

No. 09 of 2019



**SIXTH NATIONAL ASSEMBLY**

**PARLIAMENTARY**

**DEBATES**

**(HANSARD)**

**FIRST SESSION**

**MONDAY 10 JUNE 2019**

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**BILL (*Public*)**

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## THE CABINET

(Formed by Hon. Pravind Kumar Jugnauth)

Hon. Pravind Kumar Jugnauth	Prime Minister, Minister of Home Affairs, External Communications and National Development Unit, Minister of Finance and Economic Development
Hon. Ivan Leslie Collendavelloo, GCSK, SC	Deputy Prime Minister, Minister of Energy and Public Utilities
Hon. Sir Anerood Jugnauth, GCSK, KCMG, QC	Minister Mentor, Minister of Defence, Minister for Rodrigues
Hon. Mrs Fazila Jeewa-Daureeawoo	Vice-Prime Minister, Minister of Local Government and Outer Islands, Minister of Gender Equality, Child Development and Family Welfare
Hon. Yogida Sawmynaden	Minister of Technology, Communication and Innovation
Hon. Nandcoomar Bodha, GCSK	Minister of Public Infrastructure and Land Transport, Minister of Foreign Affairs, Regional Integration and International Trade
Hon. Mrs Leela Devi Dookun-Luchoomun	Minister of Education and Human Resources, Tertiary Education and Scientific Research
Hon. Anil Kumarsingh Gayan, SC	Minister of Tourism
Dr. the Hon. Mohammad Anwar Husnoo	Minister of Health and Quality of Life
Hon. Prithvirajsing Roopun	Minister of Arts and Culture
Hon. Marie Joseph Noël Etienne Ghislain Sinatambou	Minister of Social Security, National Solidarity, and Environment and Sustainable Development
Hon. Mahen Kumar Seeruttun	Minister of Agro-Industry and Food Security
Hon. Ashit Kumar Gungah	Minister of Industry, Commerce and Consumer Protection
Hon. Maneesh Gobin	Attorney General, Minister of Justice, Human Rights and Institutional Reforms
Hon. Jean Christophe Stephan Toussaint	Minister of Youth and Sports

Hon. Soomilduth Bholah	Minister of Business, Enterprise and Cooperatives
Hon. Marie Roland Alain Wong Yen Cheong, MSK	Minister of Social Integration and Economic Empowerment
Hon. Premdut Koonjoo	Minister of Ocean Economy, Marine Resources, Fisheries and Shipping
Hon. Soodesh Satkam Callichurn	Minister of Labour, Industrial Relations, Employment and Training
Hon. Purmanund Jhugroo	Minister of Housing and Lands
Hon. Marie Cyril Eddy Boissézon	Minister of Civil Service and Administrative Reforms
Hon. Dharmendar Sesungkur	Minister of Financial Services and Good Governance

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**MAURITIUS**

**Sixth National Assembly**

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**FIRST SESSION**

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**Debate No. 09 of 2019**

**Sitting of 10 June 2019**

The Assembly met in the Assembly House, Port Louis at 4.00 p.m.

**The National Anthem was played**

*(Madam Speaker in the Chair)*

## **PAPERS LAID**

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

### **A. Office of the Speaker**

Key Findings and Recommendations of the Participatory Gender Audit in the Private Sector in Mauritius – Study Commissioned by the Parliamentary Gender Caucus.

### **B. Prime Minister's Office**

- (a) Certificate of Urgency in respect of the Appropriation (2019-2020) Bill 2019 (No. X of 2019). (In Original)
- (b) Estimates 2019-2020 & Indicative Estimates 2020-2021 and 2021-2022.
- (c) Three-Year Strategic Plan 2019/2020-2021/2022.



## MOTION

### SUSPENSION OF S. O. 10(2)

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

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

*Question put and agreed to.*

## PUBLIC BILL

*First Reading*

*On motion made and seconded, the Appropriation (2019-2020) Bill 2019 (No. X of 2019) was read a first time.*

*Second Reading*

### THE APPROPRIATION (2019-2020) BILL 2019

(NO. X OF 2019)

*Order for Second Reading read.*

**The Prime Minister, Minister of Home Affairs, External Communications and National Development Unit, Minister of Finance and Economic Development (Mr P. Jugnauth):**

### ***EMBRACING A BRIGHTER FUTURE TOGETHER AS A NATION***

Madam Speaker,

1. I move that the Appropriation (2019-2020) Bill (No. X of 2019) be read a second time.
2. Madam Speaker, it is my honour to present the annual budget to the House and the nation for a fourth consecutive year.
3. Four and a half years ago, the economy and society were on a precarious and uncertain path.
4. Economic growth was on a declining trend.

5. The prospects were gloomy, especially for the poor. An increasing number of families was sliding into poverty.
6. Income inequality was widening.
7. As a new Government, it was our responsibility to reconstruct our economy, secure social justice and provide Mauritius with a new beginning.
8. We, therefore, made it our resolve to usher in a new era of development and put the country on a transformative journey.
9. We spared no effort.
10. The results speak for themselves.
11. Today, the economy is on stronger foundations.
12. The unemployment rate is trending down.
13. So is poverty.
14. The income gap between the richest and the poorest is narrowing.
15. Workers are now better paid, especially those at the lower rung with the introduction of the minimum wage last year.
16. Our elderly are receiving a much higher pension.
17. Inflation is low and under control.
18. We are building the infrastructure of the future across our country.
19. Openness is displacing the inward-looking mind-set.
20. Even more impressive, is that this year, we have made a significant stride towards achieving full sovereignty on the entire length and breadth of our Republic's territory.

### *Embracing a Brighter Future Together*

21. Today, we are building further on these foundations. We must at all times aim higher.
22. That is why Budget 2019-20 charts out Ten Avenues to Embrace a Brighter Future Together as a Nation.
23. A brighter future:
  - where Mauritius will be in the league of High Income Countries and where Mauritians will live a healthier life style;
  - where Mauritius will be a more inclusive nation, with better sharing of wealth and income and where prosperity is for all;
  - where development will be sustainable for present and future generations; and
  - where Mauritius will be an innovative country that glows with modernity.

24. The ten avenues to embrace a brighter future together as a nation are:

First, strengthening the pillars of economic growth.

Second, consolidating the productive sectors while shaping a more democratised economy.

Third, expanding our economic space while deepening regional integration.

Fourth, building the infrastructure that matches our development vision.

Fifth, deepening our national reform agenda.

Sixth, reaching a higher social development path with a focus on gender mainstreaming and improving quality of life.

Seventh, promoting a safer and more secure living environment.

Eighth, facing the challenge of climate change and further building the resilience of our environment.

Ninth, building stronger foundations for the infrastructural development of Rodrigues, Agalega and Outer Islands.

And tenth, securing sound public finances and sustainable debt.

25. Before outlining the strategies and policies to achieve our development objectives, I will first provide a review of the economy. I propose to touch only on some highlights of our recent experience. A more elaborate review of the economy is provided in the Strategic 3-year Plan document which is being circulated. The 3-year plan also sets out the core components of our long term Vision 2030 along with the goals and the strategies.
26. Let me also announce that the Budget Speech includes an Annex which is an integral part of the Budget, giving greater details on the measures, policies and legislative amendments.

### ***Review of the Economy***

27. I now turn to the review of the economy.
28. The world is caught up in the midst of a potential trade war and other geopolitical events, the outcome of which is not easy to predict. Brexit is an example. Latest data show that the world economic upswing of recent years has decelerated in 2018 to 3.6 per cent. Last April, the IMF has forecast a global growth rate of 3.3 per cent for 2019, and last week the World Bank predicted a global growth rate of only 2.6 per cent for 2019.
29. The global economic trends can have far reaching implications for our country – we must therefore remain vigilant.

30. However, our real GDP has been increasing at an annual average rate of 3.7 per cent since 2015 and is firmly on a rising trend. The growth rate was 3.8 per cent in 2018 and is forecast to rise further to 3.9 per cent in 2019 and 4.1 per cent in 2020. Our country has reached another milestone in its production capacity. In fact, our GDP has passed the half trillion rupee mark this year.
31. This positive outlook is justified by the fact that growth is becoming more broad-based. We have been able to turn the construction industry which was in a lingering recession into one of the fastest growing sectors of our economy. That industry grew by 7.5 per cent in 2017 and 9.5 per cent in 2018 - its best performance in many years. For 2019, the construction industry is expected to maintain its regained dynamism with a growth rate of 8.6 per cent.
32. Unemployment and inflation have been the two big scourges of economic life for more than two decades. We have brought both of them under control.
33. The unemployment rate which is 6.9 per cent is now at its lowest level since 2001, that is, in 17 years and is clearly on a declining trend.
34. Mauritius is now a low and stable inflation country. The average annual inflation rate for the period 2015 to 2018 is a mere 2.3 per cent. And Statistics Mauritius is forecasting an inflation rate of 1.5 per cent for 2019.
35. In 2019, we are expecting total investment as a ratio of GDP to rise to 20.5 per cent, breaking the 100 billion rupee mark for the first time. Mauritius has also received an impressively high level of Rs 70.5 billion of foreign direct investment during the four-year period from 2015 to 2018.
36. During the same time span, in spite of running trade and current account deficits, this country has generated a total of Rs 91 billion as Balance of Payments surplus.
37. As a result, since this Government took office to date, our country's reserves broke all records, increasing by Rs 117 billion to reach Rs 241 billion, that is by 94 per cent and

now representing 11.2 months of import cover. These are also the safest levels of foreign currency reserves our country has ever known.

38. Madam Speaker, this Government has always deeply believed that economic progress must be paired with the upliftment of the less fortunate of our society.
39. We have, therefore, raised the Basic Retirement Pension for our elderly by 71 per cent since we took office. Such caring for our elderly by a Government is unprecedented.
40. We introduced the Marshall Plan against Poverty which included a programme of Income Support to 11,000 low income families.
41. We have also implemented Negative Income Tax and a special allowance which are supporting some 70,000 employees by substantially raising their purchasing power and standard of living.
42. The minimum wage has corrected a major social injustice. Today, due to this action by Government, some 73,800 workers and their families and children are living a better and more dignified life. Many of them have even been able to escape poverty due to the higher wage they are now earning.

### **STRENGTHENING THE PILLARS OF ECONOMIC GROWTH**

43. I now turn to the measures and policies of this Budget starting with our strategy to strengthen the pillars of economic growth.

#### ***Developing the Innovation Eco-System***

44. Globally the innovation race is on.
45. We must imperatively be among the leaders in that race if we want faster economic growth.

46. Last month, we passed the necessary legislation to set up the Mauritius Research and Innovation Council as the apex body to oversee the development of Innovative Mauritius.
47. This new legislation also provides for the setting up of the National Innovation and Research Fund. We are today injecting a seed capital of Rs 100 million in that Fund.
48. More financial resources will be mobilised for the Fund, from private sector contribution and through a special Lotto draw to finance good causes. There will, in fact, be four such special draws. The details are provided in the Annex to the Budget.
49. To promote innovation, it is also crucial that we equip our youths with the required skills. To that end:
- The *Université des Mascareignes* will offer a Masters in AI and Robotics in collaboration with *Université de Limoges* and *Université de Nice*.
  - And HRDC will set up a 6-month AI Skills Development Programme for 100 students with the support of the local universities and international experts.
50. We will also further open up our country to foreign skills and expertise. I am introducing a “Post-Study Work Visa” to allow international students to work for 3 years in Mauritius after completion of undergraduate studies in sectors where there is scarcity of skills such as ICT, Fintech, AI and Biotechnology.
51. I am also providing for the employment of 20 more international lecturers under the “Recruitment of International Faculty Scheme”.

### ***Securing Inclusive Innovation***

52. To ensure inclusiveness of innovation, I am pleased to announce that some 11,000 families, who are on the Social Register of Mauritius (SRM), will be given totally free access to Broadband Internet. This will be a giant step in bridging the digital divide and will be funded jointly by Government and Mauritius Telecom.

### ***Boosting Productivity - Maximising the Skills and Talents of our Youths***

53. I will now announce our measures to boost productivity, with a focus on training that is relevant to the job market.
54. First, Government in cooperation with Business Mauritius is creating a National Skills Matching Platform to assess the training requirement of job applicants and direct them towards the relevant employability scheme with the guarantee of a job at the end. The tourism industry will be used as the pilot, to be followed by other sectors. This measure will be financed through the National Training Fund and with private sector contribution.
55. Second, Business Mauritius will also set up an 'Espace des Métiers' for alumni of the National Apprenticeship Programme which will offer services such as networking opportunities and mentoring on entrepreneurship, among others.
56. Third, we will expand the number of trades under the National Apprenticeship Programme from 23 to 30.

### ***Spurring Private Investment***

57. Madam Speaker, a sine-qua-non condition for economic growth is investment.
58. To give a spur to private investment, we will build on our recent impressive progress in the World Bank Ease of Doing Business ranking. In fact, we are coming with a new Business Facilitation Bill which will amend 26 legislations.
59. These amendments will, among others:
  - expedite the start of businesses;
  - eliminate unnecessary licences and permits;
  - expedite clearances at the port and airport; and
  - align with international best practices regarding protection of minority investors and sharing of information.



## **CONSOLIDATING THE PRODUCTIVE SECTORS WHILE SHAPING A MORE DEMOCRATISED ECONOMY**

60. I now come to the second avenue for embracing a brighter future. It is about consolidating the productive sectors while democratising the economy.

### ***Strengthening the Productive Sectors***

61. For some of our industries, the near term challenges are formidable but the medium and long-term opportunities are encouraging. We must support them to overcome the challenges and also help them to seize the opportunities that lie in the future.

### ***Supporting the Sugar Cane Industry: Building its Long Term Resilience***

62. Let me start with the sugar cane industry, which is facing a sharp decrease in the world sugar price, rising costs and falling production.
63. This Government cannot be insensitive to the difficulties of that sector, in particular the plight of small planters. Many of them are facing reduced income and even losses and as a consequence are abandoning their fields.
64. I am therefore coming up with a package of measures to provide immediate and substantial relief to the planters and the industry.
65. First, I am waiving the amount due by small planters under the FORIP (Field Operations Regrouping Project) Scheme.
66. Second, I am waiving 50 per cent of the advance on fertilizers provided to planters through the Mauritius Cane Industry Authority (MCIA).
67. Third, the insurance premium paid to the Sugar Insurance Fund Board by planters producing up to 60 tons of sugar is also being waived for Crop 2019.
68. Fourth, we are making provision in the budget of the MCIA to meet the shortfall arising from the suspension of CESS payments for Crop 2019.

69. Fifth, I am providing funds under the Cane Replantation Programme to encourage planters to bring their lands back under cultivation.
70. Sixth, I am providing Rs 15 million for the MCIA to acquire equipment for harvesting sugar cane of small planters.
71. Seventh, a National Biomass framework will be developed for the use of sugar cane biomass, including cane trash, for electricity generation.
72. Eighth, Government has already sought the assistance of the World Bank to provide strategic policy options for making the sugar cane industry sustainable, in the medium and long term.
73. And ninth, I am pleased to announce that for crop 2019, all planters will benefit from a special unprecedented price of Rs 25,000 per ton of sugar for the first 60 tons of sugar accrued to them. This is more than double the price they would otherwise have obtained.

#### ***Giving a Boost to Non-Sugar Cane Agriculture***

74. While the sugar industry is facing tough challenges, there is steady growth in the non-sugar cane agricultural sector which must be encouraged.
75. Our tea industry is being buoyed up by increasing demand globally.
76. To ride on the new dynamism:
  - Government is working with the FAO for the branding of the Mauritian tea as a pesticide free product with unique health benefits.
  - I am doubling the three months winter allowance that we provide to tea growers during the low harvest winter season.
  - And tea growers will also benefit from the concessionary road tax allowance on double cab pick-ups as is the case for other planters.

77. As regards bee-keeping, inspired by the success of existing bee keeping zones, more such zones will be developed at River Tamaka and Palma.
78. I am also exempting duty on the purchase of single/double space cabin vehicles as well as granting concessionary road tax thereon to registered bee-keepers holding a minimum of 20 beehives.
79. As regards flowers, there is an excess demand on the local market for chrysanthemum that cannot be met because of lack of facilities. I am therefore providing for consultancy services to advise the growers on the production of that flower and for setting up greenhouses.
80. Sheltered farming is opening up opportunities for young agro-entrepreneurs. To give a further spur to that new sector, 100 more sheltered farms will be constructed across the island over the next two years, starting at Melrose, Plaine Magnien, Solitude, Beau Climat and Caroline.
81. As we produce more, we must also improve the quality and safety of our agricultural products. I am, therefore, providing for ripening plants for bananas and tomatoes on agricultural stations of FAREI.

### ***Livestock Sector***

82. As regards the livestock sector, we are sensitive to the request of pig breeders for improving the conditions under which they carry out their production. I am, therefore, making provision for the rehabilitation of pig rearing sites at St Martin and Bassin Requin.
83. To give a boost to cattle breeding, a heifer farm will be operational in Melrose and a livestock farm is being set up soon next to the heifer farm.
84. For sheep and goat breeding, a farm will soon be operational at Salazie to allow for a rapid increase of the herd thus reducing our dependence on importation.

### ***Revitalising the Manufacturing Sector***

85. I now come to the manufacturing sector.
86. Some of the enterprises in that sector have obsolete plants and equipment resulting in low productivity.
87. Today, I am announcing measures that will give comprehensive support for firms to embrace the most appropriate technologies to be more competitive.
88. First, to maintain our export competitiveness to Europe, the “Support for Trade Promotion & Marketing” scheme is being extended for another year. An amount of Rs 120 million is being earmarked for this purpose and the scheme will be reviewed so as to assess the possibility of extending it to cover the US market.
89. Second, EDB has enlisted the services of “Idea Foundry” from USA to propose the most appropriate technology and processes required to foster a new ecosystem to adapt to the modern requirements of the international market.
90. Third, the Investment Support Programme Committee will be restructured and converted into a company, namely, ISP Limited.
91. The object of the Company will be to:
- collaborate with other relevant public sector bodies for the development of the new eco-system;
  - support enterprises in the adoption of the most appropriate modern technologies; and
  - arrange for financial support towards modernisation of processes.
92. Some Rs 1 billion will be available for the ISP Limited to achieve these objectives.
93. Fourth, there are companies that tend to close down because they cannot easily find buyers or because they do not have any succession planning. To prevent such closures,

EDB will seek investors and strategic partners, with the support of the ISP Ltd, to re-engineer and re-capitalise these firms.

### ***The Ocean Economy***

94. I will now elaborate on our measures to enhance productive capacity in the Ocean Economy.
95. I am pleased to announce that the daily rate of bad weather allowance for fishermen will be increased from Rs 310 to Rs 340.
96. An online and physical fish auction market will be set up to act as an interface between local fishermen, fishing companies and buyers both local and international.
97. To consolidate and diversify our fisheries and seafood industry, a stock assessment will be conducted to better manage and protect species such as lobsters, squid and other small commercial pelagic fish.
98. The bunkering sector is a promising new growth pole in our ocean economy that must be encouraged. I am, therefore, announcing a series of measures to give a boost to this emerging sector.
99. First, a four year tax holiday will be granted on income derived from bunkering of low Sulphur Heavy Fuel Oil.
100. Second, existing storage facilities will be refurbished to cater for low Sulphur Heavy Fuel Oil.
101. Third, the Mauritius Ports Authority will allow ship-to-ship bunkering.

### ***Tourism: Enhancing Visibility, Attractiveness, Accessibility and Sustainability***

102. I now turn to the tourism industry, which is also facing near term challenges but with nonetheless a bright future.

103. To surmount the current difficulties and build stronger foundations for its future growth, I am allocating Rs 535 million to the MTPA and an additional Rs 160 million to redynamise the Shanghai and Kenya routes.
104. The MTPA will reinforce the visibility of the Mauritius destination in traditional markets as well as in China, Saudi Arabia, Kenya, Scandinavian countries, Ireland and Eastern Europe.
105. It will also develop a new tourism brand to reposition Mauritius as a premium destination.
106. Cruise Tourism has been growing at a fast pace in the recent years. To ride on this positive development, a Passenger Cruise Terminal Building with shopping and other facilities is being built to cater for some 4,000 Cruise as well as Inter-Island passengers.
107. To attract more visitors who come on their own by sea, Government will incentivise the development of marinas.
108. Accordingly:
- regulations will be published for the operations of commercial marinas;
  - a yacht code will be introduced;
  - an 8-year income tax holiday will be granted to a newly set-up company developing a marina; and
  - VAT exemption will be provided on the construction of marinas.
109. We must also better harness the potential from Meetings Incentives Conferences and Exhibitions (MICE) tourism.
110. To this end, MTPA will revive the Special Incentive Scheme which provides grants of up to Rs 200,000 to MICE promoters and wedding planners.

111. In addition, I am introducing a VAT refund scheme on accommodation costs for events with at least 100 foreign attendees staying for a minimum of 3 nights. This will include business meetings, conferences and weddings.
112. I will later announce a national campaign of cleanliness and embellishment of the whole island which should have a positive impact on our tourism destination.
113. To encourage hotels to participate in this national campaign, I am proposing a deduction of 150 per cent of the expenditure incurred by such hotels on cleaning, renovation and embellishment works in the public realm, from their taxable income.

### *Creating New Opportunities in Financial Services*

114. I now come to financial services, which year after year is experiencing steady growth and maintaining its course as one of the fastest growing sectors of our economy.
115. One key strength of that industry is its good international repute.
116. And this is not fortuitous.
117. Our policies to be compliant with international standards are paying off.
118. Mauritius is rated as fully compliant with the OECD standards on transparency and exchange of information for tax purposes.
119. We do not have any harmful feature in our tax regimes.
120. With respect to AML/CFT, our sustained commitments are showing results. In the ESSAMLG Follow Up report on Mauritius, published on 24 May 2019, we have successfully obtained an upgrade of 11 FATF recommendations, thus demonstrating significant progress in meeting technical compliance.
121. We will strive to make more headway on the development of the sector and the Mauritius International Financial Centre.

122. To this end, we will first, expand accessibility of our products across the world by:
- establishing a new framework for fund administration and fund management;
  - revamping the existing Special Purpose Fund regime to ease access to new markets; and
  - FSC entering into an agreement with the Gujarat International Finance Tec-City to recognise Mauritian licensed funds and management companies as qualified to operate in the Gujarat jurisdiction as well.
123. Second, to diversify the product base of our IFC, the following will be introduced:
- new rules and an attractive tax regime to promote the development of Real Estate Investment Trusts (REITs);
  - an ‘umbrella licence’ for wealth management activities;
  - a scheme for headquartering of ‘e-commerce’ activities;
  - a framework for Green Finance in line with the ‘Marrakech Pledge’ – a continental coalition of African Capital Markets Regulators and Exchanges committed to foster green financing on the continent; and
  - a new trading platform at the Stock Exchange of Mauritius to allow medium sized profitable enterprises that do not qualify for listing on the official and DEM markets to raise capital and trade their shares.
124. Third, to facilitate conduct of business in the sector, a ‘single-window system’ will be set up at the FSC to allow for submission of documents for financial services and global business applications.
125. Fourth, we will pursue our journey to make of Mauritius a Fintech hub in the region. Accordingly, FSC will:



- establish a regime for Robotics and AI enabled financial advisory services;
- introduce a new licence for Fintech Service providers;
- encourage self-regulation for Fintech activities in consultation with the United Nations Office on Drugs and Crime;
- introduce the use of e-signatures and e-licences on a pilot basis; and
- create Crowd Funding as a new licensable activity.

126. Fifth, we are significantly strengthening the regulatory framework to fight fraud, corruption and financial crimes to increase investors' confidence in our financial services sector.

127. In this connection:

- a Financial Crime Commission will be set up to act as an apex body to ensure greater coordination and coherence among the various investigative agencies, including ICAC, the Financial Intelligence Unit and the enforcement department of the Financial Services Commission in carrying out their functions, in particular in dealing with drugs investigations and other financial crimes;
- FSC will develop a financial data handling code of conduct to address cyber risks; and
- The BoM, FIU and FSC will introduce industry-wide Practice Notes with respect to handling clients' requests.

### ***Democratising Our Economy***

128. As we grow our GDP, we must also make it inclusive. Our economy must be more democratised.

129. We are, therefore, taking a series of measures on multiple fronts, to give greater support to Micro, Small and Medium sized enterprises. They are at the very heart of our democratisation policies.
130. First, for micro enterprises, I am increasing the maximum loan amount under the existing DBM Micro-Credit Loan Scheme from Rs 250,000 to Rs 500,000.
131. Second, under the SME Financing Scheme, commercial banks have so far granted credit facilities of more than Rs 10 billion. We are extending the Scheme for another three years.
132. Third, I am reducing the annual interest rate under LEMS I and SME Factoring Scheme from 5.5 per cent to 3.9 per cent.
133. Fourth, the cost of financing under the SME Equity Fund will be reduced from 8 per cent to 6 per cent as from 01 July 2019.
134. Fifth, I am extending the suspension of trade fees of up to Rs 5,000 for another period of 3 years. More than 300,000 businesses will benefit from this measure this year.
135. Sixth, SME Mauritius will extend the grant of Rs 5,000 per SME towards certification under 'Made in Moris' label for another year.
136. Seventh, Government will provide a one-off grant of Rs 3,000 to SMEs for subscription to the E-Commerce Platform of the MCCI.
137. Eighth, I am increasing the Margin of Preference for contracts under Public Procurement for locally manufactured products by SMEs, from 20 per cent to 30 per cent, if they have the 'Made in Moris' label.
138. Ninth, SME Mauritius will set up a Design Centre for Leather Products in Coromandel to provide assistance to SMEs on 3D technologies and the centre will also dispense training for the region.

139. Tenth, the SME Employment Scheme which was applicable to graduates only will now be open to diploma holders as well.
140. Eleventh, we are also extending the SME Employment Scheme to enterprises with turnover of up to Rs 100 million.
141. Twelfth, enterprises having annual turnover not exceeding Rs 10 million and engaged in specific activities such as manufacturing or trading of goods will be given the option to pay 1 per cent of its turnover as final income tax on its business income or file the normal income tax return.

### ***Creating a New Category of Enterprises***

142. This year, we are bringing a major change to the grouping of our enterprises according to their size. We are creating a new category of enterprises, namely the Mid-Market Enterprises (MMEs) with annual turnover between Rs 50 million and Rs 250 million.
143. I am proposing a new Financing Scheme for this category of enterprises, to be known as the MME Financing Scheme under which they will benefit from concessionary interest rate on new loans from commercial banks.
144. Government will also introduce a line of credit facility in USD and EURO for export factoring services for the MMEs.
145. And I am extending LEMS II to the MMEs and reducing the annual interest rate under that scheme from 6 per cent to 4.25 per cent.
146. The MMEs will also be eligible to financing under the SME Equity Fund.

### ***Supporting the Cooperative Sector***

147. Another effective channel for inclusiveness and economic democratisation is the cooperative sector. And we will support them as well – as we have always done.

148. I am thus earmarking Rs 12 million for the setting up of a Cooperative Seafood Processing Unit at Tamarin. This will enable the fishermen cooperatives to transform their fish and other marine catches into value-added products.
149. I am also providing a grant of Rs 25,000 to twenty cooperative societies for setting up ornamental fish breeding farms.
150. The grant to fishermen cooperatives to purchase outboard engines and fishing nets is being increased from Rs 60,000 to Rs 80,000.

### ***Improving Workers' Rights***

151. As we expand productive capacity, democratise our economy and secure economic inclusion, it is also imperative that we have an appropriate and fair Industrial Relations System and greater labour mobility.
152. Government took a commitment in its Programme to review the labour law in order to better protect workers' rights. I am pleased to announce that a new Workers' Rights Bill will be introduced shortly.
153. The Bill will provide, among others, a new mechanism for computation of gratuity which will recognise the full length of service of a worker, irrespective of the number of employers he has worked for.
154. I wish to inform the House that necessary consultations have been held with the stakeholders and broad consensus has been reached, among representatives of employers, trade unions and Government for the introduction of the new mechanism.
155. A Portable Retirement Gratuity Fund will be set up for that purpose and a technical committee will address the modalities for the implementation of the scheme. Necessary measures will be introduced to assist the SME sector.
156. The proposed Workers' Rights Bill will also provide for a Wage Guarantee Fund which will guarantee remuneration up to Rs 50,000 to workers who lose their jobs in case of insolvency.

157. Madam Speaker, I am aware of the difficulties that some sectors of the economy are experiencing which bring in their wake sudden loss of jobs. In order to ensure that workers are not unduly penalised, Government has already set up a Committee to examine the priority of claims in case of insolvency.

### **EXPANDING OUR ECONOMIC SPACE TO DEEPEN ECONOMIC DIVERSIFICATION**

158. I will now elaborate on our third avenue to embrace a brighter future. It is about expanding our economic horizon. Our aim is to further extend the production space of Mauritius beyond our frontiers in partnership with other African countries. Africa Rising calls for massive investment, quality expertise and more trade.

159. With regard to creating new assets in Africa, we will:

First, build on the agreement with Mozambique towards the setting up of a regional value chain for Liquefied Natural Gas (LNG).

Second, develop a Textile City on the 80 hectares of land in Moramanga, which the Malagasy Government has agreed to allocate to Mauritius.

Third, develop projects to take advantage of the Industrial and Technology Park in Naivasha, Kenya.

And fourth, consolidate our ongoing initiatives in the Special Economic Zones in Senegal, Côte d'Ivoire and Ghana.

160. As regards cross-border financing, the Mauritius-Africa Fund will further expand its strategic partnerships with Pan-African and international multilateral development financial institutions, such as the Trade and Development Bank, AFREXIM Bank and *Fonds de Solidarité Africain* to mobilise project finance for the benefit of Mauritian enterprises willing to expand in Africa.

### **BUILDING THE INFRASTRUCTURE THAT MATCHES OUR DEVELOPMENT AMBITIONS**

161. I now turn to the fourth avenue of this Budget, which is about building the infrastructure that matches our development ambitions.
162. Let me start with our plan to further expand and modernise our air and sea connectivity with the rest of the region and the world.
163. Airports of Mauritius has completed its master plan.
164. The main aim of the master plan is to develop a new growth pole with the airport as the linchpin.
165. As the existing airport terminal is expected to reach full capacity by 2022 with some 4.5 million passengers, the master plan provides for the construction of a new terminal building of about 50,000 square metres to cater for a total of 8 million passengers.
166. And the aircraft parking capabilities will be increased to accommodate 22 wide-bodied aircrafts simultaneously.
167. The development of the new growth pole will also include:
- a. First, a new road to connect directly the airport to Mahebourg. This will facilitate the development of Mahebourg as a tourist village.
  - b. Second, the development of an airport city comprising:
    - new infrastructure to enable training for pilots and Licensed Aircraft Maintenance Engineers;
    - extension of the Cargo and Freeport area at the airport towards Rose-Belle Industrial park to accommodate light industries;
    - a new fully fledged cargo terminal; and
    - a solar farm in the vicinity of the airport with a view to being more environmental friendly and fully autonomous and run by green energy.

***Transforming our Port - Expanding its Role & Boosting its Competitiveness***

168. Concerning the port, new investments are being made to expand its capacity, boost productivity and competitiveness.
169. The Mauritius Ports Authority (MPA) will, with the participation of the private sector, invest some Rs 12 billion to construct a breakwater to reduce downtime at the port during bad weather conditions.
170. The MPA is also investing some Rs 2.2 billion in another breakwater at Fort William to allow for the safe mooring of some 120 ocean-going fishing vessels thus creating a fully functional fishing port.
171. The navigational channel will be dredged further to a depth of 18 metres to make Port Louis the deepest port in the region.
172. The dredged materials will be used to reclaim some 60 hectares of land to create an Island Terminal of containers that will more than double the stacking capacity.
173. To increase crane productivity at the port, the Cargo Handling Corporation is acquiring one additional Ship-to-Shore crane along with associated equipment at a cost of Rs 750 million.

***Modernising Infrastructure across the Country***

174. As regards other infrastructure across the country, I am providing funds for financing offsite works at the Côte D'Or City as well as for the development of the Côte D'Or Industrial Park.
175. Landscape (Mauritius) Ltd will now embark on the second phase of the renovation of the Port Louis Waterfront estimated to cost some Rs 200 million.
176. Detailed design for the Rivière des Anguilles Dam will be completed by end of January 2020.

177. As regards the Metro Express, phase one will be completed as scheduled, that is by September this year.
178. A study is being carried out on extending the Metro Express beyond the Port Louis – Curepipe corridor.
179. The bus terminals modernisation programme currently meant for Port Louis – Curepipe Metro corridor will be extended to rural areas.
180. This year, I am providing Rs 1.5 billion to continue works on the following projects:
- Jumbo Phoenix roundabout and the A1M1 Bridge;
  - A1–A3 link road from Coromandel to Gros Cailloux;
  - new link road at La Croisette;
  - upgrading of Pointe aux Sables Road at Petit Verger; and
  - the Cap Malheureux by-pass.
181. Over the next 3 years, some Rs 1.5 billion will be invested in new projects, including:
- construction of Hillcrest fly-over;
  - upgrading of Ebene fly-over;
  - upgrading of road from Deux Frères to Beau Champ;
  - upgrading of road at Palmerstone, Vacoas;
  - upgrading of Pont Bruniquel, Baie du Tombeau ; and
  - landslide stabilisation works at Montagne Ory, Chamarel and Souillac.
182. We are earmarking Rs 500 million for the construction and upgrading of secondary roads across the island.



183. While I am on the subject of land transportation, I would like to announce a series of measures to support the operators of public transport.
184. First, individual bus operators will benefit from the same base price as for bus companies in respect of diesel compensation.
185. Second, taxi operators will benefit from a duty-free car every 4 years instead of 5 years.
186. Third, I am reducing the road tax for vans, with up to 15 seats, used as school buses from Rs 3,000 to Rs 2,000 per annum.
187. Fourth, I am removing customs duty on importation of vans to be used as school buses.
188. And fifth, a study will be carried out to assess the need for a Taxi Operators Welfare Fund.
189. I will now elaborate on our plan to improve and modernise community infrastructure across the country.
190. Since 2015, the Local Authorities and the National Development Unit have implemented some 2,900 community-based projects across the island for a total project value of Rs 3.5 billion.
191. In this Budget, we will invest some Rs 1.2 billion in more such infrastructure projects, including:
- 6 gymnasiums and open gyms at Stanley - Rose Hill, St Félix, D'Épinay, Providence, Rivière du Poste and Curepipe;
  - 6 football fields at Pointe aux Sables, Tranquebar, Vallée Pitot, Pamplémousses, Plein Bois and Chamarel;
  - 25 mini football pitches across the Island;

- 2 *pétanque* courts at Telfair and Carreau Accacia;
- 2 health tracks at Nouvelle France and Mare Tabac;
- 8 Children playgrounds at Vallée Pitot, Tranquebar, New Grove, Malakoff, Rivière du Poste, Mahebourg, Quatre Bornes and Camp Le Vieux;
- 3 new market fairs at Beau Bassin, Bambous and Fond du Sac;
- 2 multipurpose halls at Petite Julie and Petit Raffray; and
- 4 new village halls at Grande Retraite, Rivière du Poste, Tyack and Tamarin.

192. An amount of Rs 72 million is being earmarked for the construction of six Multi User Games Area (MUGA) at Rivière du Rempart, Flacq, Moka, Port Louis, Black River and Savanne.

### **DEEPENING OUR NATIONAL REFORM AGENDA**

193. I now come to the deepening of our national reform agenda in the public sector.

194. The three pillars of our reform will be:

- i. First, rebalancing the role of Government in the economy.
- ii. Second, improving efficiency and delivery of public services.
- iii. Third, implementing the Asset-Liability Management (ALM) Approach to ensure optimal management of public finances.

195. The first pillar is about creating opportunities for private sector entrepreneurs to invest in public sector projects so as to reduce Government's borrowing requirement. In this context, the PPP Act and the BOT Projects Act are being simplified.

196. We will also dispose of certain non-strategic assets to reduce the level of government debt.
197. I will now elaborate on the second pillar of the reform agenda.
198. This is about improving efficiency and delivery of services.
199. Weaknesses, shortcomings and abuses must not be allowed to linger in the system.
200. We will thus introduce a new expenditure framework that will be firmly rooted in the principles of evidence-based budgeting. The key elements of the framework are:
- the systematic review of available evidence on the effectiveness of public programs;
  - implementation oversight; and
  - outcome monitoring.
201. In this vein, I am continuing this year the efforts I have been making to reduce the expenditure on overseas mission. In fact, I am reducing the provision for overseas mission costs for ministries and departments from Rs 160 million to Rs 120 million.
202. The Efficiency Management Committee set up at the Ministry of Health and Quality of Life will serve as a pilot project to be replicated across all ministries and departments.
203. The e-health project will soon be implemented as a major reform in the public health sector so that data on the medical history of patients are available to all hospitals across the country in real time. This will save time for patients, give them more flexibility to seek treatment in hospitals and also greatly facilitate the treatment of patients.
204. With the forthcoming roll out of the National Payment Switch by the Bank of Mauritius, Government agencies will be able to integrate the e-payment system as part of their service delivery.

205. To pursue our reforms, we will also fully leverage the potential of digitisation. To this end, Government will implement a National Authentication Framework providing users a unique ID and password to access, through a single window, any e-government service.
206. Government agencies will adopt the 'Require-Once Principle' to request information from the public where such information is already available within government.
207. To further reduce costs and avoid long queues for the population and move towards a paperless administration, Government will make available online facilities for the following:
- delivery of free copies of birth and marriage certificates;
  - application for enrolment of children in primary and secondary schools;
  - searching information on land titles;
  - registering of vehicles; and
  - making application for SC and HSC examinations by private candidates.
208. As regards the third pillar, a comprehensive study will be carried out to establish the ALM framework. Our aim is to move beyond debt and deficits to provide the most comprehensive view of public finances and develop the country's balance sheet – that is the Mauritius Balance Sheet. This will give us a clearer picture of the nation's net worth.

**REACHING A HIGHER SOCIAL DEVELOPMENT PATH WITH A FOCUS ON GENDER MAINSTREAMING**

209. I will now announce our policies and measures to reach a higher social development path.

210. As we pursue our goal of a High Income Economy, it is important that wealth creation and social development are coupled under the inclusiveness umbrella.

211. Prosperity must be shared by all.

212. And how to share the prosperity is reflected best in the priorities that Mauritian families set for themselves and their children.

***Health care: The Healthier the Population, the Happier the Nation.***

213. One of these priorities is to have access to quality health care.

214. We are therefore investing significantly to expand and modernise public hospitals.

215. Our plan is to:

- set up a new Renal Transplant Unit at the Jawaharlall Nehru hospital;
- construct a modern warehouse for pharmaceutical products;
- complete the new Cancer Hospital and the ENT Hospital;
- start construction of a New Eye Hospital at the Réduit Triangle; and
- build the New Flacq Teaching Hospital.

216. We are also providing for:

- a new Mediclinic at Floréal which will start operations this year;
- the construction of four other Mediclinics at Quartier Militaire, Stanley, Coromandel and Bel Air; and
- seven Health Centres at Petite Rivière, Baie du Tombeau, Phoenix, Roche Bois, Pointe aux Sables, Grand’Baie and St François Xavier. And there are plans to construct 12 new Health Centres in Chemin Grenier, Bambous, Cap Malheureux,

Camp de Masque, Trou d'Eau Douce, Henrietta, New Grove, Grand Bois, Baie du Cap, Vale, Plaine Magnien and l'Espérance-Moka.

217. A new mobile caravan will be purchased for HIV testing.
218. I am providing for the recruitment of 538 medical and non-medical personnel. This includes some 40 more Nursing Officers to be trained in community health nursing to reinforce the on-going vaccination programme.
219. Madam Speaker, the food we eat determines our state of health.
220. A Food Standards Agency will be established to set standards on fast food and soft drinks and also for the certification of vegetarian and halal foods, among others.
221. And we will encourage the supply of wheat flour that is fortified with iron and folic acid to address the problem of high incidence of anaemia among women.
222. We will also more fully harness the potential of Biotechnology for improving food processes and health care. To that end:
- A regulatory framework will be introduced for classification and registration of nutraceuticals.
  - The Clinical Trials Act (CTA) will be amended to provide for registration of Contract Research Organizations with the Clinical Research Regulatory Council.
  - The CTA will also be reviewed to make necessary amendments regarding trials involving medical devices.
  - And a regulatory framework aligned with the EU-Directives and US standards will be introduced for stem cell research and therapy.
223. As we speak of improving the health of our population, I am pleased to announce today a significant support to public sector employees. I am providing Rs 200 million for implementing a Medical Insurance Scheme for public sector employees. For those earning less than Rs 10,000, Government will pay fully the insurance premium. For

those earning more than Rs 10,000, Government will contribute 50 per cent of the premium.

224. The budget for the public health sector is thus being increased from Rs 12.2 billion to Rs 13.1 billion.

***Pursuing the Reform of our Education System***

225. I now turn to education - another top priority for families and rightly so. It is clear today as it has ever been that education is what fosters social progress and offers a sure pathway to a better life. To better serve that purpose, our education system must be modern and inclusive.

***Fostering a more Inclusive Education System***

226. Earlier this year, I announced free tertiary education in public institutions, including Technical and Vocational Education and Training (TVET). Some 20,000 students are already benefiting from this measure. An amount of Rs 600 million is being earmarked for financing the Free Tertiary Education Scheme.

227. And funds are being provided for introducing a new programme in 20 schools, for students of Grade 7, namely the “Leader In Me Programme”. The aim is to equip these students with the socio-emotional competencies they need to achieve the desired outcomes of education.

228. Madam Speaker, tablets have already been distributed to students of Grades 1, 2 and 3 in all primary schools. I am pleased to announce that the tablet project will now be extended to Grade 4 students.

229. Inclusiveness also means an education system that fully caters for students with special needs.

230. I am, therefore, making the necessary provision to operationalise the Special Education Needs Authority (SENA).

231. I am providing a total amount of Rs 138 million to NGOs running Special Education Needs Schools.
232. I am also providing for equipping 20 State Secondary Schools with ramps, handrails and adapted toilets for disabled students.
233. Rs 10 million will be provided under the National CSR Foundation for the setting up of a Fortified Learning Environment Unit. This is another concept that is being introduced in our education system to better support vulnerable children and raise their performance standards.
234. Rs 50 million are being earmarked for transforming 50 primary schools in poverty areas into Fortified Learning Environment Schools with the support of NGOs. This will counter the effect of poverty on educational attainment of the child.
235. Furthermore, Rs 20 million are being earmarked to provide specialised and focussed support to students in the Extended Programme. These will be delivered by a network of NGOs.
236. As we pursue our educational reforms, MIE will dispense courses to Prevocational Educators to upgrade their knowledge to facilitate their integration in the mainstream programme.
237. I will now announce measures for supporting vocational education and training.
238. A modern training centre will be constructed for the MITD at Beau Vallon at the cost of Rs 219 million.
239. In the same vein, I am providing for the setting up of a Skills Development Authority to act as an independent regulator, ensure quality assurance and confer awarding powers to training institutions in the TVET sector.

***Conducive Learning Environment***



240. We will also invest to expand and upgrade the learning environment in our schools and give greater non-academic support services to students.
241. Funds are being earmarked for the construction and upgrading of:
- 8 Government Schools;
  - 6 Multi-Purpose halls;
  - 4 playfields;
  - 3 new Science Blocks in Secondary Schools; and
  - 58 specialist rooms in State Secondary Schools for Food and Textile Studies and Design and Technology.
242. As regards non-academic support aimed at promoting the psychological and social well-being of students, I am providing for the recruitment of 8 more Educational Psychologists, 6 more Educational Social Workers and 34 Discipline Masters.
243. The Drug Use Prevention Programme which is currently in place in 48 secondary schools will be extended to all secondary schools.
244. To achieve better synergy in implementing our education reforms, we are creating an Education Hub at Côte d'Or.
245. It will include among others, an Academy for Teachers, the Mauritius Institute of Education and the University of Technology Mauritius.
246. In the meantime, the Academy for Teachers will operate at the Polytechnic in Montagne Blanche.
247. This year, I am providing Rs 17.1 billion in the budget for the education sector.

***A Decent Dwelling for Every Family***

248. I now come to another top priority of families which is about a decent dwelling. It is also high on Government's agenda as we believe in a decent home and suitable living environment for all our citizens.
249. To achieve this goal, we will make significantly more efforts this year to support low and middle income families.
250. First, to meet the need of low-income families, 6,000 units will be constructed on 16 sites around the country over the next three years, with necessary amenities. These will be in the high-rise buildings with a maximum of 6 floors.
251. Second, I am reviewing the Building Materials Grant Scheme to provide significantly more support to families for the construction of their dwellings.
- For a family with monthly income of up to Rs 10,000 the maximum grant is being increased from Rs 65,000 to Rs 100,000.
  - I am extending the scheme to families with monthly income above Rs 10,000 and not exceeding Rs 15,000. For these families the grant will be up to Rs 70,000.
  - For families with monthly income above Rs 15,000 and not exceeding Rs 20,000, the grant will be up to Rs 50,000.
252. I am also extending the Building Materials Grant Scheme and the Roof Slab Grant Scheme to households who have already benefitted from Corrugated Iron Sheet and Concrete cum Corrugated Iron Sheet housing units and also to families living in Ex-CHA houses which contain asbestos.

***Giving More Support to Middle Income Families Who are Investing in their Own Dwellings***

253. I will now announce our measures to support middle-income families who are investing in their own dwellings.
254. First, I am raising the threshold value of bare land that a first time buyer may acquire, free of registration duty, to build a house. The exemption will apply on the first Rs 2.5

million of land value instead of on the first Rs 2 million, provided the acreage does not exceed 20 perches. This would represent an additional benefit of up to Rs 25,000 per buyer.

255. Second, a first time buyer will benefit from full exemption from registration duty on the purchase of an existing house or apartment of up to Rs 5 million instead of Rs 4 million currently, representing an additional benefit of up to Rs 50,000.

256. Third, no registration duty will be payable on a secured housing loan for an amount not exceeding Rs 2.5 million, instead of the current threshold of Rs 2 million.

257. Fourth, to enable more of our citizens to benefit from the VAT Refund Scheme on the construction of their residence or the purchase of an apartment, I am reviewing the following eligibility criteria:

- the upper limit for the cost of construction of a residence or the purchase price of an apartment is being increased from Rs 4 million to Rs 5 million.
- the household income threshold is being increased from Rs 2 million to Rs 3.5 million.

258. I am also extending the duration of the Scheme to 30th June 2025 instead of 30th June 2020.

259. Fifth, affordability is a key factor in determining ownership of a dwelling as well as its quality. We are, therefore, announcing measures to make NHDC houses more affordable to a larger number of families. To that end:

- Households earning monthly income between Rs 10,000 and Rs 15,000 will benefit from a subsidy of 60 per cent instead of 50 per cent on the cost of a housing unit;
- Households earning monthly income above Rs 15,000 and not exceeding Rs 20,000 will benefit from a subsidy of 30 per cent instead of 20 per cent.

And I am introducing two new thresholds so that our support can reach out to more families:

- Households earning monthly income above Rs 20,000 and not exceeding Rs 25,000 will now benefit from a subsidy of 25 per cent; and
- Households earning monthly income above Rs 25,000 and up to Rs 30,000 will now benefit from a subsidy of 15 per cent.

### ***Strengthening Social Protection***

260. I now turn to our social security policies. In the past 4 years, this Government has increased the Social Security Budget by 86 per cent.

261. We have done so because we have always believed that we must stand by our citizens who are striving to face and escape the difficulties and vicissitudes of life.

### ***Helping our Elderly to Build Up a Steady and Predictable Stream of Income in Retirement Years.***

262. Today, we will build further on past efforts to support those in need.

263. I will start with our support for our elderly.

264. I am increasing the monthly carer's allowance from Rs 3,000 to Rs 3,500 for some 23,000 bedridden pensioners.

265. Presently only bedridden persons aged 75 years or older are eligible for domiciliary visits of doctors. I am extending this service to bedridden persons of 60 years and above.

266. Besides health care, we will also provide for leisure and recreation facilities for our elderly. I am providing Rs 15 million for renovation works at the 3 Recreational Centres for elderly persons. A fourth Recreational Centre at Riambel will be operational by the end of this year. And they will also have free access to public swimming pools to promote greater participation in physical activities.

267. I am increasing the annual grant to the Senior Citizens Council by Rs 500,000.
268. We will also improve the financial means for our elderly. To that end, Government will issue two Silver Bonds offering an annual interest rate of 5.5 per cent to increase return on their savings and also to encourage savings towards retirement. The main features of the bonds are outlined in the Annex to the Budget.
269. The underlying principles of government's policies towards the elderly in our society are clear – they are about gratitude, respect and compassion. That is why the very first action of this Government has been to substantially raise the Old Age Pension. Today, the old age pension stands at Rs 6,210 compared to only Rs 3,623 in 2014. We have thus made a significantly positive difference in the lives of thousands of our elderly. And it is in that same spirit, that I am announcing today another increase of Rs 500 on the monthly old age pension as from January 2020, to bring the old age pension to Rs 6,710 per month.

***Better Empowering Families under the Social Register of Mauritius***

270. I am also pleased to announce better support to families under the SRM. Thus, I am extending the school premium awarded to successful students at the secondary level under SRM to tertiary students as well. They will benefit from a one-off grant of Rs 40,000.
271. 5,000 families who are presently benefitting from Social Aid will be transitioned to the Marshall Plan Social Contract Scheme. These families will thus benefit from substantially higher support, under the SRM, empowering them to better fight their way out of poverty.

***More Support to those who Help Others***

272. We will also give more support to those who help others.
273. We cannot overlook the priceless role of religious bodies in shaping and preserving the social and moral fabric of our society. They deserve all the support that we are giving to them and more. That is why I am increasing the grant to religious bodies by 10 per cent from Rs 85 million to Rs 93 million.

274. In the same vein, for Residential Care Homes eligible under the Social Aid Act, I am doubling the monthly grant for the maintenance of their buildings.
275. The NGOs are making positive contribution to the social development of our country and need our recognition. I am therefore increasing the grant-in-aid by 10 per cent.
276. Moreover, the National CSR Foundation (NCSRF) will be transformed into a National Social Inclusion Foundation with a new Charter and will identify National Programmes for better impact on poverty alleviation. In the first instance, the national programmes will focus on Crèches/Nursery and on additional support to vulnerable children at primary and secondary school.
277. For maximising the role and effectiveness of the NGOs, they will be classified as community based NGOs and *NGO d'Utilité Publique*.
278. The Budget earmarked for the Ministry of Social Security is Rs 27 billion, which represents an increase of 9.3 per cent on last year's budget.

### ***Investing in Sports and Physical Activity***

279. I now come to Sports and Physical Activity.
280. Madam Speaker, it is alarming that only 14 per cent of the population aged 15 years and older meet the levels of physical activity recommended by the WHO.
281. To address this issue will require fundamental reforms in the sports and physical activity sector. That is why we are focussing on four key priorities, namely:
- The creation of Active Mauritius for Sports for All. To encourage the population to become active, I am increasing the budget of Mauritius Sports Council under the Lotto Fund to Rs 40 million;
  - The development of Team Mauritius for our elite sports;
  - The setting up of Coaching Mauritius for our workforce development; and

- The establishment of Sports Facilities Mauritius to optimise the use of sports infrastructure.

282. In order to implement this new policy, the Ministry of Youth and Sports will review the Sports Act 2016 with a new Sports and Physical Activity Bill. The new Bill will introduce provisions related to:

- A Code of Sports Governance
- A Coaches Code of Ethics
- A Safeguarding and Safe Sport Policy
- The Rules of the Mauritian Anti-Doping Agency

283. Madam Speaker, we have created a world class sports facility at Côte d'Or. It will be a signature venue for the upcoming '*Jeux des Iles*' but equally important is that it will offer world class facilities for our athletes and for promoting wider participation of the population in sports and physical activities for many years to come.

284. Côte d'Or will become the 'home of sports' in Mauritius, acting as a base for our High Performance Centre to support the newly created Team Mauritius, that will also take on responsibility for developing a portfolio of Sport Academies of international standard for our youth.

285. I am announcing today a major game changer in the history of Mauritian Sports. Indeed, Mauritius Multi-Sports Infrastructure Ltd will sign an agreement with the Liverpool Football Club and Athletics Grounds Limited from the UK to set up an International Football Academy Soccer School at Côte d'Or. This is the very first international sports academy that will be set up at Côte d'Or.

286. There is also a potential to develop a sports cluster in our economy that must be fully harnessed. A Sports Economic Commission will be established at the EDB to look into ways of fostering the development of that new sector.

287. The countdown is on for the '*Jeux des Iles de l'océan Indien*' which Mauritius is proudly hosting in 38 days from today. I am confident that all citizens of the Republic

of Mauritius will once more unite behind our athletes and support them to give the best of themselves.

### ***Investing in Arts and Culture to Promote Well Being***

288. Another crucial contributor to well-being in a society is arts and culture. That is why we will invest further to promote its development.
289. First, I am earmarking funds to undertake preliminary works for the setting up of the Intercontinental Slavery Museum.
290. Second, Rs 30 million have been earmarked for phase 2 of the renovation of the Port Louis Theatre.
291. Third, the *Conservatoire de Musique François Mitterrand* will decentralise its services by offering syllabus-based programmes at its branches in Grand’Baie and Rodrigues.
292. And fourth, Government will finance the fees for the practical examinations of the London College of Music and the Associated Board of the Royal School of Music for candidates at the Grade 8, pre-diploma, diploma and post-diploma levels.

### ***Promoting Gender Equality and Women Empowerment***

293. Madam Speaker, the social development path must be lifted up for all. An inclusive development must necessarily address the issue of gender gaps in our society.
294. In last year’s Budget Speech, I announced that a study will be carried out on Gender Budgeting. I am pleased to report that the Commonwealth Secretariat is conducting the study and will make its recommendations in the coming months.
295. The study will also help to finalise the National Gender Policy 2019-2029.
296. I am also making provision to implement the gender mainstreaming programme in Government ministries and departments.



297. I am providing Rs 11 million for the Women's Empowerment Centres to be revamped with the following additional facilities:

- equipment to promote wellness;
- Day Care centres for elderly women;
- an "*Atelier des Métiers/Savoirs*" for unemployed and vulnerable women; and
- maintaining the crèche scheme to regularise the Child Day Care Centres.

298. Madam Speaker, maternity leave on full pay is currently limited to 3 confinements in the public service. This restriction is being removed.

299. Moreover, an officer in the Public Service, who is nursing her unweaned child will be entitled to permission on the same basis as working mothers in the private sector, that is for a period of six months as from date of birth.

300. I will now announce a historic decision to further advance gender equality. There is a flagrant underrepresentation of women on corporate boards of directors in our country. This is an injustice. It cannot be allowed to continue. Public Companies and Statutory Bodies will therefore be required to have at least one woman on their board of directors. Our aim is to eventually have a fair gender balance on the boards. The Companies Act and the Statutory Bodies (Accounts and Audit) Act will be amended accordingly.

***Providing more Support to Improve Child Protection and Welfare***

301. For children in distress, our support must be comprehensive and effective. Children should grow up in life free from trauma of a difficult childhood.

302. I am therefore providing for the recruitment of :

- 10 additional Family Welfare Protection Officers; and

- 5 more Enforcement Officers.

303. I am also increasing the budget of the Foster Care programme by Rs 1 million, that is by 14 per cent.

304. To improve care and support to newborn children, I am increasing the existing monthly social aid benefit in the case of multiple births, from Rs 2,275 to Rs 2,500.

### **PROMOTING A SAFER AND MORE SECURE LIVING ENVIRONMENT**

305. I now come to our policies for promoting a safer and more secure living environment for the population.

306. We must have the ambition to make of Mauritius one of the safest and most secure countries in the world.

#### ***Securing our Border and Combatting Drugs***

307. That is why there will be no relenting in my fight against drug dealing.

308. The war against drug trafficking and use is a tough one – but one that I am facing with a ‘must win’ attitude.

309. Our actions in the recent years, speak of my determination to combat this scourge – we have no mercy for those who are dealing in illicit drugs but we must show compassion for the innocent victims.

310. Since 2015, ADSU, in collaboration with other enforcement agencies, has seized some 750 kgs of drugs worth more than Rs 5.7 billion and made over 9,900 arrests.

311. Let me add that in recent years, we have considerably deepened and widened collaboration with countries in the region and internationally to combat drug trafficking and with very positive outcomes. In fact, due to our collaboration, there have been significant arrests of drug dealers and seizure of drugs in Reunion and Madagascar.

312. Notwithstanding the battles we are winning on various fronts, we will not stop until the war is won – for our children and all those who are devastated and very often helpless.

313. To step up our fight, a National Drug Secretariat has been established under the aegis of the Ministry of Defence and Rodrigues to:

- ensure overall coordination of all drug control activities; and
- advise Government on the adoption of evidence-based drug policies, strategies and programmes.

314. The Secretariat reports to the High Level Drug and HIV Council chaired by myself.

315. New equipment will be acquired to detect and sanction drivers found under the influence of drugs.

316. I am providing for the ADSU to acquire specialised vehicles and security and communication equipment.

317. I now come to our actions to improve road safety.

318. In recent years, there were too many accidents on our roads. The causes are wide-ranging. However, our efforts to reduce road accidents are bearing fruit and must be pursued further.

319. I am providing some Rs 275 million for the Road Safety Programme. This includes:

- Provision for road safety devices and accident countermeasures along hazardous roads;
- Installation of conspicuous traffic signage and road markings;
- Safer infrastructure and facilities for cyclists and pedestrians;
- Improving the road crash data management system;

- Establishment of a National Traffic Data Management System for traffic management, modelling and decongestion program;
- Coordination of traffic signal systems; and
- the issue of smart driving licence cards with security control mechanisms to counter the production of fake driving licences.

320. I will now announce the measures to improve law and order in our country.

321. We must uphold the reputation of Mauritius as a country where crime rates are low and police are trusted, easy to contact and quick to respond.

322. To reach that goal:

- 4,000 Intelligent Surveillance Cameras and 300 Intelligent Traffic Surveillance Cameras are installed as part of the Safe City Project;
- a Drone Team will be set up to increase surveillance and support targeted operations; and
- the Reform Institutions Act is being amended to include murder as a category not to be eligible for remission or release on parole.

323. Police officers must also operate in a conducive environment. I am, therefore, providing for:

- three new Divisional Headquarters at Piton, Rose Belle and Rose Hill;
- a new Police Station to cater for Cité La Cure and Vallée des Prêtres; and
- two new Police Stations at Phoenix and Triolet.

324. Moreover, I am providing some Rs 450 million for:

- upgrading the Dornier aircraft;
- implementing the Advance Passenger Information System at the airport; and
- acquisition of vehicles for the Police Force.

325. To improve Police services, a New Driving Licence and Test Centre will be set up at Centre de Flacq and the Oral Test Centre in Line Barracks will be upgraded.

326. For a safer and more secure Mauritius, we also need a Fire and Rescue Service that responds quickly and effectively.

327. I am therefore providing for the acquisition of:

- a vehicle for rapid and effective intervention during incidents involving hazardous materials;
- 3 Swift Water Rescue Vehicles; and
- 3 more water tenders.

328. I am also providing for a Fire Safety and Prevention Information Management System to improve response time.

### ***Judiciary***

329. To uphold the rule of law in our country, we must also have a strong Judiciary.

330. The Supreme Court Building will be completed by the end of this year.

331. Going forward, I am making provision for a New District Court for Upper Plaines Wilhems on State Land at Forest Side.

332. All District Courts will be maintained and upgraded to ensure better services.

333. A modern computerised revenue collection system will be introduced to allow on-line payment of fines and other fees.
334. New legislations will be introduced to set up a separate Court of Appeal, a separate Land Division of the Supreme Court and a Children's Court.
335. Madam Speaker, we want to see justice restored in the cases of dispossession of land, highlighted before the Truth and Justice Commission. To this end, I am pleased to announce that a Land Research and Monitoring Unit and a Special Fund will be set up under the Ministry of Housing and Lands. An amount of Rs 50 million has been earmarked for that Fund.

### **FACING THE CHALLENGE OF CLIMATE CHANGE AND BUILDING THE RESILIENCE OF OUR ENVIRONMENT**

336. I now come to the challenge of climate change.
337. An increasing number of our citizens are taking at heart the concern about the resilience of our environment and the sustainability of our country's development.
338. It is a concern that this Government also shares and that is why we are doing the most that we can afford, to protect and enhance the environment.

#### ***Mitigating the Impact of and Adapting to Climate Change***

339. To mitigate the impact of and adapt to climate change, 40 high risk flood prone sites have been identified across the island. And Rs 650 million have been earmarked for carrying out drainage works in these areas, including in Fond du Sac, Cottage, Amitié, Gokhoola, Mapou, Résidence Roma, Résidence La Cure, Le Hochet Terre Rouge, Pointe aux Sables, Baie du Tombeau, Morcellement Raffray, Résidence Hibiscus Flacq, Montagne Blanche, Coromandel, Nouvelle France, Plaine Magnien, Carreau Esnouf, Trois Boutiques, Chemin Grenier, Tranquebar, Vallée Pitot, Belle Source Pamplemousses, Clémencia, Rivière des Anguilles, Bambous, Richelieu, Port Mathurin and other sites in Rodrigues.

340. I wish to highlight that to date, around 50 per cent of drainage works at Cottage have been completed and works at Fond du Sac have already started. Moreover, works at Tranquebar, namely at Canal Kitchry and Bangladesh are expected to be completed in early 2020.

341. The Land Drainage Authority is being reinforced and it will enlist 5 Technical Experts to provide assistance for better planning and emergency response.

***Fostering the Production and Use of Local Renewable Sources of Energy***

342. Another crucial leg of our sustainability strategy is the shifting to clean and renewable sources of energy away from fossil fuel.

343. This is a long-term endeavour that we will continue to pursue relentlessly.

344. First, Government is coming up with a Renewable Energy Roadmap to optimise the use of the various renewable sources of energy to produce electricity. This will facilitate private investment in the renewable energy sector.

345. Second, to give a fillip to the production of electricity from solar sources, the imposition that a producer can produce from solar energy sources only 30 per cent of the electricity it consumes is being removed. Moreover, the monthly fee for supplying electricity from solar energy sources to the national grid is being removed.

346. Third, a Waste to Energy project will be implemented where some 1,000 tons of municipal solid wastes will be used to generate some 20 MW of electricity.

347. Fourth, CEB will introduce a new scheme for the installation of Solar PV systems for religious bodies. They will thus benefit from part of their electricity consumption free of charge.

348. Fifth, for domestic customers and Social, Religious and Charitable organisations who are located up to 5 poles away from the grid, CEB will provide connection, free of charge.

349. And sixth, as a major first step to pave the way for automatic metering and development of the smart grid, the CEB will install 75,000 smart meters over the next 3 years to replace the traditional electro-mechanical ones. This is in addition to the 25,000 smart meters already installed.

***Pursuing the Moris Nou Zoli Pei Campaign***

350. Madam Speaker, the lack of cleanliness, be it for our beaches, lagoons, streets and all areas for living and doing business, can become a serious impediment to health and quality of life for our citizens and the attractiveness of Mauritius as a tourist destination.

351. This needs to be addressed with a sense of urgency. And it requires a national collective effort – a change in mind-set and habits.

352. It is our duty and responsibility towards our youths and the upcoming generations to engage in a transformation of our society towards a sustainable and environmentally friendly model.

353. That is why two years ago, I initiated the *Moris Nou Zoli Pei* campaign, alongside citizens in different localities. Ensuring a clean and sustainable environment is my personal struggle for our country.

354. Our strategy is three-fold:

First, engaging in the cleaning and embellishment of our environment and public spaces.

Second, transforming our waste management strategy to promote the 3Rs - Reduction, Re-Use and Recycling of generated wastes.

And thirdly, to promote eco-friendly and sustainable initiatives to reduce the impact on our environment.



355. To engage in the cleaning of Mauritius, a Centralised Cleaning Coordination (3C) Committee will be set up under the aegis of the Ministry of Local Government and Outer Islands. This Committee will coordinate all cleaning activities in the different regions across the island.
356. Madam Speaker, the first task of the Committee will be to organise a ‘Mega National Cleaning and Embellishment Campaign’ over two days in July this year, with the support and collaboration of Government institutions, private sector, civil society and the population. This campaign will be carried out across the island and we encourage each and every one to join us in this initiative to embellish our beautiful island.
357. This mega campaign will be followed by focussed cleaning up actions in seven priority areas. For each of these areas, there will be a single agency responsible and accountable for proper cleaning. These seven areas are as follows:
358. First, public beaches and lagoons will be under the responsibility of the Beach Authority. The latter will enter into a public-private collaboration to use the resources of hotel groups in order to embellish and improve cleanliness of public beaches starting with Flic-en-Flac, Grand’Baie, Péreybère, Mon Choisy, Blue-Bay and Belle Mare.
359. Amendments will further be made to the Beach Authority Act to empower the Beach Enforcement Officers to serve notice to littering offenders on public beaches.
360. Second, the cleaning of tourist sites, including our different islets will be under the responsibility of the Tourism Authority, which will be supported by Mauri-Facilities Ltd, and National Parks and Conservation Service, among others.
361. Third, local authorities which are responsible for keeping city centres clean will enhance their services.
362. Fourth, the Road Development Authority will be responsible for ensuring the cleaning along the motorways with the support of the local authorities and the Living Environment Unit.

363. Fifth, the Road Development Authority will also have the responsibility for seeking private sector sponsorship of individual roundabouts along motorways for their embellishment and regular maintenance.
364. Sixth, main public roads will be maintained and cleaned by Local Authorities using both in-house employees and through outsourced services on a daily basis. Government will provide local authorities with modern equipment such as road sweeper trucks.
365. Seventh, rivers, canals, watercourses and drains will be cleaned and embellished by local authorities with the support of other relevant institutions or outsourced to the private sector.
366. Madam Speaker, these seven priority areas and the effective implementation of this comprehensive action plan for the embellishment of our country will be monitored on a regular basis by the 3C Committee and the National Environment Fund.
367. Madam Speaker, our commitment to the sustainable environment does not stop here. This new 3C Committee will come up with a comprehensive Waste Recycling Programme comprising the segregation of waste for recycling.
368. And to further promote waste recycling and the circular economy:
- we are increasing the financial incentive for export of used PET bottles from Rs 5 to Rs 15 per kilogram;
  - local authorities will be provided with lorries for collection of sorted waste; and
  - a national campaign will be carried out by the 3C committee to sensitise the population on the importance of waste segregation and management for the country.
- At a later stage, free bags will be provided to households to facilitate collection of PET bottles.

369. Madam Speaker, we will do more to optimally manage the solid waste generated based on the 3R's principles.
370. First, I am providing a tipping fee of Rs 300 per ton of waste taken from transfer stations to be recycled. We expect that this measure can lead to the recycling of 600 tons of waste per day.
371. Second, Government will refund an amount of Rs 2,000 per ton of waste tyres that are recycled locally or exported.
372. Third, I am providing Rs 32 million for the collection and storage of hazardous waste at the Hazardous Waste Facility at La Chaumière for their eventual export.
373. Fourth, an e-waste management system will soon be set up in collaboration with the Mauritius Chamber of Commerce and Industry for the collection and export of e-waste. An amount of Rs 9 million is being earmarked for the export of e-wastes.
374. Fifth, a pilot site will be set up at La Chaumière transfer station for temporary storage bays of Construction and Demolition (C&D) wastes generated from the western part of Mauritius. These C&D wastes can be used for backfilling or recycling purposes. This project, if successful, will be replicated for the other parts of the island.
375. Sixth, Government will facilitate private operators to set up a scrapyards facility for managing and recycling scrap vehicles in an environmentally sound manner.
376. Seventh, the ban on export of scrap metals is being lifted.

***Addressing the Problem of Pollution***

377. *Moris Nou Zoli Pei* Campaign also extends to the problem of environment pollution.
378. First, to reduce the number of diesel-powered buses on our roads, the Bus Modernisation Scheme will be extended to also subsidise the acquisition of buses with fully electric engines.

379. Second, to encourage the use of environmentally friendly outboard motors in our lagoons, I am removing the 50 per cent excise duty on non-fossil outboard motors.
380. Third, I am lowering the rate of excise duty on an electric car of more than 180 kilowatt from 25 per cent to 15 per cent. In the same vein, I am reducing the excise duty on a plug-in hybrid car. The reductions will be in the range of 5 per cent to 15 per cent, depending on cylinder capacity.
381. Fourth, an individual will be allowed to deduct from his taxable income the total investment in the acquisition of a fast charger for an electric car. As regards a business, it will be able to deduct twice the amount invested in a fast charger from its taxable income.
382. Fifth, with funding from the Adaptation Fund, we will promote the establishment of coral farming and nursery facilities to restore degraded reefs and our marine ecosystem.
383. And sixth, we will also develop a National Protocol to control the population density of crown-of-thorns sea star which is a natural predator of reef-building corals.

### ***Wastewater Sector***

384. Wastewater is another major concern that must be effectively managed at all times. That is why some Rs 4 billion will be invested in wastewater management over the next three years.
385. This Budget provides for the construction of sewerage facilities at Grand' Baie, Pailles, Camp Rouillard, Morcellement Goolamally and St Paul.
386. Furthermore, I am providing funds for preparation of the sewerage networks at Bain des Dames and Vallée des Prêtres.

### ***Water Sector***

387. I now come to our policies and measures for the water sector which is also at the very core of sustainable development.
388. Since my Government took office, some 440 kms of old and defective pipes have been replaced across the island.
389. Some Rs 1.5 billion will be invested over the next 3 years to replace more old and defective pipes across the country, including at Curepipe, Beau Bassin, Rose Hill, Pierrefonds, Montagne Fayence, Roche Bois, Quartier Militaire and Plaine Verte.
390. Rs 40 million will be invested in pipe replacement projects that are being completed in the coming financial year, namely in Moka, Rose Belle, Surinam, Ville Noire, Plaine Magnien, Péréybère and Candos.
391. I am also providing Rs 530 million for several projects as listed in the Annex.
392. Another Rs 300 million will be invested over the next 3 years to increase support under the Water Tank Scheme to reach out to an additional 37,500 households. I am also raising the income eligibility threshold under the scheme from Rs 30,000 to Rs 50,000.
393. Henceforth, these households will benefit from a grant of Rs 8,000 instead of Rs 5,000 to also cover the purchase of a water pump.

**BUILDING STRONGER FOUNDATIONS FOR THE INFRASTRUCTURAL DEVELOPMENT OF RODRIGUES, AGALEGA AND OUTER ISLANDS**

394. I now come to our measures and policies to build stronger foundations for the infrastructural development of Rodrigues and Outer Islands.
395. The Airport of Mauritius Ltd will construct a new Runway at Plaine Corail Airport to enable landing and take-off of larger aircrafts.
396. In the last two months, Rodrigues was hit by two cyclones. I personally travelled to Rodrigues to take stock of the extent of damage that was caused.

397. A new housing scheme will therefore be introduced to upgrade and strengthen the Corrugated Iron Sheet and ex-Trust Fund houses.
398. The CEB and the Rodrigues Regional Assembly will continue to implement the undergrounding of the electricity network for essential services.
399. During my visit to Rodrigues, I promised that the increase in airfare scheduled for September this year will be deferred in order to support its tourism industry. Today, I am keeping that promise. There will be no increase in airfare this year. I am providing Rs 92 million for the Special Rodrigues Holiday Package and the Subsidy on Airfare from Rodrigues.
400. An antenna of the Food and Agricultural Research and Extension Institute will be set up for better agricultural services pertaining to crop management and control of pests.
401. And the number of MBC channels broadcasted will be increased from 4 to 11 by November this year.
402. Rodrigues is today digitally connected to the world. I personally inaugurated the MARS cable on 16 February 2019. High speed internet connectivity is now a reality for our Rodriguan citizens and this will contribute towards faster economic development of the island.
403. I am providing Rs 3.8 billion for the Rodrigues Regional Assembly budget.

### *Agalega*

404. We are also taking measures to improve the quality of life in Agalega and lift up its development.
405. Our compatriots in Agalega will benefit from a new runway and a new jetty that will substantially improve air and sea connectivity. Works are progressing smoothly and are expected to be completed by February 2021.
406. To further support the development of Agalega, I am providing for:

- greater support to patients requiring overseas emergency treatments;
- the upgrading of the existing dispensary into a modern full-fledged mediclinic with necessary medical equipment and facilities such as telemedicine for complex medical cases;
- a fully equipped gym to promote health and wellbeing of the citizens;
- a full-fledged library for the inhabitants;
- an additional first response vehicle for immediate interventions during fire and other disasters; and
- the construction of a refugee centre in the south of the island.

### ***Chagos Archipelago***

407. Madam Speaker, the 25th February 2019 will forever be remembered as a very special day for our country. That was the day when the International Court of Justice delivered its Advisory Opinion on the two questions submitted by the United Nations General Assembly on the legal consequences of the separation of the Chagos Archipelago from Mauritius in 1965.
408. This landmark Advisory Opinion has confirmed our long-standing position that the Chagos Archipelago is and has always formed an integral part of the territory of the Republic of Mauritius.
409. The adoption by an overwhelming majority of votes of a UN General Assembly resolution on 22 May 2019 to give effect to the Advisory Opinion of the International Court of Justice is another important milestone in our endeavour to complete the decolonization process of Mauritius.
410. As a Government, we have always believed in the legitimacy of our relentless struggle and deployed the necessary legal and diplomatic efforts, including mobilisation of the international community that contributed to this successful outcome.

411. I wish to take this opportunity to once again express our gratitude to the Rt. hon. Minister Mentor, Sir Anerood Jugnauth, for the passion and determination with which he has led this fight.
412. We expect that as a country, highly reputed for its respect for human rights, democracy and the rule of law, the United Kingdom will abide by the findings of the International Court of Justice, thereby enabling the decolonisation of Mauritius to be completed.
413. I am making a special provision of Rs 50 million in this Budget for meeting, *inter alia*, expenses relating to the preparation for eventual resettlement on some of the islands of the Chagos Archipelago.

### **SECURING SOUND PUBLIC FINANCES AND SUSTAINABLE DEBT**

414. I will now elaborate on measures and policies to ensure that public finances and macroeconomic fundamentals remain sound while achieving our development goals and realising our nation's vision.

#### ***Budget Outturn 2018-2019***

415. I will start with the budget outturn for the fiscal year 2018-19. Last June, I forecast a budget deficit of Rs 16.3 billion equivalent to 3.2 per cent of GDP. The latest estimate shows a deficit of Rs 15.9 billion equivalent to 3.2 per cent of GDP.

#### ***Income Tax***

416. I now come to our personal income tax measures.
417. As regards personal income tax, I am increasing the income exemption thresholds for all categories of taxpayers for the income year 2019-2020 as follows:
- For a taxpayer who has no dependent or one dependent, the threshold will increase by Rs 5,000;
  - For a taxpayer with two dependents, the threshold will increase by Rs 20,000;



- For a tax payer with three dependents, the threshold will increase by Rs 25,000; and
- For a taxpayer who has four dependents, the threshold will increase by Rs 45,000.

418. Moreover, the additional deduction for a child pursuing tertiary studies and relief for medical insurance premium will now be available for a maximum of 4 dependents instead of 3 dependents.

419. And, the additional income tax exemption of Rs 50,000 will be granted to a retired or disabled person having more than one dependent, instead of being restricted to those having one dependent only.

420. I am pleased to announce that I am granting a tax credit of 5 per cent to an employee, if his salary, inclusive of salary compensation in the first month is below Rs 50,000 and he earns annual net income below Rs 700,000 in that income year. This will allow an estimated additional 5,000 employees to benefit from the reduced 10 per cent personal income tax rate.

421. As regards the Solidarity Levy, lump sum income received by a person as pension or death gratuity is being excluded from the computation of the levy. However, the levy will now apply on an individual's share of dividend in a *société* or succession.

422. I now come to changes in the taxation of products.

423. Madam Speaker, in each of the budgets presented by this Government we have shown our deep commitment to consumer protection and to raising the purchasing power of the population. And we have done so on all fronts, by raising wages, lowering income tax rate, raising income tax threshold, increasing government transfers, providing subsidies on basic consumer goods and by acting directly on excise taxes.

424. Today, we are doing more by lowering excise duties and waiving VAT on certain basic commodities so as to lower their prices and further raise purchasing power of the population.

425. As from tomorrow 11 June:

- The price of mogas will be reduced from Rs 47 per litre to Rs 44 per litre.
- The price of diesel will be reduced from Rs 38 per litre to Rs 35 per litre.
- And the price of a 12 kg cylinder of cooking gas will be reduced from Rs 240 to Rs 210.
- The prices of seven other items are also being reduced, but they are listed in the Annex.
- I am providing Rs 1.7 billion as subsidy to maintain the retail prices of rice, flour and LPG.
- Furthermore, the STC will invest Rs 1 billion in the construction of new warehouses in Mauritius and Rodrigues for rice and flour. This will increase stock of rice from 45 to 90 days and that of flour from 12 to 30 days.

426. I will now give some main highlights of the Budget Estimates for 2019-20.

- Total expenditure would amount to Rs 138.6 billion, of which Rs 121.6 billion for recurrent expenditure and Rs 17 billion for capital expenditure.
- Total revenue is estimated at Rs 121.7 billion, comprising tax receipts of Rs 104.7 billion, non-tax and other revenue of Rs 10.7 billion and grants of Rs 6.3 billion.
- The overall budget deficit for 2019-20 will be Rs 16.9 billion, that is 3.2 per cent of GDP.

427. The borrowing requirement for 2019-20 will be Rs 19.2 billion, most of which will be from domestic sources.

### ***Public Sector Debt***

428. As regards public sector debt, the statutory requirement was to bring it down to 60 per cent as a ratio of GDP by end of June 2021. However, we plan to reach this target much earlier.
429. We will make early repayment of public sector debt by using part of the accumulated undistributed surplus held at the Bank of Mauritius.
430. Madam Speaker, the PRB Report is due in January 2021. I am pleased to announce that pending the publication of the Report, I am providing for the payment of an interim monthly allowance of Rs 1,000 to all public officers as from 01 January 2020.
431. Our country will be blessed this year with the visit of the Pope. I am pleased to announce that the 09 September will be declared a public holiday, so that we can as a nation, welcome His Holiness to our country.
432. In preparing this Budget, we have received valuable inputs from people from all walks of life, from organisations and professional groups. Their perspectives have contributed significantly to shape this 2019-2020 Budget. Before concluding, I would like to sincerely thank all of them.
433. The Financial Secretary, the staff at the Ministry of Finance and Economic Development and my staff and advisers at the Prime Minister's Office have worked long hours and very assiduously to produce this Budget. I would like to express my appreciation to all of them.
434. And let me also thank all my colleague Ministers, Parliamentary Private Secretaries and Members of the National Assembly for their contribution.

## **CONCLUSION**

435. I will now conclude.
436. Budget 2019-20 is a budget that speaks to the aspirations of our youth, men and women, indeed to the well-being of Mauritian families.

437. We have focused on the realities of our nation – on the here and now – on the challenges that lie ahead –on the promise of a brighter future.

438. There will certainly be a lot standing in our way.

439. But our history shows us how much we can accomplish when we work together, “*lame dan lame*”.

440. Let’s embrace this **BRIGHTER FUTURE TOGETHER AS A NATION**.

I am pleased now to commend the Bill to the House.

*(Applause)*

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

*The debate stood adjourned to the next sitting of the Assembly, in accordance with S.O. 73(2).*

#### **ADJOURNMENT**

**The Prime Minister:** Sir, I beg to move that this Assembly do now adjourn to Thursday 13 June 2019 at 11.30 a.m.

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

*Question put and agreed to.*

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

*At 6.13 p.m., the Assembly was, on its rising, adjourned to Thursday 13 June 2019 at 11.30 a.m.*