions because we have to replace the present police radio communication system, which is more than 15 years old, and from time to time they have technical problems. The design of the system is being finalised in consultation with the Chinese authorities. In addition, we are having a Coastal Radar Surveillance System, which will be installed with the assistance of the Indian Government. In order to improve search and rescue capacity, we have already procured a new twin-engine helicopter for this, because it gives us extra possibilities. We are investing heavily in new equipment and vehicles for the police. We have a programme for the renewal and maintenance of the fleet of vehicles of the police force. Hon. Bhagwan always asks the question. We are spending Rs79 m. in this Budget for the acquisition of vehicles, more than we have already done.

In the near future, the police department will also be equipped with a Crime Occurrence Tracking System. This system will allow the police to monitor, if somebody makes a declaration or an occurrence has happened, from the time these are reported, wherever they are reported, at the various stations, till cases are disposed of by the courts; we will be able to monitor it. As regards human resources, we have ensured that the police force has adequate manpower to deal with emerging challenges.

Since 2005 to date, some 500 new police constables have been recruited. Currently, a recruitment exercise is on to recruit some 550 trainee police constables. I can say, Mr Speaker, Sir, that I will be discussing with the Commissioner of Police about how we can improve the recruitment exercise and also the promotion in the force in the future. It is the Disciplined Forces Service Commission. People think that it is the Government or the Prime Minister. In fact, people who work with me sometimes complain about their promotion, and I know, from others as well. But we need to have a clearer picture as to why it is happening that way. I am going to have a discussion with him, and I have said also that police officers must have greater security and confidence about their future careers, and we must motivate those who perform; I think it

goes without saying. There are some difficulties in that, but we are trying to see how we can do this.

My Government, Mr Speaker, Sir, remains fully committed also to tackle the drug problem in the country. The fight against drug abuse and drug trafficking is an ongoing process. It requires our determined efforts all along - from all of us. We have to work together to tackle the scourge of drugs. There are no quick fixes, as you know, to the drug problem. Occasionally hon. Members of Parliament send me lists of places where they say drugs are being distributed. I immediately pass it on to the police. They try to send a Brigade, but I do not want to go into the details because this may not be a good thing. We are fully conscious of the fact that we must do more if we are to meet our ambition of a society free of the problems caused by drugs. We cannot allow illegal drugs to destroy lives and wipe out the talent and potential that lies unfulfilled in thousands of our young people.

I have indicated to the House, on various occasions, of the strict control measures being taken by the police department at the port, airport and the Customs department to prevent illicit drugs, including subutex - as you know, we have added this on - from entering the country. There is now better coordination between these agencies. We have also passed the Dangerous Drugs (Amendment) Act 2008 to toughen penalties for drug dealers.

Allow me to place on record the excellent work done by the police department in the recent large-scale seizures of drugs that we have seen. This is a clear indication that the measures put in place by my Government are yielding results.

Mr Speaker, Sir, no country, is immune from international terrorism. We have set up a Counter Terrorism Unit to enhance security of the country. A special cadre of Marine Commandos is being created within the National Coast Guard, but not necessarily all from there. In this respect, I know that 23 officers are currently undergoing specialised commando training. We are in the process of acquiring specialised equipment for the marine commandos from friendly countries. We have also passed the Prevention of Terrorism (International Obligations) Act 2008 to allow adherence to various international counter-terrorism instruments. We are also continuing our training programme with friendly countries such as India, US, UK, France. Another top level French team has arrived this morning in Mauritius and, in fact, I had a working session with them this very morning because they are only here for two days and we need to accelerate these processes.

The Forensic Science Laboratory will be called upon to play a major role in crime detection and investigation where emphasis will be laid on evidence-based investigation, as I was saying, instead of confession-based investigation. We have, therefore, to properly staff and equip the FSL so that it can meet the challenge. I must say also that this is not new; the previous Government also gave whatever they needed. But I must say here that I am grateful for the assistance we are receiving from our compatriot, Dr. Ram Gopal, Pro-Vice-Chancellor of Staffordshire University. I did not know him, he volunteered to come and help because, in fact, there is a very well known Forensic Department in that University. He is going to help us train people.

We are upgrading the FSL with the acquisition of modern equipment. Since December 2005, new equipment amounting to Rs16.2 m. has been acquired, including necessary equipment for performing DNA tests. Additional professional staff has also been recruited. Relevant training is being provided to that staff. Last year, as I was saying, we had a team of experts from

Staffordshire University which came here, and they conducted training in the field of forensic science for the benefit of FSL officers, scene of crime officers and police investigators. We are coming shortly - I know that this is overdue, but we had some difficulties - with the DNA Identification Bill, which will offer the police significant legal powers to use DNA evidence.

Coming to the Prison Service, I just want to say, Mr Speaker, Sir, that the idea for the construction of a modern prison started as far back as 2001. For various reasons, it did not materialise. We are now constructing a modern prison at Melrose on a plot of land that could accommodate about 750 detainees. A plot of land, I think, of an extent of 37 *arpents* has been acquired. Professional services have already been enlisted. Tenders, I believe, will be shortly launched and, hopefully, there will be no delay, and construction works, in fact, are expected to start by the end of this year.

I should also add, Mr Speaker, Sir, that the existing prisons infrastructure is being upgraded and the new facilities are being put in place to improve the living conditions in the prisons. Over the last three years, over Rs22 m. have been spent in this connection. An amount of Rs9 m. has been provided in the current Budget for the improvement of the existing conditions.

I also want to say, Mr Speaker, Sir, what we are doing about the HIV/AIDS. During the financial year 2008-2009, the National AIDS Secretariat finalised its institutional set-up and built its capacity as well as that of other stakeholders in various fields. It was also successful in mobilising significant resources to fight against HIV and AIDS from international and bilateral donors. An institutional skills and capacity assessment of the national multi-sectoral response to HIV/AIDS was carried out under the World Bank IDF Grant. The objective of this assessment was to review the mechanisms and efficiency of country-level coordination and harmonisation efforts at the national level, to clarify the mandate and working links with partners and also stakeholders in the fight against HIV/AIDS, and also to assess the implementation arrangements at the decentralised levels. We need to constantly assess and monitor, Mr Speaker, Sir, because this is a real problem and that we have to make sure that we do not have in Mauritius what happened in Botswana and in other countries.

I must say that following this assessment, a National Steering Committee has been set up. As we know, the Committee is chaired by Prime Minister's Office and consists of the Ministries concerned, the civil society and a representative of UNDP. The Committee is also responsible for providing policy advice and guidance to the National AIDS Committee. We had a meeting, in fact, last month, which I chaired, and we are improving certain areas. We have taken on board also Mrs Gaud - I think she comes from the Reunion Island - who is extremely good and extremely capable. I met her at the *colloque* that was organised and she is extremely good, and a very good help to the Secretariat. We have others who are actually extremely good at what they are doing, and that is encouraging. We have with the World Bank organised a training in Programme Management for all stakeholders. Some 25 participants from NGOs have actually attended the training, which was held over a period of five days.

We are also looking at that problem in the prisons. We all know that questions had been asked in the past about what is happening in the prisons. An assessment of capacity in managing HIV in the prison setting has been carried out with World Bank funding. Following recommendations of this assessment, a consultant, again funded under the IDF Grant of the

World Bank, conducted a four-day training for prison officers and prison medical officers on HIV/AIDS, drugs and human rights.

In October 2008, two consultants, one of which was international and the other one was national, were recruited under the IDF Grant to conduct an assessment of the existing skills and local capacity for behaviour analysis and behaviour change among them. Based on the assessment, an operational plan is being developed with the participation of all stakeholders to ensure the optimisation of resources allocated in communication. I should also say, Mr Speaker, Sir, as I was mentioning earlier, that monitoring and evaluation is extremely important.

Under the IDF Grant of the World Bank, an assessment of the existing monitoring and evaluation capacity was undertaken, and I must say that is why it is important that we continue to assess because capacity gaps were identified in that area. An Action Plan was developed to address these gaps. Training materials were created and the training of the NAS staff and key stakeholders was carried out. A Monitoring and Evaluation Committee has been set up, chaired by the NAS.

I should also say, Mr Speaker, Sir, that in the call of proposals for Round 8 of the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFTAM), Mauritius was declared to be eligible for HIV, in spite of being classified as an Upper Middle Income Country and this only after I spoke to the Regional Director of the World Bank. I explained to him that you should not go on this basis because look at what has happened to Botswana! It is a good example! Botswana was also described as not being eligible for aid and they did not get the aid that they should have got and look what happened in Botswana. This is precisely the argument I used with him, I persuaded him and he agreed with me. Now we have are eligible for this aid. Proposals are developed and sent to the GFTAM by Country Coordinating Mechanisms, because this is a requirement of the Global Fund.

I am saying this to explain to the hon. Members that this is not just money given and then used as we want; there is a monitoring. I must say Mr Speaker, Sir, this has led to the development of a proposal for a grant of nearly €7.9 m., which is equivalent to around Rs360 m. The proposal was approved by the Global Fund Board as category 1, and the National AIDS Secretariat is in the process of finalising the details of the grant which will be of a period of five years, divided into two phases. Again, the NAS has also mobilised US Government funding for technical assistance for setting up the appropriate structures and mechanisms for grant implementation. Again this process will be completed by June 2009 when a grant signature is expected to take place.

And, following my initiative with Former President Bill Clinton, Mauritius is continuing to benefit from the provision of antiretroviral drugs and diagnostics at the lowest possible prices. There is a monitoring mechanism in place, and we have just signed a new agreement for this. Because, again, they have to monitor what we are doing with the money; there is a lot of follow-up on this.

Mr Speaker, Sir, I have mentioned all this to show to hon. Members and to the people of the Republic of Mauritius that while we are living in unprecedented difficult times, we have not forgotten about our priorities. Mr Speaker, Sir, we all know that life is about making choices. In life, as in economics, you have to make tough choices sometimes. You have to decide whether you want to buy this but not this. We must also remind people that nothing is free in life; apart from the air we breathe, I think, nothing else.

## (Interruptions)

The sooner some learn this, the better Mr Speaker, Sir! We should realise this. If you have to make choices, what do you do? You have to prioritise!

Now, we may be wrong in our choices. I do not say that maybe the Opposition would have had different priorities. But choices have to be made and tough decisions taken. And let me remind hon. Members, because I get the impression, I must say, Mr Speaker, Sir, that hon. Members want us to be so careful, to the point of taking no decision. Sometimes questions are asked, I do not know whether to create doubt in the mind of the public - the hon. Vice-Prime Minister thinks so - to make insinuations that there is something *anguille sous roche* so that, in fact, we back-pedal and we do not take any decisions. In all decisions - anybody who takes decisions, of course - some decisions will be wrong. But it is better to take decisions than to take none at all, Mr Speaker, Sir.

What the population expects at the end of the day is results, not explanations about how procedures blocked us. They are not interested in that, they want to see results in front of them. That is why they voted for us and they want to see results, they want us to tackle the problems wherever they are. That is what we have done, Mr Speaker, Sir, as far as the Procurement Board is concerned. But I must say hon. Ganoo made a good suggestion; I took this on board. We have to look at it but, in the meantime, we want things to move, we do not want to lose time.

And let me remind those who don't seem to realise, Mr Speaker, Sir, that we are a small island again in the middle of the Indian Ocean, far away from our main exporters and we have no natural resources like others; no gold, no diamond, no oil, nothing in fact. Except our only resource is our people. So far, I must say to hon. Members - I don't know why; whether this is done on purpose or it is just because they do not realise, because some give the lead and the others just follow blindly - that Mauritius is no Eldorado. It should be patently obvious to anyone with a modicum of good faith and common sense that we will never be able to do all we want to do. Whatever Government is in power, we can never do everything that we like to do. Nobody can, not even the USA, Mr Speaker, Sir. The richest country in the world! Go and see how many poor there are, begging on the streets of New York, Washington, California, the richest State in the world, I think, and look at the situation! I was really surprised, and this is why I want to come to what my good friend, hon. Cuttaree, said about the economy. He criticised the reforms, he says that he does not believe that these reforms were vital to give the economy its resilience, and so on. I am sure he knows that the financial crisis started not in 2005, but in 2007. Remember that it kept worsening and has now grown into a full blown unprecedented economic world recession. Had we not taken the measures we have taken, how would we have created the fiscal space which allowed us to resist for so long, Mr Speaker, Sir?

We are an open economy, as I have said, with no natural resources. The world does not depend on us; we depend on the world. We have no control on most of the things that are happening. And hon. Cuttaree really surprised me when he was speaking; I was listened to him in my office. He spoke as if economies are static. But they do not operate in a vacuum. You know, we all know economics may be a dismal science, but not a static science. It changes all the time and, with globalisation, things change very rapidly.

We all remember what happened in the Asian financial crisis. It developed like this, Mr Speaker, Sir - very quickly. And just to remind him, the proof of the pudding after all is in the eating. Let's have a look at the macro-economic indicators when they were in Government and

now. I'll just give four. I did not intend to do that, but since he spoke, I think I need to say it. I do not know whether the Vice-Prime Minister would have said it, but I think we need. Growth was 2.3% and falling in 2005; it went up since we came to power to 5.3% in 2008, in spite of the world economy recession starting. Unemployment was 9.6% and rising; we brought it down to 7.2%; never before, 19,400 jobs created in one year! More than they created in five years, Mr Speaker, Sir! The budget deficit was 6%. Just imagine, if with a budget deficit of 6%, we allowed it to rise because of electoral promises, and the recession hits us! What would we have done? What would the Vice-Prime Minister & Minister of Finance have done? There would have been no fiscal space, no flexible credit line for the IMF. On the contrary, we would have already been in recession. We should not forget Rs6 billion of skeletons parked somewhere else. Now, we brought it roughly to 3%. Public debt - you know and I know – was 70% of GDP; Rs10 billion per year of debt brought down to 56.5%. As regards FDI, they were getting Rs1 billion at the most per year; we got Rs30 billion in the last three years. I do not want to quote what he said, as you know what he said. We had negative growth, recession in the EPZ for four years, 35,000 people lost their jobs in one year. And he knows what he said: that people are losing their jobs "*à une vitesse vertigineuse*". In the tourism sector, growth was harbouring around 2% when hon. Duval took over and, at one time, it went even to 13%, if I am not mistaken. International reserves had gone down and were continuing to go down. All this, in spite of the fact that they increased VAT twice over 12 months. We tend to forget this; a large sum of money was transferred from the Bank of Mauritius, easily transferred, to help on the Budget. Now we know why!

The fact, Mr Speaker, Sir, is that we have done better in an unprecedented recession than the previous Government did when there was not even a hint of a recession. And to correct some misleading statements, I must say that they take great exception when we say that the idea of the IRS was started by us. They developed it into IRS; I have no quarrel with this. But, in fact, the idea was started by us. Maybe, he did not realise that.

*(Interruptions)*

Listen! They can go and check! We did not do it like they did!

*(Interruptions)*

No, no, they are mistaken again! We started the Permanent Resident Scheme for foreigners to invest in property. It was the first time! They had to invest - the figure has not changed - \$500,000! They did not change the figure! \$500,000! They had to put that in a Fund, and then they could get a permanent Resident Scheme. This would allow them then to invest in property. These are facts! I know they are laughing because they don't like it, but these are facts!

*(Interruptions)*

Of course, I am being serious! Go and check because he has lied to himself so much that he has started to believe his own lies! He was not in Government; we were in Government! Hon. Xavier-Luc Duval was with me! I am talking about the Government after they left! They were blocking all decisions, and I said: 'go! Let us do it!' You had to go! We have said it! There is a Cabinet paper! We have said the idea was to attract high net worth individuals to Mauritius. If you don't know, even a brochure was published at the time.

Let me say something else, Mr Speaker, Sir. Hon. Cuttaree has forgotten what were they saying then! They were saying – listen to that hon. Ms Deepalsing – that we are creating ghettos, Mr Speaker, Sir.

*(Interruptions)*

He said! We have this! He should go and look at the papers, and he will see!

*(Interruptions)*

I did not say that he said, but that he has forgotten this was being said. That is what I said. I must tell you in all frankness – now, you agree with it – that we had also planned to have a second phase for retired persons to come to Mauritius. We discussed it with hon. Duval, and I told him that as the elections were coming near, let us wait after the elections, and we will try to see whether we can do this. I needed to say this.

He talked about the seafood hub as if it's their idea. I'll tell him whose idea it was! He won't believe it! Not my idea, not his idea, not our idea! The idea started with SSR in the 1970s. Go and see! But, we have developed it, and we have also increased it.

Now, there is the ICT. I am amazed that they still talk of the ICT as their programme, their development. I signed a MoU with Prime Minister Vajpayee in Clarisse House; it was on television. Ministers were there. But, then, there was election. Remember! They seem to have forgotten! Let me remind him that Prime Minister Manmohan Singh came to Mauritius – to put the record straight - before the 2005 elections, and he said that we should give credit to Dr. Ramgoolam because he started the project. And he gave me credit!

*(Interruptions)*

I heard that they even had to change their posters because they had put this on them. They changed their posters, and there were some very unbecoming remarks made by some members of the MMM, but I won't go into that. But then I must tell you that it would not have been at Ebène - that I must agree. We had planned - Dr. Bunwaree knows - to do it in the North of the island, at Riche Terre, and also we thought it would have created less traffic congestion. We had already started. I needed to say this, Mr Speaker, Sir, to put the record straight. But the Government, Mr Speaker, Sir, has done its best in a very difficult situation in an unprecedented global recession.

The hon. Vice-Prime Minister & Minister of Finance - I must say to this House - has discussed with me on a daily basis for hours. We decided it should not be a transition Budget because of what is happening in the world economy; it should be an Action Plan for a longer time. We had to work for long hours for this. And I want to congratulate him, Mr Speaker, Sir, for all his efforts. The Opposition might not agree with everything we have done. Granted that is the Opposition's right. But I must congratulate him for the hard work, for the resilience he has shown and the efforts that he himself has shown.

Mr Speaker, Sir, we have taken the decisions we have taken, but there are things that we could have done. We did not look for these options. Let me remind the House that we did not increase VAT. Mr Speaker, Sir, indirect taxes affect whom? It does not affect the very rich. It does not affect the poor because the poor does not have enough to spend so much. It affects the middle class. We have done this to protect the middle class. Some people don't seem to put this in their head. They keep forgetting. They think of other things. We have not increased VAT, Mr Speaker, Sir.

*(Interruptions)*

Exactly what we have done! For the reforms that created the fiscal space that we have done. They increased VAT twice, and there was not a hint of recession. Neither have we broadened the VAT base! This was available to us to broaden the VAT base. We have not done this. It was an easy option as receipts for VAT have fallen. It would have been an easy option, but we have not done this. We have not increased income tax, Mr Speaker, Sir. This could have been tempting to do. And let me say something to hon. Members, because life is like this. You know, by coincidence, the Chancellor of the Exchequer in the UK has just presented a budget, the Rt. hon Alistair Darling. 'The Economist' of 2 May talks about that. I know that the hon. Leader of the Opposition likes to read 'The Economist', and I hope that he has this issue of 'The Economist'. I have brought a copy of the article; whoever has not read it, I would give it; I would even make photocopies free of charge. He presented his budget and he did in that some of the things that the Opposition is saying we should have done, for example, increase income tax for the upper bracket to 50%. He started giving relief right, left and centre, and the article title is "A nasty Brown mess". Look at what 'The Economist' says. I just want to quote this, Mr Speaker, Sir; I won't take too long. 'The Economist' describes the measures thus –

"Britain's attempts to fill the fiscal gulf created by recession are a dismal failure and a lesson to cash-strapped Governments everywhere".

And it goes on to say that -

"The best tax systems combine low rates with minimal exemptions. Businesses and citizens should be making decisions based on their economic opportunities, not the advice of their accountants."

And this is what we have done here, Mr Speaker, Sir. It looks perhaps the way it looks, but I think we have been successful. Here, in Mauritius, everyone - I mean everyone; I suppose it is natural - tends to look at their own particular case. I suppose it is natural. Do you know how many times I saw my father – he was Minister of Finance then - talk to people whom he knew very well, and who were complaining about tax? And he used to say to them - I told that story to the Vice-Prime Minister & Minister of Finance -: 'you make money, and you don't want to pay tax. Who is going to pay tax then? How are we going to run the country if we have no money?' It is natural, but people tend to look at their own particular case. They never look at the big picture. Who do you think honestly are capable to hire the best accountants to find ways of avoiding tax and giving relief left, right and centre? Who are these people? It is the very rich, not the middle class! It is the very rich who have the ways and means of doing this. We have also maintained free transport. It is difficult for us, but we have maintained it. We have kept the Welfare State - free health/free education. Compare this to other countries, what they are doing next door, the Seychelles! We have kept universal pensions as I said, increased it, not frozen it. We have kept subsidies on flour and cooking gas. Nobody is mentioning this, Mr Speaker, Sir! We have kept these subsidies. And, as I said, Mr Speaker, Sir, we looked at the situation. We have made choices that we thought are right. We may have to make choices in life even if they are unpalatable. I have always said, there is no magic wand; there is no magic bullet.

I wish, Mr Speaker, Sir, I could have made this Budget Speech against a better backdrop for the world economy. Unfortunately, I cannot. However, given this backdrop, I know that we could not be putting in front of the people of this country a much better Budget, a thought-out Budget. We all agree in life it is like this. Maybe, we need to correct things later on; we will see.

Mr Speaker, Sir, I am making this comparison again. As a ship's captain, I can't alter the weather. No captain in any ship can alter the weather, but what I can do is to ensure that the ship and crew act in a responsible way, to maximise safety and ensure success once the storm has passed. And this is what we are doing, Mr Speaker, Sir! This Budget shows the benefits of our past policies, it shows our focus on employment and the long-term prospects for growth. The courage and resilience of our country have stood the test of trying times before, on many occasions since independence. We owe it to future generations that we bequeath to them that same sense of confidence and optimism that has shaped the destiny of our country. Nowhere in the world has adversity been defeated by gloom and despondency. We should not turn ourselves into a recession when there is no recession actually. This is no time for political posturing. This is the time for bold decisions.

Success, Mr Speaker, Sir, does not depend on quick fixes, does not depend on the easy options. When you are in Government, you have to act responsibly. Success, Mr Speaker, Sir, depends on making the right choices even though they might be difficult and then having the strength and the courage to see it through. That is what we are seeking to do and to achieve with this Budget, Mr Speaker, Sir.

Thank you.

(7.01 p.m.)

**The Vice-Prime Minister, Minister of Finance & Economic Empowerment (Dr. R. Sithanen):** Mr Speaker, Sir, let me start by thanking all Members on all sides of the House who have participated in the debate on the Appropriation Bill 2009. Let me, Mr Speaker, Sir, thank you and the Deputy Speaker for the excellent and efficient manner in which both of you have presided over the debates.

Mr Speaker, Sir, I am not going to repeat what the hon. Prime Minister has said with respect to the international background that has underpinned the presentation of this Budget. However, I would fail in my duty if I don't elaborate on two or three points, Mr Speaker. After tea break, I went on BBC, and just now Canada has drifted into a recession and Switzerland also just drifted into a recession. Last week, it was the turn of South Africa, with a major decrease in the figure for the first quarter of, I think, -6.4%.

Mr Speaker, Sir, all our trading partners are suffering from a protracted and deep recession. France, UK, Germany, USA, South Africa, China and India are going through a severe economic downturn. And, obviously, as the hon. Prime Minister rightly stated, we have an export-reliant economy. And when you have an export-reliant economy, obviously, how well you do will depend to a large extent on *la vitalité et le dynamisme* of your trading partners. And we know what has happened to the visible part of this externally driven economy, Mr Speaker, Sir. So, obviously, we have to take into account the speed with which the deterioration has happened. I'll come back to some of the criticisms that have been levelled by both hon. Jugnauth and the Leader of the Opposition, from denial to panic, and the speed with which, apparently, we have changed our strategy, Mr Speaker, Sir. I'll tell hon. Members to just watch the speed with which the IMF, the World Bank, OECD, African Development Bank, reputable institutions in many of these advanced developing countries are changing their forecast and they are downgrading their forecast, Mr Speaker, Sir. Obviously, if they are affected, this will have an impact on countries like Mauritius.

Let me also answer this criticism that has been made by, I think, Members on both sides of the Opposition. They make fun of our so-called resilience. Mr Speaker, Sir, we have been resilient. It is 20 months, since August 2007, Mr Speaker, Sir, when we saw the crack in the financial system; when the sub prime crisis started to impact on global finance, and then it mutated into a global financial crisis, then started to affect the real economy and then, as all of us know, it is affecting employment, it is affecting people, and it is affecting those on main street and, as someone said, internationally, those on no street in Africa, Mr Speaker, Sir.

Let me also tell my hon. friends in the House that this is a time of heightened volatility, of uncertainty. People don't want to take risks. The hon. Leader of the Opposition mentioned Paul Truman. I read Paul Truman very often. I read Stiglitz also, Mr Speaker, Sir, and I read Robot also. Forget about the difference along these three good economists. If you read what Paul Truman said three months ago and what he mentioned three weeks ago, which was cited by the hon. Leader of the Opposition, it is completely different. Initially, he thought that the recession was going to be very deep. He spoke of a lost decade and he is a regular contributor to the 'New York Times'. In fact, this is how he became very well known to the general public. Then, he changed his position and he thought it was going to be like a bathtub, and now he believes that there are some green shoots. Many people have invented new economics, Mr Speaker Sir; gardening economics. We spoke about it, and they make fun of us. We spoke about green shoots, early harvest and bumper crop, Mr Speaker, Sir. This is a lexicon of garden economics, Mr Speaker, Sir, and it has happened.

When hon. Cuttaree seems to poke fun at reform, he is making a big mistake, Mr Speaker, Sir. If what he is saying is true, that there was no change in leadership, there was no vision, there was no courageous decision and we did not change tact, why is it that all of sudden - I am not a magician nor is the hon. Prime Minister - with a new leadership, with a new economic model, with a new development paradigm, we turned around the economy, Mr Speaker Sir? That is why we said that hon. Cuttaree is wrong when he said that in one year we didn't do it. In one year, we got the green shoots; in the second year, we got the early harvest; in the third year, we got the bumper crop. When we started to reap these benefits - unfortunately, Mr Speaker, Sir, this crisis is made in the USA. This crisis, as hon. Sayed-Hossen said, is not our chosen. We are only suffering from the impact of this crisis. We are not responsible for this crisis, Mr Speaker, Sir. And that's why the Budget, whatever the Opposition may be saying - I

understand it is their role in a democracy to criticise for the sake of criticisms and even they get away with that, Mr Speaker, Sir, not to make any constructive, viable and sustainable recommendations or counterproposals. Hon. Cuttaree said it himself, and I understand also our friends in the trade union movement. Most people know, they watch TV, they read the news, they have got friends all over the world and they know that - has been crafted under extremely international circumstances, which have started to have an impact on the local economy. It has been well received. Look at the specialists, Mr Speaker, Sir! They do not form part of the Executive of the Labour Party. We don't even know whom they vote for, and there are independent specialists out there who had said that, under the circumstances, this is a good Budget. People who invest money don't care about hon. Dr. Sithanen, hon. Dr. Boolell, hon. Dr. Beebejaun or hon. Duval. And you can see the reaction of the Stock Exchange since the presentation of the Budget, Mr Speaker, Sir. All three indices have gone up, and have gone up very fast: +10% for the SEMDEX, +11% for SEMTRI and +12%, I think, for SEM7, Mr Speaker, Sir. This is how they have reacted, which means that it has been globally well received, positive. What demagogic have we not heard from the Opposition, and I will come back to that later on and respond to most of the points that have been made by the Leader of the Opposition and also by hon. Jugnauth.

Mr Speaker, Sir, let me have some fun. In the first Budget of the Minister of Finance in 2001-2002, they spoke about four things. They have been criticising this Government for *bla-bla-bla* and *répétitions*. I am going to come back to that. Do you know what they said? And we all know the theatrical style with which the hon. Leader of Opposition can do things! Economic agenda for the new millennium! I don't know whether you recall that, Mr Speaker, Sir. A quantum leap in the next phase of our socio-economic development! Only in the Budget of 2001-2002, Mr Speaker, Sir, he mentioned five times that we are going to bring the budget deficit to 3% by 2005. In the three Budgets that he has presented, he has mentioned this 3% figure five times, Mr Speaker, Sir. He said that they are going to create tens and tens of thousands of jobs.

Mr Speaker, Sir, the economic agenda of the millennium failed when they left office. The quantum leap was a backward leap. Concerning the budget deficit - the hon. Prime Minister said it – it was 6% after an increase in VAT by 50% plus Rs6 billion of contingent liabilities. They don't like the word 'skeleton'; let's call it contingent liabilities, Mr Speaker, Sir.

Mr Speaker, Sir, they are talking of tens of thousands of jobs. Hon. Cuttaree said : '*on perd des emplois à une vitesse vertigineuse. 45,000 personnes ont perdu leur emploi dans la zone franche. Ils n'ont créé en moyenne que 3,000 emplois par an entre 2000 et 2005, M. le président.*

Mr Speaker, Sir, I will come back later on to what they call '*effets d'annonce*'. In these five Budgets, I have seen 125 *effets d'annonces*, ranging from my friend, hon. Jugnauth, Deputy Prime Minister, Minister of Finance, Member of Parliament for Rose-Belle! Three times they had a foundation stone for the market. We had to come with it, with hon. Dr. Ramgoolam as Prime Minister and hon. Dr. Sithanen as Minister of Finance. We are going to invite him in two months' time for the inaugural ceremony of one of the beautiful market fairs in Rose Belle.

Mr Speaker, Sir, I can go on and on. Many of the Members on the other side have said: *répétitions, bla-bla-bla* and repackaging. Mr Speaker, Sir, in all the five years that they presented the Budget, the resolution of the transport problem was there, LRT, and nothing happened. Every year, they mentioned Phoenix/Beaux Songes - my friend is doing it!

*(Interruptions)*

I keep quiet! Why don't they keep quiet? I can go on and on. Three times they mentioned the Competition Bill. I will come back to that later on, Mr Speaker, Sir. They romanticised poverty, they eulogised poverty with panegyric rhapsodies, but when they had the chance to do it to protect the poor, they ran away. Equality of opportunity was also mentioned. Mr Speaker, Sir, I can have a field-day with these five Budgets to show how many measures announced were repeated year in year out and, yet, there was no concrete realisation of these measures, Mr Speaker, Sir.

Mr Speaker, Sir, hon. Cuttaree, hon. Jugnauth and hon. Bérenger, the Leader of the Opposition, said that we have shifted from a situation that he called from denial mode to panic mode. Mr Speaker, Sir, I don't want to go down memory lane. Who panicked in 1982? *Poelon chaud!* I am not panicked, Mr Speaker, Sir. I have assumed my responsibility under the able leadership of the hon. Prime Minister and the support of all my colleagues here. Other people, probably, would have panicked, Mr Speaker, Sir. Who panicked in 2005, Mr Speaker, Sir, when the sky was clear and said: '*on est en état d'urgence économique, la crise est sans précédent, la situation est dramatique*'. If then, the present hon. Leader of the Opposition qualified it as *état d'urgence économique*, how would he have qualified it today? Economic Armageddon! *La fin du monde!* Mr Speaker, Sir, this is not panic; we don't panic at the least, shudder. That happened in the external market. You have to keep *votre lucidité et votre calme*. And this is what we have demonstrated, Mr Speaker, Sir. Hon. Cuttaree should know; he is a very intelligent man, that's why I protest that he has not been made shadow Minister of Finance. It is very unfair!

Mr Speaker, Sir, in 2008, notwithstanding the pounding from the world economy, we did relatively well with 5.3% of economic growth; FDI at Rs11 billion, unemployment continued to fall when other countries were losing jobs at lightning speed, Mr Speaker, Sir. This is resilience. We were already at 2% without reform, Mr Speaker, Sir. If there was no reform, it would have been -5 already. The model had run out of steam, fuel, energy and of everything. They did not have the courage to make the decision.

Mr Speaker, Sir, hon. Bérenger, hon. Jugnauth and hon. Cuttaree have been senior Ministers. They have represented our country. My good friend, hon. Dulloo, also was chanting about reform. He used to get congratulations everywhere. Ask Minister Boolell! He was being congratulated; he didn't do anything.

Mr Speaker, Sir, the EU has congratulated Mauritius for being ahead of the curve. You can ask my friend, hon. Dr. Boolell, when he goes outside as Minister of Foreign Affairs - and he is doing a much better job, Mr Speaker, Sir - what people say, what the President of the *Banque Africaine de Développement* says. We are invited to go and speak about how we have been ahead of the curve, how we have been speedily reactive and proactive and how we have been able to manage the global economic melt down, Mr Speaker, Sir.

Everybody has told us that, Mr Speaker, Sir - 'The Financial Times', 'The Economist'. The EIU, two weeks ago, said that Mauritius is one of the most resilient countries and the title, I think, was 'Manning the Barricades'. Norway is first and, I think, we are sixth or seventh ahead of many countries. This is due to our leadership, to our capacity to have taken bold decisions that have allowed this country to turn the corner.

You know all the distinctions we have received. *Mo pas pé fer fezer*, Mr Speaker, Sir, but these are facts also. We are on the white list of the OECD. If other people had gone to negotiate, we would have been on the black list, Mr Speaker, Sir.

Concerning the 'Doing Business Survey', we are the first country in Africa. This does not happen, Mr Speaker, Sir, by doing nothing, without leadership. Much recognition we have had. We started an expansionary fiscal and monetary policy before the G20 called for it, Mr Speaker, Sir. We created six Funds. We presented an expansionary Budget; we coordinated with the Central Bank to bring down interest rate; we lowered the cash reserve ratio, we presented an Additional Stimulus Package, and people come and say that we have shifted from denial to panic! There is no panic. Mr Speaker, Sir, as a responsible Government, when we look around, all the experts, we see that the down side risk to the economy has aggravated. What do we do? We just do like they did, Mr Speaker, Sir!

Mr Speaker, Sir there are some risks, I must confess, on the external balance, even though I did receive some good news this morning. The figures for external trade are out and, as I stated earlier on, it is true that export will fall, but there has been an easing also in import, and the figures for the first quarter for 2009 showed, Mr Speaker, Sir, that, while export has decreased by 0.3% over the corresponding period of 2008, imports have fallen by 17.5%; this means that the trade deficit in the first quarter has come down from Rs16.4 billion to Rs11.1 billion, which means that a change of approximately 32.4%, which is an absolute term, Mr Speaker, Sir, represents approximately Rs5.1 billion.

Problems that we are facing, Mr Speaker, Sir, and that we have tried to address in this Budget are: how do you create a harmony among three objectives that appear contradicted? Save jobs. To save jobs, you have to spend money. I'll come to that later on. Second, if you stimulate the economy too much, you will run into a budget deficit and, if you run into a budget deficit, this will have a repercussion on the external balance, Mr Speaker, Sir. That's why many people, many economists have raised the concern about the potential impact of what could have happened to the budget deficit on the external balance and this is what I have called, Mr Speaker, Sir, the probability of a black swan, a phenomenon where FDI comes down, the receipts from textile and clothing decline and there is also a decline in the earnings from tourism. This is what we have to do, Mr Speaker, Sir, and it is not easy exercise.

That's why I disagree - I think it was hon. Bodha and hon. Dulloo who have said that - that we should have increased consumption. There is no way we could have increased consumption, because this would have aggravated our situation. In France, they can do it; in other countries also, because there is no seepage, there is no very high seepage through *la balance commerciale* that would negatively impact on the balance of current account and on the balance of payments, Mr Speaker, Sir. Let me state very clearly that there are many people who say that we have to save jobs but, at the same time, we have to give high increase in salary and, at the same time we don't have to support enterprises. Mr Speaker, Sir, I must say I don't have to do this. If someone knows how to do those three things, I would gladly see him tomorrow morning in my office. How do you save jobs, give a high increase in salary and, at the same time, don't help enterprises?

We have seen what has happened to General Motors, yesterday, Mr Speaker, Sir. They went into Chapter 11, they have gone into bankruptcy because they want to be protected from the creditors while they restructure GM; the same thing has happened to Chrysler. There is no way.

There are many orators of the House who have said that the only way we can help our compatriots to keep their jobs, to protect people, is to do it through helping the enterprises, and it is not a riskless proposition Mr Speaker, Sir. The hon. Prime Minister has explained that very clearly. We will try to do everything, and that's why you can see that you have two sets of criticisms that come from complete opposite side. Some people are saying that you have to be careful because this is public money. We believe in that, Mr Speaker, Sir. This is no free money. On the other hand, other people are saying that "you are putting conditions that make it difficult for us to accept this money, you are too slow to give us money and you are not giving us enough money." These are contradictory. What we need to do is to try to reconcile these two objectives, Mr Speaker, Sir, and it's not easy. And the Vice-Prime Minister & Minister of Tourism said this morning. It's the first time that we are doing this, Mr Speaker, Sir, because these are unprecedented times. We have never had that before when the hon. Leader of Opposition said: '*Jamais, les personnes touchant plus R 12,000 n'ont pas eu d'augmentation.*'

Mr Speaker, Sir, never since the 1930s, have we seen a recession with that depth and with that length! Never, Mr Speaker, Sir, since 1934, have we seen a decline in global trade of -12%. Never have seen such lack of decoupling! For some time, China, India, a well known economist like Dr. Manmohan Singh, brilliant economist, thought at one time, Mr Speaker, Sir, that there could be decoupling. And what is meant by decoupling is that because of the size of domestic economy, they can, by consumption, mitigate the adverse impact of global trade on India and China, Mr Speaker, Sir. You can see the pattern. Those economies that rely a lot on trade have been affected; those economies that rely a lot on financial services have been affected; those economies that have relied on a lot of property development have been affected. And if you are unlucky and rely on all three, you are in deep trouble like Dubai. Dubai has developed a lot on financial services. They have done well out of property development and, obviously, it is one of the most open economy in the world. You can see what is happening in Dubai. Singapore, it is the same thing Mr Speaker, Sir, Hong Kong, even Malaysia. The recession in Malaysia is going to be close to 10%, and here I don't know if this is going to be 2. There is going to be 2.2, but for the first quarter, Mr Speaker, Sir, we have saved jobs. We have created more jobs than jobs have been lost, Mr Speaker, Sir, for the first quarter. How long would we be able to do this? It is very difficult. We are trying our jobs under difficult circumstances, Mr Speaker, Sir, and let me say that the Additional Stimulus Package is not 'give away'. It's not been doled out; there are conditions. I answered a question, Mr Speaker, Sir, that in some cases it is going to be equity, in other cases it is going to be debentures, in others, it is going to be an asset swap and, in some cases, it is going to be a guarantee, and then they will use that guarantee in order to get some money from the banks. 40% approximately by the financial institutions, 40% we are going to support, and 20% we have to cover from the shareholders. There is also a social contract. So, Members of the Oppositions have said that we have to pass a law to tell them that we are not going to lay off people. How can we do this Mr Speaker, Sir? Let me give a simple example! Assuming a company is getting Rs15 m. from us, if after 6 months this company loses Rs200 m. and you don't do anything, you are criticised for not saving the jobs of poor people; you do something and you are attacked, because you are trying to give money to these enterprises. Hon. Cuttaree asked a question: what is going to happen if this recession lasts very long? We will have to be vigilant. We will have to be proactive; we have to be speedily reactive. This is what we have done, Mr Speaker, Sir, and that's why this Action Plan is for 18 months and not for six months, and we hope that 2010 is going to be better than 2009. 2009 is going to be a very bad year; all of us know that. So, we hope that 2010 is going to be better than 2009, Mr Speaker, Sir.

The other alternative is worse. What is the alternative? It is massive redundancies. We are not saving the enterprises, Mr Speaker, Sir; we are saving jobs by saving these enterprises. I have said it on several occasions: *une entreprise qui ferme, c'est un patron qui se recycle ailleurs ; une entreprise qui ferme, c'est 500 pères de famille ou mères de famille qui perdent leur emploi.* They are deprived of financial resources to support their families, Mr Speaker, Sir. This is why many countries in Africa are very concerned that 150 million people will fall below the poverty line, because of what is happening to the world economy. Growth will be lower. When growth is lower, they will lose their jobs. When they lose their jobs, they won't have access to financial resources, they will fall below the poverty line. That's why, Mr Speaker, Sir, we have put additional money.

The Prime Minister has mentioned it: Rs4 billion to save jobs; Rs2.4 billion to protect people; Rs2.7 billion to prepare for the recovery, and Rs6 billion for public infrastructure. And some people are saying *qu'on a donné R 14 milliards aux gens du secteur privé.* Mr Speaker, Sir how demagogic can we be? Does building roads mean that we are giving money to the private sector? We have to be serious! We have also done a lot for modernisation. I will come to what hon. Cuttaree said. I remember hon. Cuttaree, because he spoke last. Obviously, I am going to respond to many of the points that he has made, but I will come back to some of the points that were made by hon. Jugnauth and also by hon. Leader of the Opposition.

Mr Speaker, Sir, there is one sentence called 'Prepare for Recovery'. *On est en train d'aider à la modernisation des petites et moyennes entreprises ainsi que des grandes entreprises,* through equipment modernisation, machinery. We are going to help the SMEs with Rs500 m. to upgrade their equipment, to modernise their technology, in addition to the Rs500 m. that were already provided for in the last Budget, as well as the Rs500 m. that were provided in the Additional Stimulus Package, Mr Speaker, Sir. We are working with the leasing companies in order to make sure that they can get concessional access to finance, because they have come to see us and said that they believe that it's easier to finance this through leasing rather than through commercial banking, Mr Speaker, Sir.

The Leader of the Opposition - and I think hon. Dulloo too - has said *qu'il n'y a rien dans ce budget.* Mr Speaker, Sir, *deux cents nouvelles mesures pour sauver l'emploi, protéger la population, et se préparer pour la reprise!* Mr Speaker, Sir, how insulting, patronising can one be towards 28,000 small planters that are receiving Rs60 m. through a reduction of 20% in cess? *N'est-ce pas cela une bonne nouvelle, M. le président?* How insensitive can one be to the plight and suffering of probably 15,000 of our compatriots who live in NHDC houses? We have put Rs280 m. in order to help them, and work has started in Camp Levieux, la Caverne, Vallée des Prêtres, la Tour Koenig, Dagotière, Beau Vallon. How insensitive can we be, Mr Speaker, Sir?

We have given 15% to vulnerable groups in this country; those who have income support. Is this *bla-bla-bla*? Is this *une répétition*? I can go on and on, on all these measures that have been taken, Mr Speaker, Sir. We achieved equilibrium, a balance - later on, I will come back later on that. Re-invent Mauritius! We will talk about that. We have taken measures to support the economy but, at the same time, Mr Speaker, Sir, we have initiated measures to protect the poorest and, at the same time, we are assuming our responsibility with respect to protecting the environment. Never has any Government done so much for the poor, and I must laugh when people romanticise about poverty. But, they did it when they were in power! I heard, my friend, hon. Mrs Navarre-Marie say: *'qu'est-ce que R 1,000 en plus* for single women, with their children?' They never did it, Mr Speaker, Sir. We introduced that measure last year, after

discussion with my colleague, the Minister responsible for social security. We gave Rs700 for each child and, this year, we have raised it by 40%. Last year, we doubled the entitlement of orphans. Hon. Cuttaree said that we did not give to orphans. About 150 poor children - and I know what is poor children - are going to the University of Mauritius. The income threshold was Rs7,500, and we have raised it to Rs10,000. It did not even exist before. *Il y a à peu près 6,000 femmes abandonnées*, and we have increased the support by 10%, Mr Speaker, Sir.

I can go on! The hon. Prime Minister mentioned many of these things. And they talk about private sector bias! We have to create wealth wherever it comes from, and we have shown our commitment to broadening the circle of opportunities, to democratise the economy. *Il y a à peu près R 400 millions* from the Food Security Fund to help small planters for onions, for potatoes in Mauritius and in Rodrigues. We are going to support them with grant, with technical assistance from AREU, from SEHDA. There are, at least, 15 to 20 measures to help support the small planters for vegetable. There are about 20 measures for SMEs, Mr Speaker, Sir. True it is - I agree with hon. Bérenger and hon. Cuttaree - that it is a tough nut to crack, for the reason that, very often, they are on their own. At times, they don't even know how to prepare a business plan. It is not their fault. *Ils ont appris sur le tas*. But, as I said, SMEs are generating approximately 43% of jobs in this country. There has been a surge in SMEs after the reform. Hon. Jeetah mentioned that very often and, now, hon. Gowressoo, the Minister for Business, knows about it. We are supporting them through many measures; I won't go through them one by one, but there are, at least, 25 measures in this Budget. With regard to the Additional Stimulus Package, we know what they have in mind when they say we are helping the private sector. As I said it, Rogers is not benefiting from it, IBL is not benefiting from it, Currimjee is not benefiting from it, and Beachcomber is not benefiting from it! Small and medium enterprises are benefiting from it. So, what do we do? We don't do anything, and let enterprises die? One thing, which is very important, is that it's not only about supporting enterprises; it is about supporting economic sectors. It is about supporting cluster. Why do you think President Obama is getting personally involved in General Motors? Because this is an important cluster, a vital component of the industrial architecture of the USA. Why does the German Government do so much in order to save Opel, Mr Speaker Sir? Because these are *les tissus industriels vitaux de l'économie américaine et de l'économie allemande*! We have to do the same thing Mr Speaker, Sir. We can't just let this go.

I hear that, for reinventing Mauritius, we have to look for other things if textile is going to die. They don't tell us what is this new thing, Mr Speaker, Sir. So, there has been no shift from denial to panic. The economy has been resilient, and they know it. They said it in private. There has been no shift from denial to panic. The Leader of Opposition talked about *zigzag de dernière minute*. You know how he speaks! There has been no zigzag, Mr Speaker, Sir. There has been constant. The only thing that is constant is change. We need to react, we need to adapt, and we need to be flexible. This is the name of the game: flexibility; you can't be bogged down in ideological straightjackets, Mr Speaker, Sir. You need to show flexibility, and we have to intervene on a timely basis. It has to be targeted, it has to be temporary, it has to be flexible, and it has to be sustainable Mr Speaker, Sir.

The other criticism was about *la compensation salariale*. All of us, on this side of the House, would have liked to give more! When we could, we did. We are one of the few Governments that paid the PRB *in toto* at one go. Hon. Cuttaree, hon. Jugnauth and hon. Bérenger know very well that, at this critical juncture in the world economy, there is a tension

between keeping jobs and raising salary. The Prime Minister of Singapore gave a press conference and said very clearly: "If you have a choice between accepting a reduction in salary and keeping your job, and increasing your salary and losing your job as a result of global lack of competitiveness, you know what is the choice." *C'est comme un élastique.* If you stretch it, it is going to break, Mr Speaker, Sir. The hon. Leader of the Opposition is good at that. He tells you to resolve an equation, where there are two equations and three unknown. How to solve that? It is impossible. How do I solve this, Mr Speaker, Sir? He tells you to save jobs, give higher salary, and protect the purchasing power. I don't know how to do this, Mr Speaker, Sir. Even in science fiction, we can't do it. We have tried our best. He himself congratulated the Government by saying that we have moved away from the proposition of the MEF. We discussed, and then we let the institution decide.

Having said that, there are many SMEs. Hon. Cuttaree and hon. Jugnauth spoke about the difficulties of the SMEs. I meet them also, Mr Speaker, Sir. They came to see me and told me: "*Rama, même maintenant, nou pa capave payé coco*, and you are imposing on us?" So it's tough out there, Mr Speaker, Sir, and we need to protect jobs. We have given an increase in salary. Hon. Cutarree as well as the hon. Leader of the Opposition said: '*Est ce que 2% d'augmentation auraient créé la banqueroute dans ce pays?*' Let me explain, Mr Speaker, Sir. Nobody has the monopoly of the heart. I don't want to hit very hard, I am in a good mood. I am tired, but in good mood. I can hit very hard, and they know that, Mr Speaker, Sir. But, 5.1% is going to cost the country Rs1.4 billion. If you divide Rs1.4 billion by five, I think it's about Rs275 m. for 1%; if we multiply this by two, it would cost us Rs550 m., because there is consequential.

Again I don't want to score cheap politics. Mr Speaker, Sir, when hon. Jugnauth was Deputy Prime Minister & Minister of Finance and hon. Bérenger was Prime Minister, they changed the universality of old age pension; 3,000 people were denied their old age pension. This cost only Rs25 m. I could argue. For Rs25 m., they inflicted so much psychological pain *sur 125,000 vieux*, and removed that pension. I am not going to argue tonight, Mr Speaker, Sir, as to whether it was a right or wrong decision. But hon. Bérenger said: '*Est ce que 2% en plus auraient mené le pays à la banqueroute ?*' Let me explain; I am being very nice; I am not attacking you.

*(Interruptions)*

Mr Speaker, Sir, *R 25 millions comparé à R 550 millions, fait une différence énorme! Et l'honorable Leader de l'opposition a été ministre des finances à deux reprises; il a été premier ministre et il le sait.* That's why, Mr Speaker, Sir, we should not have political opportunism. He is not fair! We've done what is best under extremely difficult circumstances. *Pour faire l'équilibre entre stimuler l'économie et, en même temps, protéger ceux qui sont vulnérables.* That's why we have introduced measures for solidarity. We could have used the easy option out. Hon. Jugnauth said: "*Il y a des solutions sans augmenter la TVA.*" *Il était à la radio. Je n'écoute pas la radio, car je travaille. Mais, mes amis m'ont dit que, lorsque l'intervieweur lui a demandé quelles étaient ces solutions, li dire " pli tard mo dire ou".* They don't say what are the measures, Mr Speaker, Sir! The reason for this is very simple. This is exactly what they did in two years. They went for the easy solution. I will come back to the NRPT, the Speaker, Sir. The Prime Minister was right. We should not look only at our personal choice. We have to look at society at large. We have to look at those who can't afford to pay. I hope the hon. Prime Minister would not mind if I say that we had the choice until the last minute of broadening the VAT.

Hon. Dulloo said: *"Il n'y avait pas!" Lui aussi fait son charme. Il ne sait pas! Ce n'est pas vrai! Il y avait le choix d'élargir la base de la TVA et d'inclure des produits comme le poisson, le poulet, la viande, le corned mutton, le corned beef. Cela nous aurait donné l'équivalent de 1% du PIB.* But we said no, and we went for the solidarity measures. We taxed. Whereas, for them, what did they say? I remember someone from the Opposition - I won't say who - said: *"zot ti bizin mette TVA. Bane pauvres pou crier deux jours, après zot pu fini"*, whilst the rich have disproportionate power to influence decision-making.

So, we have introduced the solidarity tax on telecommunications, on banking. Yesterday - and I am very sad that this comes from the MMM who has always been the champion of fighting for the poor; unless they romanticised the poor. Hon. Bérenger did not say that, and I must congratulate him for that - hon. Lauthan was complaining on the 2% that we are asking from the companies. The companies that make profit can spend the money on what we have told them, and it is so broad! There are 10 clusters on which they can spend money. Hon. Ganoo is nodding his head, Mr Speaker, Sir. He said: *"on ne peut pas faire ça"*. Coming from the MMM, Mr Speaker, Sir, I was really surprised! What have we told them? There are some companies that are doing an excellent job in the CSR. In India, now, they call it CSO, Corporate Social Obligation, as opposed to responsibility. But there are others *qui traînent la patte*. Let me be very honest. *Cette mesure-là s'adresse à ceux qui traînent la patte!* In their annual account, they put that they do this, but, in fact, don't do it! My colleague, the Minister of Youth & Sports, came to see me and said: "can we broaden the scope and then include sports?" We have no problem, as long as all the money does not go into sports, because we have to help poor people; we have to send children who do not have chances to school. There are many things that we can do, like for women, the handicapped. We have no problem. We are responsible and flexible people.

Someone rang me yesterday and said: *'Monsieur Sithanen, est-ce que c'est possible d'y inclure la protection de l'environnement dans le champ d'action ?'* I said alright, fair enough! We don't want to *étatiser* le Corporate Social Responsibility, Mr Speaker, Sir. We are just telling them that these are tough times; these are the times for solidarity. I have no problem. I called the banks and said that they have got money and so, they have to pay. It is the same thing for the mobile and fixed telephony. We look for means and ways of avoiding to increasing and broadening VAT, Mr Speaker, Sir. This is what we have done. Then they say that we have not done enough for the poor. We can have a debate on how much we have done for the poor. People should not use the poor as fodder to defend their own interest.

Let me come to this difficult measure on tax on interests and NRPT. What is the alternative? Again, I am very disappointed by the MMM, supposedly champions of the causes of the poor. Mr Speaker, Sir, you have a choice between levying VAT on 1.4 million people and levying a tax on those who can afford. What is your choice? I will always exercise the other choice, Mr Speaker, Sir. How many people are paying this tax? In all countries in the world, interest is a taxable income. My friend, hon. Jugnauth, introduced it in his Budget of 2004. Obviously, he put a ceiling. We have already included the ceiling, Mr Speaker, Sir.

Just in the same way, he said that we have to target the SC/HSC fees. But he put the target so high that it would not have save any money! He agreed with the principle in his 2004 Budget, Mr Speaker, Sir. I do not want to inflict that on him, by reading the whole paragraph on interests as to be taxed and also on SC/HSC fees having to be targeted. Let me dispel one myth. Very often, I take many things for granted, and this is probably my mistake.

There is no double taxation on interest, Mr Speaker, Sir. Let me give a very simple example. If you earn Rs100 and you pay Rs15 tax, you are left with Rs85. You put Rs10 in the bank, and you get 10% interest. You pay tax on one rupee, and not on Rs11. This is so simple, Mr Speaker, Sir, that I am really annoyed when I see people say that there is double taxation on interests. It cannot be. Because you are not being charged on the Rs10 that you have put in the bank. You are being charged on the one rupee additional that you have earned as interest. This is so in all countries in the world. How many of us have stayed abroad, Mr Speaker, Sir? We know how this is done. As the hon. Prime Minister has said, you have to make policy choices, Mr Speaker, Sir. If you have a choice between asking people who have the ability to pay and those who have to pay and who are poor Mr Speaker, Sir, it is very clear.

Hon. Jugnauth and hon. Cuttaree seem to suggest that it is possible to do neither. This is impossible, and I will come back to that. What have they suggested? What are the alternatives? Give free, remove tax! How do you finance that, Mr Speaker, Sir? The hon. Leader of Opposition, very elegantly, said *qu'il n'y a aucun pays au monde, où l'opposition dit ce qu'il va faire*. They know why they do not want to say it. Because we have costed, Mr Speaker, Sir, how they are going to fund it. They will have no choice than to increase VAT to 25%. We know how to count, Mr Speaker, Sir. I have presented eight Budgets, Mr Speaker, Sir. There are many people here, and we know how to do this. We know what are the policy options. Ireland, Singapore, South Africa are going through that. Look what has happened to South Africa! I am sure the Leader of Opposition has read that Mr Zuma who just came to power promised anything. You can see that one of the largest trade unions that have supported him is going to have strike, because they are not happy about some policy measures. How do you satisfy the demands of all these people when you are having a recession of 6%, Mr Speaker, Sir? The hon. Leader of the Opposition also said *qu'on exagère le déficit* to manage public opinion. Mr Speaker, Sir, I do not want to tease the hon. Leader of Opposition. He has got a style of presenting Budget. But I am an old fox, also Mr Speaker, Sir. He presented his two Budgets in 2001 and 2002 - *il faut mettre cela dans l'histoire* - and he said that the deficit was going to be 7.1%. He said it twice; in 2001 and in 2002. And, then, he put a sentence: 'This is totally unacceptable; a deficit at 7.1 %. So, we have no choice Mr Speaker, Sir than to raise VAT.' He did that twice, Mr Speaker, Sir! In 2001 and 2002, he mentioned this. Mr Speaker, Sir, I got five Budgets here, and in all of them the deficit was higher than 5%. And there was no recession.

We have not managed public opinion. We have just worked hard, in order to present a Budget that satisfies these three difficult constraints, Mr Speaker, Sir. He has also said that we have exaggerated loss of revenue. The hon. Leader of the Opposition is a very good parliamentarian. He reads all the papers. We presented the revenue forecast for 2009 in 2008. He knows that very well. We'll come back to that at Committee Stage, Mr Speaker, Sir. So, we cannot change the figure, because we present for three years, and the estimates for revenue for July-December 2009 were given last year. We have changed it now by 11%. He can check. So, revenue has fallen by 11% compared to a normal year, because of the recession. It is not like in the past, where you present the figures only for one year. Now, we want transparency, we want good governance, Mr Speaker, Sir. The figures are there, very clear. What we are talking about is the period July to December 2009. We have even presented for the year 2010 last year, and there also it is going to fall because we think that recession will continue probably until 2010, and that it is only in 2011 that probably it will pick up. So, there is no exaggeration. Hon. Jugnauth, hon. Bodha and hon. Cuttaree said *qu'il fallait alléger le fardeau fiscal comme certains*

*pays le font. On a déjà allégé le fardeau fiscal depuis 2006, M. le président. On est un des rares pays où l'imposition fiscale est à 15%. Quand ils étaient au pouvoir, la taxe marginale était à 30%. C'est l'honorable Jugnauth qui l'avait augmentée à 30% dans son avant-dernier budget. Il ne faut pas nous comparer, M. le président, à un pays où le taux d'imposition est de 55%. Si le taux d'imposition est de 55%, c'est facile pour un ministre des finances de venir dire qu'on va baisser de 10%. On a baissé le fardeau fiscal dans ce pays depuis longtemps. 50% de gens qui payaient la taxe directe sous l'ancien régime, ne payent pas avec ce gouvernement. Et, il y a 85% qui payent moins, M. le président. Avec ce gouvernement, on est un des rares pays où seulement 7% des gens payent l'impôt direct, et ils payent à 15%.*

As the hon. Prime Minister said, people do not want to pay. If they do not pay tax, Mr Speaker, Sir, what do I do? I was at a cocktail the other day. Someone who is rich came to see me and said that, as he has many houses, we are taxing him. I told him: 'what do you want me to do? Tax poor people!' We have to tax people who can afford to pay, Mr Speaker, Sir. Some people have a crisis of identity. They read 'Le Figaro', and they think they are on the left! They support death penalty, and they think they are on the left! On Sunday morning, when they are in London, they read the 'Sunday Mail', and they think they are on the left! I read 'The Guardian', I read 'Observer', 'Le Monde Diplomatique'. I do not have a crisis of identity, Mr Speaker, Sir. Some people signal to turn on the left, and they turn on the right all the time! We have to be very fair. I keep telling my good friend, hon. Valayden that - I am sure hon. Cuttaree and hon. Bodha have also read about this - the 'Financial Times' carries a test on how you distinguish the left from the right, and you have to answer six questions. I know where I am on all six questions, Mr Speaker, Sir. You cannot pretend to defend the poor, romanticise poverty and, then, at the end of the day, you are just defending the rich, those who have money, and your personal interest, Mr Speaker, Sir. This is very unfair.

Mr Speaker, Sir, we have introduced a measure not only to help those who are working, but also those who can get a job in the ICT Sector. Minister Dulull discussed with me, and we are going to invest approximately Rs21 m. to train 2,000 SC/HSC holders for 40 days and, as soon they complete their training, they will be absorbed in that particular sector, Mr Speaker, Sir. This is what we are doing. Hon. Jugnauth and hon. Cuttaree were saying that we are getting more tax. This is buoyancy.

**Mr Speaker:** I will interrupt the hon. Vice-Prime Minister. I know he has a long way to go. So, let us break for dinner for one hour.

*At 8.00 p.m the sitting was suspended.*

*On resuming at 9.10 p.m. with Mr Speaker in the Chair.*

**Dr. Sithanen:** Mr Speaker, Sir, let me come to the issue of equity in the cane sector. The hon. Prime Minister had personally negotiated with the MSPA on enhanced equity participation for planters and employees in existing and also in new sectors. We have spent the money to make sure that the commitment taken by the Prime Minister is done. We have invested in Savannah with respect to milling and refinery and we have also invested in refinery in FUEL. The issue of energy, obviously, is still to be finalised. It's a tricky one. I see the Leader of the Opposition and hon. P. Jugnauth saying: 'Look, it has taken us two years to find the right vehicle.' It's a tricky one, Mr Speaker, Sir. And there are two schools of thought. One is to give the planters and the employees direct ownership. The advantage of this direct ownership is that

they become owner, but there could be a dilution in how they can influence the course of action at Board level.

The other alternative is to continue with SIT, which is simple; we have a bigger SIT where it is a Trust. I must say, initially, my preference was for direct ownership, Mr Speaker, Sir. But there are people who have tried to convince us that, probably, if you have direct ownership, there can be a dilution of the importance of small planters and this is the issue that we have to address. But we have invested on their behalf and we have created a warehousing facility to take care of this particular issue. The hon. Leader of the Opposition mentioned that '*la réforme dans l'industrie sucrière est en panne.*' Totally wrong, Mr Speaker, Sir! We have carried out a lot of reforms. The outstanding issue is energy, and my colleague, the Deputy Prime Minister & Minister of Public Utilities, has stated very clearly what is the issue on energy.

With respect to centralisation, the ball is not in our court. The issue has to be sorted out between Mon Loisir and FUEL. Hon. Jugnauth mentioned UNDP report on HDI. I have asked my officers to get the report. Obviously, we read from different reports. The report that I have, Mr Speaker, Sir, is that in 2005, we were 65<sup>th</sup> out of 177 and we were classified as a medium country, whereas in 2006, we are 63<sup>rd</sup> out of 177. However, we are classified as a high HDI, as opposed to a medium HDI. I don't know which report, but this is UNDP. We have just downloaded it from the Internet, Mr Speaker, Sir.

With respect to debt, Mr Speaker, Sir, hon. Jugnauth has been arguing, just like hon. Bodha, so much so that I had to explain how this is computed but, Mr Speaker, Sir, what we say outside this House and what we say *on camion* is different from what we say in this House. Let me give two quotations from hon. Jugnauth in this House. It is at page 62, paragraph 290 of the 2004-2005 Budget, I quote -

'Mr Speaker, Sir, the three main pillars of our debt management strategy are -

(i) reducing the ratio of debt to GDP;'

It is very clear that it is debt to GDP and it is not debt.

In 2005, the stock of public debt is expected to reach *R 105 milliards* representing 47.7% of GDP, as it is computed. The objective in the medium term is to reverse the rise in debt to GDP ratio through further improvement in the overall fiscal balance and achievement of higher growth.

I hope this will put an end to the sterile debate on how economists compute debt, Mr Speaker, Sir. So, as for *l'exode de capital*, obviously there has been a misunderstanding by the hon. Member. What the Governor of the Bank had in mind - in fact, I replied to a question put by the hon. Leader of the Opposition on errors and omissions - is that the inflows had been unexplained, and it is precisely for this reason that the Governor of the Bank stated that they have to carry out a survey in order to understand what explains basically those inflows. And we can look at the figures, Mr Speaker, Sir. After the presentation of the Budget of 2006 if anything, there has been an inflow of foreign exchange and not an outflow of foreign exchange.

Mr Speaker, Sir, the hon. Leader of the Opposition and I think hon. Ganoo also mentioned transparency in procurement. Let me reassure the House, Mr Speaker, Sir. Even though we are decentralising the process of procurement in order to strike a fair balance between fairness, good governance and the speed of implementing projects, we are going to make sure that the principles that are underpinned in the procurement law are strictly adhered to, Mr

Speaker, Sir. And we have said in the Budget that they will have to publish an evaluation report, that if the successful bid is 15% higher than the estimated cost, they will not be allowed to award their contract. And furthermore, if one of the aggrieved bidders feels that it has not been fair, he can always make an appeal.

Mr Speaker, Sir, on social achievement, hon. Ganoo was teasing us. He was dividing Rs300 or Rs250 of social aid by 30. Let me remind my good friend, hon. Ganoo, that, in one year, they gave Rs75 as increase in old age pension. In another year, Mr Speaker, Sir, they gave a misery Rs90. I will not insult the intelligence of my good friend, hon. Ganoo and divide Rs75 by 30 or 90 by 30, Mr Speaker, Sir. Everything has to be placed in its own perspective. The waiver for many small people, '*le petit peuple*', at the DBM, has been extended by an additional year. Let me refresh the memory of hon. Members in the House that, up to Rs200,000 of loan, we waived penalty and interests and, for the very few, the very small men and women, Mr Speaker, Sir, on Rs50,000 of capital, we waived 50%. The hon. Prime Minister has spoken about it; it is not only what we have done, it is also what we have not done. We have not increased VAT. We have not broadened VAT. We have not increased income tax. We have kept the Welfare State. We have kept free transport. We have kept old age pension on a universal basis. We have kept subsidy on flour. We have kept subsidy on cooking gas. Mr Speaker, Sir, the price of flour, bread and gas has come down, compared to what is happening in other countries like Seychelles, Latvia, Turkey, Pakistan and many other countries in Eastern Europe.

Mr Speaker, Sir, this is the cultural dimension of this Government. This is a Government that believes in arts, in culture, in promoting the best in our youngsters. We don't just speak, Mr Speaker, Sir, and we have put our money where our mouth is. In their Budget Speech, the hon. Leader of the Opposition and hon. Pravind Jugnauth spoke about the World Heritage Aapravasi Ghat and Le Morne. We worked very hard in this Government under the leadership of the Prime Minister, Minister Bunwaree, my good friend, the hon. Attorney General, the Minister of Arts & Culture. It is the first time in the history of Mauritius that we have got two world heritage sites, Mr Speaker, Sir, because we believed in it. We put all our effort in it. There is the restoration of Plaza, Mr Speaker, Sir. The hon. Leader of the Opposition has been Prime Minister and Minister of Finance, he hails from that constituency. I am not the MP for Rose-Hill - I have grown up in Rose Hill - and we have restored Plaza. We are proud about the restoration of Plaza, Mr Speaker, Sir. We have done the same thing in Port Louis, the St. Louis Cathedral. And now, we have done more: international development grants, international travel grants, collaboration grants, marketing development grants, so that we can have artists of world standing, of world repute. We've put our money where our mouth is. We've put our money where our heart is, Mr Speaker, Sir, and we have also suggested that, for all buildings of the value of Rs15 m., to promote artists, they have to spend 1% of their money on promoting arts. We are restoring *la vieille prison*, Mr Speaker, Sir. We are proposing to create an artistic corridor between the two heritage sites and we have given a grant to *la Musée de la Photographie* for the preservation of the photographic heritage of our country, Mr Speaker, Sir,

So, you can see that this Budget goes beyond economy. One of the criticisms that the Leader of the Opposition and the Opposition made is about economy. This is also about social, arts, culture, about education. Mr Speaker, Sir, my colleague, the Minister of Education, has stated very clearly. This may have escaped the attention of the hon. Members, Mr Speaker, Sir. When we came back to power in 2005, the gross tertiary enrolment ratio was 28%. Today, the growth tertiary enrolment ratio is 43%. It is an increase of 50% in four years. If you ask me what

is the best measure I have taken in this Budget, Mr Speaker, Sir, it is to create 8,000 more seats for people to have access to tertiary education. Hon. Ms Deepalsing was right, this is the best gift that we can give to our youth and, by the time we will create these 8,000 seats, the growth tertiary education ratio will go up to about 70% or 75%. Never has any Government done so much for tertiary education. This is not only about access, Mr Speaker, Sir, it is also about availability of seats for people to pursue post secondary education. What we want is that everybody who succeeds 'A' level, HSC, *baccalauréat* or IB, will have the opportunity to improve their skill so that they can get a better thing in life, and widen the circle of opportunities, Mr Speaker, Sir.

Mr Speaker, Sir, let me come to 'reinvent Mauritius'. What are the constituent parts of reinventing Mauritius, and with whom they are going to reinvent Mauritius? My good friend, the hon. Leader of the Opposition, has the nag of giving nicknames to everybody. He calls me 'pussycat tail'. He calls my good friend, hon. Bachoo, '*intellectuellement limité*', others are called '*rasoir*', '*pagla mamou*' and '*gros feuille*'. All these names are being given by him. Mr Speaker, Sir. What is it? I have retained three things. Let's be serious! We embrace the Westminster system of democracy. *Ils proposent, ils sont l'alternatif et l'alternance en même temps*. What have they proposed?

Mr Speaker, Sir, besides giving everything free and removing all taxes, which means they will have to increase VAT by 25%, let's look at the serious propositions that have been made by Dream Bank Mauritius. First, 50% of reserve in gold! Mr Speaker, Sir, there is nobody who believes in this. The former Governor of the Bank of Mauritius - I think he is helping them; that's his right - has never mentioned that stupid thing, Mr Speaker, Sir. Secondly, when he was Minister of Finance or when hon. Jugnauth was Minister of Finance, they never did that. Thank God! Thirdly, commercial banks that have 40% of reserve! We don't give them instructions. They don't do it. And fourth, countries like China, India, Brazil, Russia, Japan, Chilli and Argentina don't do these stupid things, Mr Speaker, Sir. It takes someone who is unemployed for 20 years to deliver such stupidity! My good friend, the hon. Minister for Business, knows that 20 years ago, the CEB used to purchase its fuel from the STC. They don't do it anymore. They purchase direct, and they know that very well. So, the question of the CEB cross-subsidising the hedging - if I could put it this way - mistakes of STC does not arise. They didn't do it. 20 years ago! They are deep frozen in a fridge. How can any country in the world guarantee a fixed exchange rate, Mr Speaker, Sir? Nobody can do this! That is why I can't understand. If this is reinventing Mauritius, it is better we don't reinvent Mauritius, Mr Speaker, Sir.

Hon. Cuttaree concluded his speech by telling us: *lève paké allé*. Go! I don't know whether it was Chamberlain...

*(Interruptions)*

This is too complicated for me. I don't understand that, Mr Speaker, Sir, but other things I understand. I have known hon. Cuttaree for a very long time. In fact, he is the person that I have known for much longer, because I have met him the first time in 1978 in London. I was doing my fifth year in Economics and he was settling between Paris and London to become a lawyer. He has always defended the Leader of the Opposition. He was never MMM; he was a *Béréniste*. He is bright; good school in Edingborough and Sweden; he went to Cambridge; a lawyer ...

*(Interruptions)*

I think he did a course! He has been senior Minister.

(*Interruptions*)

Mr Speaker, Sir, he tells us to go. He is gone, because he is not even a shadow Minister, Mr Speaker, Sir. I feel sorry for him. He has been loyal and, Mr Speaker, Sir...

(*Interruptions*)

**Mr Speaker:** The hon. Vice-Prime Minister should not personalise the debate.

**Dr. Sithanen:** Mr Speaker, Sir, you can see, even my good friend ...

(*Interruptions*)

**Mr Speaker:** Order! I will request the hon. Vice-Prime Minister not to personalise the debate.

**Dr. Sithanen:** Mr Speaker, Sir, this is just to show you that this ‘reinvent Mauritius’ is just another slogan. They gave us a slogan for 30 years : ‘*La croissance économique, la justice sociale, le combat contre la fraude et la corruption, et l’unité nationale.*’ This is spent, this is gone! Now, Mr Speaker, Sir, we have *une île Maurice propre, démocratique, et juste !* Who, in the world would, disagree with this Mauritius? Nobody, in this world will disagree with *une île Maurice juste, démocratique et propre*, Mr Speaker, Sir! But when you look with whom and how, Mr Speaker, Sir, I really feel sorry for the Leader of the Opposition. But I must congratulate him for the bold decision he has taken to present himself as the alternative Prime Minister of this country, Mr Speaker, Sir.

(*Interruptions*)

He also spoke about the election! So, I cannot speak about the election!

**Mr Speaker:** The hon. Vice-Prime Minister & Minister of Finance can speak!

(*Interruptions*)

We have a long night to go! Please come back to the debate!

**Dr. Sithanen:** Mr Speaker, Sir, I have been very nice; I am in a good mood.

(*Interruptions*)

**Mr Speaker:** Quiet! Order! Order, please! Carry on, hon. Vice-Prime Minister & Minister of Finance!

(*Interruptions*)

**Dr. Sithanen:** I have ten minutes to go. Mr Speaker, Sir, let me conclude.

(*Interruptions*)

**Mr Speaker:** Order! Order! I said order, please!

**Dr. Sithanen:** Mr Speaker, Sir, these are unprecedented times. The hon. Prime Minister has stated it very clearly that the world economy has never been affected since the 1930s like it is being affected today. We have shown our determination, our courage. We have been ahead of the curve. We have taken measures that are timely, targeted, temporary, flexible and sustainable, Mr Speaker, Sir. What we require today, Mr Speaker, Sir, is unity, solidarity, responsibility and

leadership. The hon. Leader of the Opposition has tried to create a diversion by asking his five PNQs, because the Budget has gone down very well. He has tried to divert attention, but he has not been able to succeed because my colleagues, the hon. Deputy Prime Minister, Minister of Renewable Energy and Public Utilities, the Minister of Public Infrastructure, Land Transport & Shipping and myself have responded vigorously to his PNQs, Mr Speaker, Sir.

Mr Speaker, Sir, this Budget gives - my colleague, hon. Minister Bappoo said it – an oxygen of confidence, renewed hope where there was despair. This new economic agenda for the millennium is gone; we wasted our time. On this quantum leap in the next plan of economic development also, they have failed miserably, Mr Speaker, Sir. This Budget is about not only the audacity of thought, as written by President Obama. It is also about the audacity of help; help to those who deserve it, help to those who are expecting Government to stand by their side.

Mr Speaker, Sir, this Government, under the able leadership of the Prime Minister, will continue to stand by the side of those who deserve our help, and we will do it with courage, with vision and leadership.

Thank you very much.

*Question put and agreed to.*

*Bill read a second time and committed.*

**Mr Speaker:** Hon. Prime Minister, I have some doubts as to whether, in the course of your speech earlier on, in the heat of the debate and in reply to the hon. Member of the Opposition, you had used the words 'lied' and 'lies' in reference to that hon. Member. As there was noise in the Chamber at that time, I was not sure myself. I have gone through the transcript, and my doubt has been cleared. I would request you to kindly withdraw the words.

**The Prime Minister:** I withdraw, Mr Speaker, Sir.

**Mr Speaker:** Thank you, hon. Prime Minister!

## COMMITTEE OF SUPPLY

*(Mr Speaker in the Chair)*

### PROGRAMME-BASED BUDGET ESTIMATES 2009 (JULY-DECEMBER) & INDICATIVE ESTIMATES (2010 & 2011)

*The following Programme Codes were called and agreed to –*

*Office of the President - 001: Presidency Affairs (Rs21,745,000)*

*Office of the Vice-President - 011: Vice-Presidency Affairs (Rs5,800,000)*

*The Judiciary - Programme Code 021: Administration of Justice was called.*

**Mrs Jeewa-Daureeawoo:** Mr Chairperson, at page 9, under item 3, 'Main Constraints and Challenges and how they are being addressed - Lack of adequate personnel - Additional Judges and Magistrates will be appointed and supporting staff to be recruited', I can see that

there is an increase in the number of Judges and Magistrates. Up to now, the supporting staff has remained the same. May I know when will the supporting staff be recruited?

**The Prime Minister:** First of all, I am told that, due to lack of adequate infrastructure and personnel, some of the targets have not been reached. However, five Puisne Judges have been appointed since January 2009. Three more vacancies need to be filled for these posts. These will be done as soon as the new Chambers, which are under construction, will be ready. I am also told that 20 posts of District Magistrates will be filled, again as the infrastructure is ready. They are looking at both the adequate personnel and the infrastructure.

**Mr Gunness:** Concerning item 3 '*Construction of new court houses, court rooms and offices is under way*', can we know which court and court houses we are talking about?

**The Prime Minister:** I know there is one at Flacq and one at Bambous also. Of course, I can give the hon. Member a list if he wants.

**Mr Ganoo:** Concerning item 1 '*Major Achievements for 2008/09 - Sitting of the Judicial Committee of the Privy Council in Mauritius*', can I know when will the Judiciary Committee start sitting? Concerning '*Hearing and determining of divorce cases on a daily basis instead of once weekly*', can I know when will it start?

**The Prime Minister:** It is more likely a question for the Attorney General, but I remember the members of the Judiciary Committee of the Privy Council said that they would make arrangements to come again. Otherwise, they could alternate. This is what they said. As for divorce cases, it has already started.

**Mr Jugnauth:** At page 12, item 22030 – *Rent*, may we know for which building the rent amounts to that much?

**The Prime Minister:** Mr Chairperson, the provision represents renting of the following: an office area of 3,500 sq. feet for a third court room at Curepipe for Rs342,000. Then, there are the offices at Astor Court on four levels, which is for Rs2,329,980. There is the Bambous District Court, which is the new court hon. Gunness was asking about, for Rs544,000. Then, there are the Archives, that is, to create a Central Archive for the Judiciary, where several court records from all District Courts, Intermediate Court and Supreme Court will be stored, and the building identified for that purpose is of 10,000 sq. feet. It is situated at Plaine Lauzun Industrial Estate, and the rent being charged is Rs35,000 a month.

**Mrs Martin:** At page 12, under item 22060001 - *Buildings*, can we know what the amount increased relates to?

**The Prime Minister:** The amount is for the provision of plant and equipment for the maintenance of the Supreme Court and District Court buildings, and IT equipment.

**Mr Jugnauth:** At page 13, item 22900906 - *Privy Council*, may we know what is the cost of each sitting of the Privy Council?

**Mrs Jeewa-Daureeawoo:** I have one question under item 22900906 - *Privy Council*. Given that the sum of Rs3 m. has been provided under this item, my question is whether this body will again hold sittings in Mauritius during the period mentioned and, if so, where. Is it proposed to hold the sittings, given that the premises have now been taken by the Commercial Court?

**Mr Gunness:** I'll put three questions, Mr Chairperson. Under item 31112015 - *Construction of District Courts*, can we know what are these District Courts? After that, there is item 31112415 - *Upgrading of Flacq District Court*. Can we know by when the upgrading work will be completed? Later on, we see, under item 31122814 - *Acquisition of Air-conditioning System*, that a sum of Rs42 m. has been earmarked. Can we know whether it is for the whole island?

**The Prime Minister:** Mr Chairperson, as for the Privy Council, I am told that we have to pay for air tickets for the Law Lords and their staff, their hotel accommodation as well as for the staff. I have been told that the sittings would be held in the same building. So, I don't know how they will manage this. This is what I have been told.

I think there was a question about the courts. The hon. Member wanted to know about the construction of the courts. The new construction is envisaged to be for the Moka District Court. The Flacq District Court is being renovated.

*(Interruptions)*

I know they have already started. As regards the Black River District Court, the plans for the construction have been finalised, and they will start in the months to come.

There was another question about air conditioning. Mr Chairperson, the German Government has actually donated 50% of the total sum in euro for this, which is equivalent to Rs1.2 m., for the replacement of existing chillers by Ozone Friendly Chillers at the new Court House. Provision is also being made, as they need cooling towers, extractors and all this.

**Mr Ganoo:** Mr Chairperson, under the same item 31112415, I would like to ask the hon. Prime Minister one question. Under item New Court House, I find that the sum of Rs11.5 m. has been budgeted. Can we know the reason and what use will be made of that money?

**The Prime Minister:** The money is for the setting up of new court rooms, Magistrate Chambers and offices at the premises which were occupied by the Council of Legal Education before and also occupied by the library, the store, the finance and other administrative offices. These offices have now been moved, and renovation works will start soon.

**Mr Bhagwan:** As far as the upgrading of District Courts of Flacq and Bambous are concerned, can I know from the hon. Prime Minister whether the *cachet traditionnel patrimoine de ces vieilles cours de district sera préservé*?

**The Prime Minister:** I am told that that is being taken into consideration.

**Mr Ganoo:** Mr Chairperson, under item 27210010 - *Legal Assistance in "in forma pauperis"*, can I ask the hon. Prime Minister - I don't know whether I should have put the question to the Attorney General - whether *in forma pauperis* will be extended to litigants who wish to go to the Privy Council when it sits in Mauritius?

**The Prime Minister:** I am not so sure; I cannot answer this question off hand. I know the provision represents legal aid to needy people drawing a salary up to Rs5,000 per month. As to whether it will apply, not at the moment.

**Mr Jugnauth:** With regard to legal assistance *in forma pauperis*, can the hon. Prime Minister furnish to the House for how many applicants this amount is being budgeted?

Secondly, with regard to the Privy Council, do we have an idea how much it costs Government for every sitting of the Privy Council?

**The Prime Minister:** I think the total cost that they put there is - I am just speaking from memory - roughly in the region of Rs4 m. for the Privy Council. As for the number of cases for which legal aid was provided, last year, it was Rs1,647.

**Mrs Jeewa-Daureeawoo:** Under item Legal Assistance in "*in forma pauperis*", does Government propose to increase the threshold for access to legal aid given that, as at now, only persons drawing up to Rs5,000 are entitled?

**Mr Chairperson:** No, I am sorry, this is a matter of policy.

*The Judiciary - Programme Code 021: Administration of Justice(Rs243,900,000) was, on question put, agreed to.*

*National Assembly - Programme Code 031: Parliamentary Affairs was called.*

**Mr Gunness:** At page 19, under item 26210010 - *Contribution to SADC Parliamentary Forum*, I see that, for 2008/2009, there is a sum of Rs4.5 m. Then, for six months, we are contributing Rs3.6 m. Can I know why this increase?

**The Prime Minister:** That, I think, depends on how often we go, and also how often they have these forums. In fact, the hon. Vice-Prime Minister & Minister of Finance has made an appeal that we cut down on these, as far as we can.

**Mr Jhugroo:** Mr Chairperson, on the same page, same item, can the hon. Prime Minister inform the House whether this SADC Parliamentary Forum account is audited?

**The Chairperson:** No, this is a regional organisation, which groups all the SADC member countries, and it has its own audit. It has its office in Namibia.

*(Interruptions)*

**Mrs Martin:** With regard to item 31132401- *e-Government projects and e-Parliament*, may I know from the Minister why no sum has been allocated for period July to December 2009?

**The Prime Minister:** It is already done, as you can see yourself.

**Mr Gunness:** In 2008/2009, when we contributed for SADC Parliamentary Forum, we had to contribute for IPU Presidency. Now, in the next financial year, we are not contributing for that fund. So, how is it that this contribution is on the high side? That was my question.

**The Chairperson:** For 2008/2009.

**Mr Gunness:** For 2008/2009, I presume it included the campaign. You know, Mr Chairperson, we contributed for the IPU Presidency because it was the Speaker from one of the SADC countries, but the contribution ought to have gone down. Why is it on the increasing side?

**The Prime Minister:** All I can say is that it does not depend on us. We do what they tell us to do.

**The Chairperson:** I can give the assurance that there has been no increase in the contribution.

**Mrs Labelle:** Mr Chairperson, under item *31112421 - Upgrading and Refurbishment of Government House*, may I ask the hon. Prime Minister whether there is provision for restoration of the pictures that we have in the living room? I think these pictures need restoration.

**The Prime Minister:** I must say that I am not hundred percent sure, although we have asked them that these paintings should be restored. There is a specialist from France who has done a lot of good work, and we had asked that we get in touch with her, and that we should restore them. In fact, we have an obligation, a duty to restore these paintings.

**Mr Bodha:** Mr Chairperson, on the same item, we have had a budget of Rs30 m. for 2008/2009 and we have another provision of Rs95 m. Can I ask the hon. Prime Minister what are the works which have been carried out in 2008/2009 and what are the works which are scheduled for the next six months, as far as the refurbishment of the Government House is concerned?

**The Prime Minister:** As far as I remember, there was a fire and they had to do some preparative work because by the time we ask for tender, the whole place would have been flooded. So, we had to do some temporary work. I believe they are going to start the work.

*National Assembly- Programme Code 031: Parliamentary Affairs (Rs164,500,000) was, on question put, agreed to.*

*The following Programme Codes were called and agreed to -*

*National Audit Office – 041: External Audit (Rs45,600,000)*

*Public and Disciplined Forces Service Commission – 051: Public and Disciplined Forces Service Affairs (Rs26,051,000)*

*Ombudsman’s Office – 061: Ombudsman’s Services (Rs3,700,000)*

*Electoral Supervisory Commission & Electoral Boundaries Commission – Programme Code 071: Supervision of Electoral Activities and Review of Electoral Boundaries was called.*

**Mr Gunness:** Mr Chairperson, at page 40, I see that ‘*the Electoral Boundaries Commission ensures that boundaries of constituencies are reviewed at the appropriate time*’. Can we know when the forthcoming review will be ready and the report submitted to the National Assembly, in accordance with section 39 of the Constitution?

**The Prime Minister:** They have made provision that it will be made during the period of July to December of this year.

*Electoral Supervisory Commission and Electoral Boundaries Commission - Programme Code 071: Supervision of Electoral Activities and Review of Electoral Boundaries (Rs1,200,000) was, on question put, agreed to.*

*Electoral Commissioner’s Office - Programme Code 081: Electoral Services (Rs26,000,000) was called and agreed to.*

*Employment Relations Tribunal - Programme Code 091: Industrial Dispute Resolutions was called.*

**Mr Gunness:** Mr Chairperson, at page 48, under *Strategic Note – Major Achievements for 2008/09*, I find that 23 awards have been delivered. Can the hon. Prime Minister circulate the 23 awards which have been delivered?

**The Prime Minister:** Probably it is all right, but I will check.

*Employment Relations Tribunal - Programme Code 091: Industrial Dispute Resolutions (Rs10,230,000) was, on question put, agreed to.*

*Local Government Service Commission - Programme Code 101: Local Government Human Resource Affairs (Rs11,715,000) was called and agreed to.*

*Central Procurement Board - Programme Code 111: Procurement Services was called.*

**Mrs Labelle:** Mr Chairperson, at page 62, under item *Financial Resources – Summary by Economic Categories Code 27 Social Benefits*, may I ask the hon. Prime Minister whether he could give us some details regarding this increase for the coming period of June to December 2009?

**The Prime Minister:** Mr Chairperson, in fact, I am not so sure why there is this increase, but if you give me a minute, I will check it.

**Mr Bodha:** Mr Chairperson, at page 59 under the item '*Main Constraints and Challenges and how they are being addressed – delay in amending bidding documents by public bodies*', we are told that there has been a problem because we do not have a fully computerised structure with the required staff, supported by appropriate training. May I ask the hon. Prime Minister whether this is being addressed?

**The Prime Minister:** Again, Mr Chairperson, we had to advertise all these things. I believe that was the reason for the delay, and it is being addressed.

**Mrs Martin:** Mr Chairperson, on the same page and same paragraph but with regard to '*strengthened procedures for fairness, equity, transparency and accountability*', may I ask the hon. Prime Minister what other measures are being put in place to ensure that such procedures are being strengthened?

**The Prime Minister:** The usual procedure that we have to follow when we have procurement or central bidding is that we have to make sure it is fair, that we open the tenders at the right time. Sometimes, people send a tender and, then, for some reason, there is a re-tendering procedure. We have seen it happening in the past, and it is still happening. We have to be very careful as to why should there be, in fact, a re-tendering procedure. I am very suspicious about re-tendering procedures.

**Mr Ganoo:** May I ask the hon. Prime Minister one question. It concerns page 64. The Prime Minister should know that the new law creates the Review Panel, and there is a Chairman and Members of this Review Panel to whom aggrieved bidders can appeal before they go to court. But no mention is made of this Review Panel. How are they paid?

**The Prime Minister:** I think this just concerns the Board. The Review Panel surely must be separate, because they don't form part of the Board.

**Mr Gunness:** Following the question, must not there be budgetary provision for the Chairman of the Review Panel?

*Central Procurement Board – Programme Code 111: Procurement Services (Rs51,220,000) was, on question put, agreed to.*

*Independent Broadcasting Authority – Programme Code 121: Supervision of Broadcasting was called.*

**Mr Gunness:** Mr Chairperson, at page 65, *Major Outputs*, ‘*Updating of political broadcast guidelines for General Elections*’, can we know whether these guidelines will be discussed by the political parties and when they will be ready?

**The Prime Minister:** We already have guidelines. We will make sure this is so while having discussions, which, I hope, will be this year.

(*Interruptions*)

Of course, but I do not believe there will be a big change on that because there is already a percentage, and I think it works out.

**Mrs Martin:** Mr Chairperson, with regard to *Main Constraints and Challenges*, ‘*Audience research cannot be conducted in the absence of a code of advertising practice and a code of ethics*’, may I know from the hon. Prime Minister whether any discussion has been engaged with regard to the code of advertising practice and the code of ethics and, if so, when are they going to be presented?

**The Prime Minister:** They are going to do the code of advertising practice, not the Government. So, I suppose they will come up with the code themselves.

**Mr Bhagwan:** Mr Chairperson, at page 65, *Programme Code 121 - Supervision of Broadcasting*, it is well known that the IBA is a *bouledogue sans dent*. Can we know from the Prime Minister whether this IBA is functioning? Has it a Chairperson? Are all the members working and whether it is contemplated amending this IBA Act?

**The Chairperson:** No, that is policy. The first part of the hon. Member’s question is correct, and the second part is policy.

(*Interruptions*)

**The Chairperson:** Order! Hon. Boolell! What are you trying to do?

(*Interruptions*)

**The Prime Minister:** Mr Chairperson, to answer his question, the short answer is yes, there is a functioning Board. All the members have been named. I have also some additional information, which I could give to hon. Members. The draft code for advertising, which hon. Martin was asking, has been examined and they have been submitted to the Standards Committee. This is where it is at the moment, and then there will be a final draft which the Board will approve. The hon. Member asked also a question, if you would allow me, Mr Chairperson, on the social benefit. In fact, I am told, these are provisions required for the payment of gratuity to 11 officers on contract.

**Mr Jugnauth:** Mr Chairperson, with regard to the *Draft Code of Ethics for broadcasters*, I think it is important and urgent. Can we have an idea when the first draft might be ready?

**The Prime Minister:** I have been told that they are looking into it. It has been sent to the Committee, which will then come back with a final draft, but they have been given no date so far.

**Mr Bodha:** On the issue of complaints, can the hon. Prime Minister enlighten the House as to the number of complaints that have been made to the IBA in the past year?

**The Prime Minister:** There were 20 complaints last year, and 16 have been dealt with.

**Mr Bhagwan:** Does the IBA have a Chairperson on the Board?

**The Prime Minister:** Yes, Mr Chairperson.

*Independent Broadcasting Authority - Programme Code 121: Supervision of Broadcasting (Rs4,100,000) was, on question put, agreed to.*

*The following Programme Codes were called and agreed to -*

*Independent Commission Against Corruption – Programme Code 131: Combating Corruption (Rs66,500,000)*

*National Human Rights Commission – Programme Code 141: Protection and Promotion of Human Rights (Rs6,472,000)*

*The Ombudsman for Children's Office Programme - Code Programme 151: Protection and Promotion of Children's Rights and Interests (Rs3,490,000)*

*Office of the Director of Public Prosecutions - Programme Code 161: Criminal Advisory and Litigation was called.*

**Mr Gunness:** Mr Chairperson, page 80, 'Strategic Note, Major Achievements for 2008/09, 41,937 Certificates of Morality were issued', can we know from the Prime Minister how much time it takes to get a morality certificate as from the date of application?

**The Prime Minister:** I am not sure of exactly how many days it takes, because we have to do a lot of checks but, in fact, we have asked them to improve and to shorten the delay. I believe this is being done.

*Office of the Director of Public Prosecutions - Programme Code 161: Criminal Advisory and Litigation (Rs25,000,000) was, on question put, agreed to.*

*Public Bodies Appeal Tribunal - Programme Code 171: Determination of Appeals by Public Officers was called.*

**Mr Ganoo:** Mr Chairperson, at page 84, can the hon. Prime Minister tell us how many cases have been determined so far by the Tribunal?

**The Prime Minister:** They have just been named and they are doing the infrastructural work for the Tribunal. So, I believe they are about to start work.

I have just got the information concerning the delay for morality certificates, which used to be 16 weeks; it has been reduced to four weeks.

*Public Bodies Appeal Tribunal - Programme Code 171: Determination of Appeals by Public Officers (Rs3,890,000) was, on question put, agreed to.*

*Prime Minister's Office - Programme Code 201 was called*

**Mrs Navarre-Marie:** Mr Chairperson, at page 87, *Major Achievements for 2008/2009, Truth and Justice Commission Act*, firstly, I would like to know where matters stand and when the final report will be ready. Secondly, *the Equal Opportunity Act*; we know that this Act provides for the setting up of a Tribunal. I would like to know when this Tribunal will be set up.

**The Prime Minister:** Mr Speaker, Sir, as for the Truth and Justice Commission Act, it is unlikely to have a report very soon because they are actually starting the work. I know that a lot of documents are being looked for. So, I do not think it will be so quickly. As for the Equal Opportunity Tribunal, this is being actively looked into.

**Mr Gunness:** Mr Chairperson, on the same page, *Major Achievements, '16 projects for a value of Rs12.5 millions approved under the Women and Children Solidarity Programme'*, And later on, we will see on page 92, Rs50 m. were voted in 2008/2009 for the same programme: *Women and Children's Solidarity Programme*. I understand that there has been under spending. What are the 16 projects of Rs12.5 m. and what will be the projects? Because for the six months, the sum of Rs25 m. has been earmarked. What will be the projects for the six months?

**The Prime Minister:** These are projects that are carried out by different NGOs, in fact. The hon. Member asked something on page 91.

**Mr Gunness:** On page 87, it is mentioned 16 projects for the value of Rs12.5 and I understand on page 92, Rs50 m. were earmarked. I presume that there has been under spending and for the six months the sum Rs25 m. has been earmarked. So, what are the 16 projects?

**The Chairperson:** Page 92, which item, hon. Gunness?

**Mr Gunness:** Page 92, item 22900908 - *Women and Children's Solidarity Programme*.

**The Prime Minister:** The projects that I was mentioning, Mr Chairperson, are those that are carried out by the NGOs. I have a note here to say that these are affiliated NGOs to the Trust Fund. Some of these projects are ongoing and that is why perhaps you see the difference in price. For example, I see a lot of NGOs doing different things. That is why, I think, the mismatch is there.

**Mrs Labelle:** Mr Chair, on the same item, may I ask the hon. Prime Minister whether he will circulate the list of the projects to the House?

**The Prime Minister:** Yes, Sir.

**Mr Jugnauth:** At page 87, with regard to the *List of Programmes, Sub-Programmes and Priority Objectives*, on a point of clarification, I want to know whether Government will be doing away with the requirement for non-citizens to seek permission in order to acquire property in Mauritius?

**The Prime Minister:** I am sorry, it was not quite clear to me what the hon. Member was saying, whether we allow foreigners...

**Mr Jugnauth:** I refer to acquisition of property in Mauritius. I would like to know whether, as per the law, a non-citizen is required to seek permission of the Prime Minister's Office in order to acquire property, unless it falls under schemes that have been made by the Minister of Finance. But is Government doing away with it or is it still maintaining it?

**The Prime Minister:** No, in fact, I am strengthening it.

**Mr Ganoo:** On page 87, I refer to *Strategic Note - Major Achievements for 2008/09*. 18,091 residence permits have been granted; this seems a very high figure. This has been possible because of the new law. Can I ask the hon. Prime Minister whether he can give us a breakdown in terms of country of origin and on what basis these residential permits have been granted, whether to retirees, people who have invested or the other schemes which permit

residence permits to be granted? If the hon. Prime Minister does not have the figures, can he perhaps circulate it later?

**The Prime Minister:** No, I don't have the exact details of which countries they come. But I must tell you there are different reasons why people get different residence permits. It is not just because they are retiring that they come to Mauritius; there are other reasons also, they marry and things like that.

**Mr Bhagwan:** One item which is very pertinent is on page 95.

**The Chairperson:** Which item? Unless the hon. Member connects it with page 87.

**Mr Bhagwan:** Yes.

**The Chairperson:** We go page by page. We are still at page 87.

**Mr Gunness:** On page 87, I take three items. Under *Major Achievements for 2008/09*, I see that *464 Certificates of Nationality*, *281 Certificates of Registration as a Mauritian citizen* and then *12 Foreign Companies authorised to invest in shares*. I understand it will be 464. Can we know, at least, the countries, what was their origin to be entitled to that nationality, and the 12 foreign companies that have been authorised to invest in shares?

**The Prime Minister:** As for the Certificates of Nationality, sometimes I can see from the reaction that Members think foreigners are coming here. In fact, very often - most often - it is Mauritians born of Mauritian parents but who did not acquire the nationality at the time who are now applying, and we allow them to apply. I must tell you that it is mostly this, and also as for the foreign companies, we don't just give foreign companies who want to invest here. This goes through all sorts of procedures and finally it is vetted by the State Law Office. Then it is given. But, I have no problem in circulating this eventually.

**Mrs Martin:** On page 87, I refer to Part II *List of Programmes, Sub-Programmes and Priority Objectives: Processing applications from non-citizens of Mauritian citizenship*. Can I know from the hon. Prime Minister, the average duration of those processing applications and whether non-citizens are made aware of the reasons why their applications are refused in some cases?

**The Prime Minister:** It's a very good question, I must say, Mr Speaker, Sir, because sometimes you meet the people who have been rejected and they cannot understand. Sometimes, they think it is unjust that they have been rejected. They do not give reasons, because if they start giving reasons there could be court cases, there will challenge to the reasons and all those things. But I personally think we should, in spite of that, let them know why. But, sometimes, it is also information that we have from different agencies. For example, we might have information on somebody who has done something untoward, let us say, in another country; we manage to get that information. We will not allow if we have any doubt on a person. But I don't know whether we can actually change it or not.

**Mr Bodha:** May I ask the hon. Prime Minister to clarify the residence permits as regards to occupation permits?

**The Prime Minister:** Basically, you can apply for an occupation and then eventually, I think, after four years, you can apply for a residence permit.

**Mr Jugnauth:** With regard to the answer that has been given, may we know which Ministry gives the occupation permit?

**The Prime Minister:** I think that, first of all, the Board of Investment looks at it, because we are looking for guidelines for this. It's not just automatic; there are guidelines, they have to satisfy certain criteria, including we must ensure that there are no such persons available in Mauritius, like they do in other countries.

**Mr Gunness:** On page 91, under *item 3111243 - Upgrading of Conferences Centres*, for 2008/2009, there is a sum of Rs17 m. Can we know the Conference Centre where there has been upgrading work?

**The Prime Minister:** It is the Grand' Baie Conference Centre, which has been completed.

**Mr Jhugroo:** Under item *26323040 Capital Grant – Mauritius Oceanic Institute*, can the hon. Prime Minister enlighten the House why the capital grant is increasing from Rs8,100,000, then Rs6 m. for six months, and Rs14,850,000 for 2010? Why is it increasing?

**The Prime Minister:** First of all, there are salaries and other staff costs for travelling and training. There is also an item under office overheads, printing postage, advertising, telephone, the usual utilities plus insurance, the Board committees, the Government personnel services, rent, and also there is an increase due to the implementation of the PRB report. It is only for six months, not for one year.

**Mrs Jeewa-Daureeawoo:** Under item *22900908 - Women and Children's Solidarity Programme*, can we have some details?

**The Prime Minister:** This was introduced in the 2007-2008 Budget and its main objective is to support NGOs, which are deeply committed, especially in helping women and children who are victims of abuse and violence and who are in distress. As I said, so far, 16 projects have been approved.

**Mr Gunness:** Under item *31112433 - Refurbishment of Emmanuel Anquetil Building – (a) Upgrading of Electrical Network Air-Conditioning System and Air-Conditioning System, and (b) Fencing and Wire Netting*, can we know whether all these works - because it amounts to Rs90 m. – have already been completed? Then, under item *31112435, Upgrading Works at Clarisse House*, I see a sum of Rs2 m. is earmarked. Can we know what are the upgrading works that will be carried out?

**The Prime Minister:** The Ministry of Public Infrastructure has had to carry out repairs at Clarisse House. Tenders have already been called for consultancy, and contracts will soon be awarded.

For refurbishment of Emmanuel Anquetil Building, it is the upgrading of the electrical network and the air-conditioning system.

*(Interruptions)*

It is still going on. The responsibility has been entrusted to MPI, hence provisions have been transferred under the Ministry of Public Infrastructure, Land Transport & Shipping.

**Mr Jhugroo:** Under item *31112435 - Upgrading Works at Clarisse House*, I want to know why there is a provision of Rs2 m. when no one is staying there.

(*Interruptions*)

**The Chairperson:** Order!

**The Prime Minister:** The reason, Mr Chairperson, is that it would be shortsighted not to have the upkeep of buildings such as Clarisse House. We never know, whoever comes after me, in 15 years, might want to go and stay there.

**Mrs Labelle:** Under *item 31113430 - Upgrading of Espace Culturel et Artistique, Chateau Mon Plaisir*, may I ask the hon. Prime Minister whether he could give us some information regarding this item and who are those who have access to this *Espace Culturel et Artistique*?

**The Prime Minister:** The consultants, in fact, are preparing the design for the project, and we are at this stage at this point.

**Mr Ganoo:** At page 94, under *Programme Code 564 - Human Rights Awareness*, since we are being asked to vote Rs1 m. for the coming six months, may I ask the hon. Prime Minister it is for the benefit of which category?

**The Chairperson:** We have to put the question then we will come to that. Page 95!

**Mr Gunness:** At page 95, under item *Sub-Programme 20102 - Private Office and Ceremonials, under item 43 4 3 - 02 65 70 Conference and Social Functions Manager*, we see one post. Can we know who is the Conference and Social Functions Manager, and his terms and conditions of employment?

**The Prime Minister:** The person is Mr Mootoo, who has been appointed by the PSC. I think he was there before.

**Mr Soodhun:** Mr Chairperson, under *Sub-Programme 20103 - Defence and Home Affairs*, the post of Secretary for Home Affairs is still vacant. I would like to know whether the post will be filled. Is there someone who is performing as the Ag. Secretary for Home Affairs? Is he or she from the Prime Minister's Office or outside - *un petit copain*?

**The Prime Minister:** In fact, this office will be filled. There is an acting person who is doing it. She is doing it very efficiently. It is Mrs Fong Weng.

*Prime Minister's Office - Programme Code 201 (Rs239,325,000) was, on question put, agreed to.*

*Human Rights Awareness- Programme Code 564 was called*

**Mr Ganoo:** This is the question I wanted to ask. At page 94 - *Programme 56 - Human Rights Awareness*, I was saying that the sum of Rs1 m. has been budgeted. We are being asked to vote that sum. Can we know from the hon. Prime Minister for the benefit of which category of citizens is this organised? Is it for the citizens of this country, schoolchildren, public officers with particular reference to the MCIT officers perhaps?

**The Prime Minister:** In fact, it is mainly for the public officers, so that they are aware of human rights they have to respect, and we bring out leaflets to help people.

*Human Rights Awareness - Programme Code 564 (Rs1 m.) was, on question put, agreed to.*

*Government Information Services and Provision of International News - Programme Code 211 was called.*

**Mr Gunness:** Mr Chairman, under item 1, *Strategic Note – Production of Year book 2008 reflecting Government achievements during the year – 1,200 copies*, we received our copy only today. Can we know whether there is a time frame for that year book to be published and circulated?

**The Prime Minister:** the hon. Member is lucky to have had it today, because my backbenchers have not had it yet. Maybe, they don't know yet.

*(Interruptions)*

Because it is yearly, there must be a date by which to get it. Maybe, it was not ready, that's why.

**Mr Bhagwan:** Mr Chairperson, at page 99, *Programme Code 211, Government Information Services and Provision of International News*. We have been asked to vote Rs91,900,000. Can we know about Government publicity? We all know what had been said by a very eminent person, well respected in Mauritius in this field, namely that Government publicity is not given on an equitable basis to all newspapers that the normal public reads, and where they have information. Can we know from the hon. Prime Minister what is the vote for the coming six months and whether special attention will be given to notices, especially vacancies and other items published in newspapers which the people read – the main ones?

**The Prime Minister:** I don't know whether I should comment on this, because it appears that there will be a case pending at the court, and it might be prejudicial if I say something. But there are many factors involved in that. It is more than people think.

**Mr Bhagwan:** Can I know what is the amount voted for the coming six months?

**The Prime Minister:** I think it's there already; Rs91,900,000. That's for six months. It is actually diminishing.

**Mrs Labelle:** Mr Chairperson, at page 100, under *Output 04, Performance Indicator P2: Production of brochures on subject of public interest and topical issues*. For the year 2008/2009, there are two, and four for 2009. May I ask the hon. Prime Minister whether he can give us an indication of the subject on which there has been a publication?

**The Prime Minister:** Mr Chairperson, one brochure has been published on Tsunami. It has been produced, so that people are aware. I know there was a one-year book, which has just been published.

**Mrs Martin:** Mr Chairperson, on the same page, under *Output 04, Performance Indicator P5: Production of Posters on Cyclones*. May I ask the hon. Prime Minister – I think it is scheduled to be published in September 2009 – what is the necessity of producing posters on cyclone, and which target it is addressing?

**The Prime Minister:** As far as I remember - I am just speaking offhand, because I don't have this information – it is to tell people what Class 1, Class II, and Class III mean. I think they also give the names of different cyclones.

**Mr Bhagwan:** Mr Chairperson, at page 102, *Programme Code 211, item 26313048 – Current Grant – Media Trust Fund of Rs800,000*, can we know whether this Media Trust is functional and how does it operate?

**The Prime Minister:** Basically, it is functional, in the sense that people are still training and all this. But, we have not reviewed the Board because they want to review the law itself. In fact, last time they refused to come. But, still, people are being trained.

**Mr Bhagwan:** Mr Chairperson, since there is no Board and the hon. Prime Minister has just stated that there are scholarships or courses, can we know who takes the decision and how these people are chosen? Is it done administratively by the Prime Minister's Office?

**The Prime Minister:** I think it is being done administratively, as far as I know, Mr Chairperson. I don't know exactly who sits on that.

**Mr Jhugroo:** Mr Chairperson, at page 102, *Programme Code 211, item 32145509 – loan to MBC*. Can the hon. Prime Minister give a breakdown of the Rs280 m. for year 2008/09 and Rs70 m. for the period July-Dec 2009?

**The Prime Minister:** As the hon. Member knows, the MBC has taken a loan for the building of its Headquarters from the Republic of China. The Rs400m. loan is for the headquarters. Works are expected to be completed by April of next year.

**Mr Gunness:** If I get it well from the Prime Minister, is the Government advancing money to the MBC?

*(Interruptions)*

From China! Let me ask the question the other way, because I see loan to MBC. I understand Government is advancing a loan of Rs280,000,000 to the MBC for the year 2008/2009, and Rs70,000,000 up to December 2009. Can we know what is the purpose of the loan, the condition, and when it will be reimbursed?

*(Interruptions)*

**The Chairperson:** Order, order now!

**Mr Jugnauth:** Mr Chairperson, is there any grant, which we are getting from China with regard to the MBC concerning that amount?

**The Prime Minister:** As we know, China will not give it directly. This is reason why.

*Government Information Services and Provision of International News - Programme Code 211 (Rs91,900,000) was, on question put, agreed to.*

*Forensic Science Laboratory - Programme Code 221: Provision for Forensic Services (Rs15,000,000) was called and agreed to.*

*Pay Research Bureau - Programme Code 231: Public Sector Compensation and HRM Policy and Strategy was called.*

**Mr Gunness:** Mr Chairperson, at page 112, *Programme Code 231 - Strategic note*. Can we get an idea when the Errors and Omissions Report will be published? Because there was a question answered by the Minister of Civil Service, whereby he said that the Errors and Omissions Report was supposed to be published on 27 May and, up to now, we have not seen the report.

**The Prime Minister:** I don't have an idea when it will be published, but I know they have had a preliminary report, which we are re-examining.

*Pay Research Bureau - Programme Code 231: Public Sector Compensation and HRM Policy and Strategy (Rs13,100,000) was on question put, agreed to.*

*Civil Status Division – Programme Code 241: Civil Status Affairs was called.*

**Mrs Navarre-Marie:** Mr Chairperson, at page 118, *Strategic Note, Major Achievements for 2008/09*, concerning death certificates. Very often, there have been cases where death certificates are not delivered on the same day, but instead burial certificates are delivered. This causes enormous problems for poor people who have to rely on the Death Certificate to have money from *société* so as to cover the expenses for the burial ceremony. Will the hon. Prime Minister see to it that Death Certificates are delivered on the same day?

**The Prime Minister:** In fact, I tend to agree with hon. Member. I have asked my office to look into this. Officers are supposed to deliver these services to these people and what they do is work from 9 to 12 and shut the office for two hours. This is unacceptable! I will not accept it, and I have asked the Ag. Secretary for Home Affairs to see to it that this practice is stopped.

**Mr Jhugroo:** At page 122, *Programme Code 241, item 22120008, Fees to consultants*. Can the hon. Prime Minister enlighten the House about the fees paid to consultants?

**The Prime Minister:** It is for management training for officers of the Civil Status Division.

*Civil Status Division – Programme Code 241: Civil Status Affairs (Rs30,600,000) was, on question put, agreed to.*

*Religious Subsidies - Programme Code 251: Financial Support to Religious Organisations was called.*

**Mr Gunness:** Mr Chairperson, at page 125, under item 28211024 - *Religious Bodies*. Can I ask the hon. Prime Minister whether, when giving subsidies to religious bodies, there are conditions stating that these religious bodies should not get involved in politics and should not make statements which can put the social harmony of the country at stake?

**The Prime Minister:** Practically all of them do that.

*Religious Subsidies - Programme Code 251: Financial Support to Religious Organisations (Rs37,300,000) was, on question put, agreed to.*

*Police Force - Programme Code 261: Security Policy and Management (Rs511,052,000) was called and agreed to.*

*Police Force - Programme Code 262: Community, Safety and Security was called.*

**Mrs Jeewa-Daureeawoo:** At page 129, under item 26301, *Disaster Management and Emergency Rescue*. Can we have some details on this item? May we also know the number of persons who have been rescued up to now?

**Mr Bhagwan:** At page 129, *Programme Code 262, under item 26202, Road and Public Safety*. Can I ask the Prime Minister whether this concerns this specialised Unit, the Bike Patrol Unit, which normally does a good job, and whether it is contemplated to increase the number of officers, especially near schools and so on?

**The Prime Minister:** In short, the answer is, yes, for the road and public safety. I have also been told that we have to extend it, for example, to schools, cases of accidents, etc.

## (Interruptions)

On beaches as well. As for the Disaster Management and Emergency rescue, the number of persons rescued is, in fact, 56.

**Mr Gunness:** Mr Chairperson, at page 131, *sub programme 26201, Crime Control and Investigation, Output 02: Closed Circuit TV (CCTV) system to prevent and detect crime*. I see that, for its implementation in Port Louis and Grand' Baie, it is proposed to be in May 2010. During the debates, I was made to understand that it was supposed to be by the end of this year. May we have some enlightenment on this item?

**The Prime Minister:** Mr Chairperson, I must say to the hon. Member that this is basically because we are getting help from the People's Republic of China. They have their own procedures to follow, and this is the cause of the delay. In fact, I think it would be earlier, but we must be on the safe side. This is what we have been told.

**Mr Bhagwan:** At page 131, Police Divisions, under item *01: Police and Foot Patrol to prevent crime occurrence with support of Crime Prevention Unit*. Can I ask the hon. Prime Minister about the Emergency Response Unit? These days, the number of attacks on people in public places has increased, for example, the recent attack at Vandermeersch Street. Recently, there have been many cases of assaults. One of the problems about the Emergency Response Unit is that it is difficult to have the officers, as there are only two of them. Last time, I raised that question in Parliament. Very often, when there are problems, officers of the Emergency Response Unit are unable to cope. May we know if there is a possibility to increase the number of vehicles and officers in that Unit?

**The Prime Minister:** As far as the vehicles are concerned, we have invested Rs79 m. The Unit is working. But, very often, I hear the hon. Member say that they are not responding in time. I will have to take it up again with the Commissioner of Police.

As for the increase in number, I think one drives and the other is in the van. There is a quick response until others come. But, we will look into that. Mr Chairperson, if I am allowed, because a question was asked on the PRB Errors and Omissions Report, I am told this will be ready by the end of the day.

Also I should say, Mr Chairperson, that the ERS are supposed to be by the Divisional Support Unit and the SSU in case of need. It is a question of getting there on time. I suppose this is what hon. Bhagwan was referring to.

**Mr Jhugroo:** At page 131, *Programme Code 262, under Outcomes: Police and public relationship improved*. May we know what are the measures used to improve this relationship?

**The Prime Minister:** They have meetings with the public where they make them aware of the basic precautions they should take. For example, not to leave home without shutting windows, not to leave their bags and cars unattended, about neighbourhood security, etc. There are also conferences on drug issues and all that.

**Mr Bhagwan:** Mr Chairperson, one last question about the traffic branch at page 131. Can we know whether it is contemplated to increase the number of traffic motorcycles, whether the hon. Prime Minister has been made aware of the difficulties that these traffic branch officers have to face? In fact, it would seem that there are defects in these motorcycles, be it '*la selle*' which is *trop bas*, of the *guidon* which is *trop haut*, etc. This is very bad for the health of these

dedicated police officers. If the Prime Minister could, at least, see one and also inquire who chose this type of motorcycle? It is not safe for the health of these officers and very dangerous as well.

**The Prime Minister:** I must confess that I haven't seen one. I will try one and let the Member know about it. But, I will look into the matter.

**Mr Gunness:** At page 131, *Sub-programme 26202, Road and Public Safety; under Output 01: Fatal road accident investigation*, I see that there has been a drop in the number of persons killed or seriously injured in road accidents in 2008/2009. I think the campaign must go on, so that we target less and less. I see we keep the number nearly the same for fatal accidents. I think we must have an aggressive campaign, and the target must be the decreasing side.

**The Prime Minister:** I tend to agree with the hon. Member. Certainly, I will take up the matter. The target should be less, I agree.

**Mrs Labelle:** Mr Chairperson, at page 132, *Sub-programme 26203, Support to Community*. May I ask the hon. Prime Minister whether he can give us an indication of the campaigns held at community centres, at what time they are being delivered and what are the targeted public?

**The Prime Minister:** I will have to wait for the answer. I suppose it would be in the evening; otherwise, they won't catch everybody. But, I will check at what time this is done.

Mr Chairperson, if you allow me, I would like to come back to the issue of motorcycles, which hon. Bhagwan raised. I have some more information to give him. Apparently, these motorcycles are cheaper by 30%, and are meant to be very efficient, but I will certainly take the point that he has raised.

**Mr Bhagwan:** At page 132, *Sub-programme 26204, Combatting Drugs, Output 01: Information gathering and patrols to detect cultivation of gandia; Output 02: Contain the negative effect of gandia*. What about the other drugs, especially subutex, which is affecting a lot of youths these days? Can we know whether the Anti-Drug and Smuggling Unit is also specialised in other types of drugs, how to follow these people and arrest more of these culprits?

**The Prime Minister:** I suppose the reason is - I am just supposing - lack of funds, and this is probably why they can't do everything at once. They are doing part of it, but I will look into the matter.

**Mr Gunness:** Mr Chairperson, at page 132, *Sub-programme 26203, Support to Community*. I think the Prime Minister will agree with me. In *Output 01: Counsel given to victims of domestic violence and child abuse*, and under *P1: Increase in the number of sensitization campaigns*, we see that, for 2008/2009, it is 80; then for 2009, when we target, it is 40, that is, half. It is the same thing for lectures at school; 40 in 2008/2009, and then we target 20 for 2009. If we want to carry out a sensitisation campaign, the target must keep on increasing year after year. But, they are keeping the same number of lectures and sensitisation campaigns.

**The Prime Minister:** I tend to agree, but this is meant only to target. In fact, the actual figure should probably be less. It is the first time that we are doing this kind of budgeting, and they have had to put targets. But, if we look at the figures for 2010, it is actually getting reduced.

I think hon. Mrs Labelle asked me about the support to community. I must say that they are doing the campaigns at schools, villages and community centres with the 'Forces Vives', and they say that these are done mostly in the evening.

**Mr Gunness:** At page 136, *Programme Code 262*, under item *31112012 - Construction of Police Stations, (d) Trou d'Eau Douce Police Station*. In 2008/2009, a sum of Rs2 m. is earmarked. I remember I put the question last year, as to whether land was identified. The answer given was 'yes.' I presume that no single cent has been spent. I see now that, for 2009/2010, no budget has been provided. Therefore, can we know where matters stand with this police station at Trou d'Eau Douce?

**Mr Soodhun:** Mr Chairperson, under the same item. As we all know, Grand' Baie is a tourist area. I would like to know from the hon. Prime Minister when construction will start.

**Mr Jhugroo:** Mr Chairperson, under the same item, regarding Cité la Cure police station. May we know where matters stand?

**The Prime Minister:** I am told that the project for the Trou d'Eau Douce police station is still at the design stage; it can only be implemented after that. Basically, they are planning to have it in 2011. It is a long design.

I think Cité La Cure police station is also at the design stage and, again, Rs2 m. have been earmarked, as you can see here. I suppose for Grand' Baie police station also, it would be the same reason, but if I get additional information I'll let the House know.

**Mr Gunness:** Mention was made also of Trou d'Eau Douce police station in the Budget last year. The Minister of Finance said there was a problem of project implementation and that, this year, we are going fast. How can it be that we are at design stage in 2009/2010 and that it is only in 2011 that a sum of Rs5 m. is earmarked? Therefore, if this is rapid, I don't know what rapid is!

**The Prime Minister:** For Grand' Baie police station, the contracts have already been awarded. For the other one, I think the reason is that they had some difficulty at the beginning itself, and then, they wanted to redesign it, as far as I remember.

**Mrs Navarre-Marie:** Mr Chairperson, under item *Personal Emoluments*, I would like to know if the hon. Prime Minister is aware that it has become a practice now that police officers do not wear their *matricule*, or if they do wear it, they hide it so that they cannot be identified.

**The Prime Minister:** Well, they are not supposed to; that, I can tell you.

**Mr Jhugroo:** Regarding the design of Cité La Cure police station, can I know from the hon. Prime Minister whether there is any problem concerning lack of staff or personnel there?

**The Prime Minister:** I haven't that information. All I have is that it is at the design stage. So, if it is at the design stage, it does not mean it's staff. It is still at the design stage.

**Mr Gunness:** Mr Chairperson, at page 137, item *31112013, Construction of Police District Headquarters*, I find that there is a sum of Rs23m. up to the end of this financial year. Can I know how much has been spent and on which Police District Headquarter? Because Rs30m. is earmarked again.

Under the same item, subsection (b) *Flacq Divisional Headquarters*, I find that a sum of Rs8 m. was earmarked for this present financial year, but I see that tender has been floated just

now in the papers. Therefore, I would like to know whether this sum has been utilised and when work is scheduled to start with the sum of Rs15m. which has been earmarked.

**The Prime Minister:** Mr Chairperson, I will wait for the answers, because I can't tell you whether the sum has been utilised. If the hon. Member has read in the papers that tenders have been floated, I would be interested to know which paper it was. Was it 'I'Express'?

**Mrs Grenade:** Mr Chairperson, may I ask the Prime Minister whether there is any provision for the renovation of Bell Village police flat?

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

**Mrs Grenade:** I don't see Bell Village in the renovation for police flat. Is there any provision?

**The Chairperson:** The item is not there. Which item?

**Mrs Grenade:** The last item on page 136, I don't see renovation for Bell Village police flat. Is there any provision?

**The Chairperson:** We are already on page 137; I can't go back. The hon. Member can put a parliamentary question next time.

**The Prime Minister:** Regarding Flacq Divisional Headquarters, documents have been sent to the Procurement Office for launching of tenders. This is what the hon. Member saw in the advertisement. So, it is going to take long.

As for the Police Band Headquarters at Vacoas, provision has been made to meet the expenses for the acoustic system for the Police Band Headquarters.

If you allow me, Mr Chairperson, hon. Mrs Grenade asked the question about an item which might fall under the miscellaneous, and that is why I am answering it. For the Bell Village flat - that is what she wanted to know - actually repairs are being effected, and they fall under the normal maintenance programme.

**Mr Bodha:** Mr Chairperson, at page 137, item 31112014, *Construction of Regional Detention Centres (Piton)*. As regards detention centres, we are all aware that there is a lack of them. There was a budget of Rs1 m. for the 2008/2009 exercise. We have no provision for the next six months. Then, we have a provision of Rs5 m. for 2010 and Rs25 m. for 2011. This means that the problem is a serious one, but nothing is being done in the next six months.

**The Prime Minister:** It is because they are at the design stage. That is the reason.

**Mrs Jeewa-Daureeawoo:** Mr Chairperson, at page 137, item 31112412, *Upgrading of police stations*, may I have an idea which police stations will be upgraded?

**The Prime Minister:** I think that this is a general item which they do whenever police stations need to be upgraded. So, I don't know whether it covers any particular, but I will have to find a list to give you, Mr Chairperson.

Just to answer the question that hon. Bodha asked about the Detention Centre at Piton, I am told that it will be implemented in 2010.

*Police Force - Programme Code 262: Community, Safety and Security (Rs1,248,192,000) was, on question put, agreed to.*

*Police Force - Programme Code 263: Emergency, Disaster Management and Surveillance was called.*

**Mrs Martin:** Mr Chairperson, with regard to item 31113023, *Gallery Range - Midlands*, I see that there has been a sum of Rs2 m. earmarked for July to December 2009. May I ask the Prime Minister how is the sum going to be spent?

**The Prime Minister:** It is a \$10 m. question, not even Rs1 m., but I will have to wait for details if the hon. Member wants the exact details as to how the Rs2 m. are going to be spent. It is because this is for a gallery range.

*(Interruptions)*

I am sorry; the hon. Member asked how it was going to be spent? I will tell her in a minute.

**The Chairperson:** Page 140, no question! Page 141!

**Mr Jhugroo:** Mr Chairperson, at page 141, regarding item 22060, *Maintenance of helicopters, ships and aircrafts*, can I know from the hon. Prime Minister which company does the maintenance for each?

**The Prime Minister:** If you will allow me, Mr Chairperson, I will answer on the Midlands gallery range. I am told that it would be spent on surveys and preliminary works at the site. That is the reason.

As far as the aircrafts are concerned, it is done by Air Mauritius under contract. I presume helicopters must be done by Air Mauritius or else, if need be, people from India do come to have a look if they are Indian helicopters. If they are French helicopters, it is the French.

**Mr Gunness:** At the same page 141, Sir, item 22020, *Fuel and Oil*, where for helicopters Rs10 m. were earmarked for this financial year. Then, we see a drastic fall of Rs2 m. It ought to have been Rs5m., but I see Rs2 m. It means that the helicopters will go out less often and that they are grounded?

**The Prime Minister:** Basically, I think, just to confirm for India, it is the Hindustan Aeronautics Limited which does it.

I suppose, Mr Chairperson, the fuel price has gone down and it is for six months. I think sometimes people are...

*(Interruptions)*

It must be because the fuel price has decreased. I just remember now. I know that, at least, one of them was being repaired, as there were some technical problems. That could also explain it.

*Police Force - Programme Code 263: Emergency, Disaster Management and Surveillance (Rs635,456,000) was, on question put, agreed to.*

*Government Printing Department - Programme Code 271: Government Printing Services (Rs76,730,000) was called and agreed to.*

*Meteorological Services - Programme Code 281 was called.*

**Mr Bhagwan:** Mr Chairperson, as far as the meteorological services are concerned, we had the opportunity to visit, as simple citizens, the meteorological headquarters. Is there in the Budget modernisation of IT equipments to be in line with the Indian Ocean zone? Can we know

from the hon. Prime Minister whether this early warning system of the Tsunami falls under the responsibility of the meteorological services and whether it is in operation?

**The Prime Minister:** Mr Chairperson, as far as I remember, it is felt that some of the latest IT equipment, for example, the radar, there is no need for it. Even the previous Government felt that way. There was no need because there are other means now, especially with the regional area.

As for the Tsunami, I know the Republic of India is helping us for that. It does fall under the meteorological services, but they have also offered to help and, as far as I remember, Australia, if I am not mistaken, has also indicated that they might want to help. There were conferences on land oceanography, they had gone there and they are also looking at it. But, basically, it falls under the meteorological services.

**Mr Soodhun:** Sir, at page 158, *Main Constraints and Challenges and how they are being addressed – Present Weather Radar obsolete and need replacement; project being suggested for consideration by potential donors*. It means that the Government, especially the Minister of Finance, is not going to spend money and is just waiting for the donors to consider it.

**The Prime Minister:** No, I just explained that this is not essential because of the cooperation we have by satellite and all this. It used to be very important, but now it is less important. That is why even the previous Government did not think they should buy it, precisely for the same reason. But if we get one - it is very expensive - we will take it.

**Mr Jugnauth:** Sir, at page 158, *Strategic Note – Major Achievements for 2008/09 with regard to torrential rains*, I suppose after the events that we witnessed recently, Government is coming with a system for warning of torrential rains.

**The Prime Minister:** Yes, it is in the Domah report, Mr Chairperson. In fact, we are implementing the report. Already the Disaster Management is looking into that and putting a different one for flooding.

*Meteorological Services - Programme Code 281 (Rs31,100,000) was, on question put, agreed to.*

*Mauritius Prisons Service - Programme Code 291: Management of Prisons was called.*

**Mr Gunness:** At page 172, under item *31112011, Construction of Prisons, New Prison at Melrose*, I find that a sum of Rs12 m. was earmarked for 2008/2009 and a sum of Rs1 m. for the coming six months. Then, I understand that the project is starting in 2010. During the debate, the hon. Prime Minister said that 37 acres of land have already been acquired previously when we were in Government. We know. But, why is it that in the Government Gazette we see 'acquisition of more lands from owners in that region'? Do we need more land? Are not 37 acres of land sufficient?

**The Prime Minister:** I am just speaking from what I know, Mr Chairperson. I understand they want to put a buffer zone.

*Mauritius Prisons Service - Programme Code 291: Management of Prisons (Rs13,560,000) was, on question put, agreed to.*

*Mauritius Prisons Service - Programme Code 292: Maintenance and Rehabilitation of Detainees was called.*

**Mr Ganoo:** Mr Chairperson, at page 172, item 31122811, *Purchase of CCTV Cameras*, this question was raised in the House a few weeks ago. Can I ask the hon. Prime Minister whether these cameras will be installed in all the prisons, that is, Beau Bassin, Grande Rivière and Petite Rivière? As I said, the question was raised a few weeks ago when drugs were found in one of the prisons.

**The Prime Minister:** They want to put additional cameras in the different parts of the yard, precisely for the same reason. They will start gradually in all the prisons. They have a list where they will start. The Beau Bassin Central Prison, the new wing prison at Beau Bassin and the Phoenix prison already have it. Now, the coverage of the Beau Bassin Central Prison is being extended.

As for the Grand River North West Remand Prison, again they are looking at this, because a consultant has been appointed to work out the specification. It is also proposed to equip the women's prisons with CCTV cameras in the next financial year. At the Correction Youth Centre for boys, it is felt this is not warranted at this stage, and it has been scaled back. There are other prisons that are not equipped but, gradually, most of them will be equipped.

**The Chairperson:** Any question on page 172? We go to page 174, page 175.

*Mauritius Prisons Service - Programme Code 292: Maintenance and Rehabilitation of Detainees (Rs213,440,000) was, on question put, agreed to.*

**The Vice-Prime Minister, Minister of Finance & Economic Empowerment (Dr. R. Sithanen):** Sir, I beg to move that you do report progress and ask leave to sit again.

*Question put and agreed to.*

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

#### ADJOURNMENT

**The Prime Minister:** Mr Speaker, Sir, I beg to move that this Assembly do now adjourn to Wednesday 03 June 2009 at 11.30 a.m.

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

*Question put and agreed to.*

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

*At 11.23 p.m. the Assembly was, on its rising, adjourned to Wednesday 03 June 2009 at 11.30 a.m.*