



SIXTH NATIONAL ASSEMBLY

PARLIAMENTARY

DEBATES

(HANSARD)

FIRST SESSION

WEDNESDAY 19 JULY 2017

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Hon. Sir Anerood Jugnauth, GCSK, KCMG, QC	Minister Mentor, Minister of Defence, Minister for Rodrigues
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MAURITIUS

Sixth National Assembly

FIRST SESSION

Debate No. 21 of 2017

Sitting of 19 July 2017

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

The National Anthem was played

(Madam Speaker in the Chair)

MOTION

SUSPENSION OF S.O. 10(2)

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

The Deputy Prime Minister rose and seconded.

Question put and agreed to.

(10.06 a.m.)

STATEMENTS BY MINISTERS

CITE LA CURE - SQUATTERS

The Vice-Prime Minister, Minister of Housing and Lands (Mr S. Soodhun): Madam Speaker, with your permission, I would like to make a statement on the situation of squatters at Cité La Cure, Port Louis following the statement made by the hon. Mrs Perraud in this House at Adjournment time at the sitting of Friday 14 July 2017.

As the House is aware, the cut-off date for regularisation of squatters was set at 01 July 2015. The situation of squatters in the different areas of Cité La Cure, namely Jhellum Road, Marjolin Road and Avenue Robert Scott is as follows -

1) Jhellum Road

22 pre-July 2015 squatters have been identified out of whom 20 squatters have been recommended for relocation over a plot of State land at Pointe aux Sables.

For 2 cases, relevant documents are still being awaited and eligibility assessment has to be carried out.

2) Squatters at Marjolin Road

62 pre-July 2015 squatters have been identified out of whom 56 have been approved for relocation on two sites, namely, at Pointe aux Sables

and Batterie Cassée. For the remaining 6 cases, documents are still being awaited and eligibility assessment has to be carried out.

Basic infrastructural facilities are already available at Batterie Cassée. Regarding the site at Pointe aux Sables, basic infrastructural facilities are available except on one plot where squatters have been relocated. As far as this plot is concerned, the Central Electricity Board has now provided electricity facilities while the Road Development Authority and the Central Water Authority will be working in parallel for provision of roads, footpaths, drains and installation of water pipelines. The Road Development Authority has, to that effect, already issued relevant works order and works are due to start next week.

3. Avenue Robert Scott

18 pre-July squatters have been identified on State land and needful has been done for the regularisation '*in situ*' of 7 families. For the other 11 families, documents are still being awaited and eligibility assessment has to be carried out.

Thank you, Madam Speaker.

(10.09 a.m.)

HADJ PILGRIMAGE 2017

The Minister of Arts and Culture (Mr P. Roopun): Madam Speaker, with your permission, I wish to inform the House on the latest developments regarding the Hadj Pilgrimage 2017. The first pilgrims are scheduled to leave Mauritius for Saudi Arabia on 17 August 2017.

I am informed by the Islamic Cultural Centre Trust Fund Board that our quota which was reduced to 1,040 visas has been reinstated to its original figure of 1,300 as was the case in the year 2013.

Further to the personal initiative of the Vice-Prime Minister, hon. Soodhun, an additional amount of 200 visas have been allocated to the Republic of Mauritius. This in fact reinstates our number of visas to the same level of 1,500 as was negotiated exceptionally for the years 2015 and 2016.

Three Officials from the Saudi Arabian Authorities will be in Mauritius next month to issue all required visas.

Following an Expression of Interest launched on 04 and 05 March 2017, 18 applications were received from prospective Hady Operators. The ICC has, after an evaluation exercise, issued provisional licences to 12 of them. Each Operator having a minimum of 50 pilgrims will now be issued with the required licence.

Regarding international air travel, an Expression of Interest was launched in the press on 16 February 2017 and letters were sent to various airline companies.

Two offers were received, namely from Emirates Airline and Nuri Travel of South Africa.

The offer from Emirates Airlines for the sum of Rs35,000/- per person, was the lowest and has been retained by the ICC.

Madam Speaker, in May 2017, a pre-Hady mission comprising the Chairperson and Hady Officer of the ICC, proceeded to Saudi Arabia to inspect and validate all the accommodation facilities offered by the various Hady Operators.

A sensitisation campaign has started in June 2017 and is being carried out with all the pilgrims and the last session will be held on 13 August 2017.

Free vaccination services will be provided to the pilgrims at five regional hospitals on 22 July 2017.

Thank you, Madam Speaker.

PUBLIC BILLS

First Reading

On motion made and seconded the Economic Development Board Bill (No. XI of 2017) was read a first time.

Second Reading

THE FINANCE (MISCELLANEOUS PROVISIONS) BILL

(NO. X OF 2017)

Order read for resuming adjourned debate on the Second Reading of the Finance (Miscellaneous Provisions) Bill (No. X of 2017).

Question again proposed.

Madam Speaker: Hon. Leader of the Opposition!

(10.12 a.m.)

The Leader of the Opposition (Mr X. L. Duval): Madam Speaker, this morning the House is called upon to debate, consider and pass the Finance (Miscellaneous Provisions) Bill (No. X of 2017) which amends 57 separate laws and some very, very substantially.

Thank God, Madam Speaker, good sense has prevailed because this Bill was meant to be debated last Tuesday and we had received, in fact, only one working day's notice for this to be studied by all MPs because we had received our full papers on Saturday for the coming Tuesday. That was obviously impossible. Thank God, good sense has prevailed and we have been given a further week to study. Although I must say, given the complexities of this particular Finance Bill, I found even this one week additional to be very short, Madam Speaker.

I will ask later on that two parts of the Bill concerning the Gambling Regulatory Authority and the Public Debt Management Act, in fact, be withdrawn from this Bill because they are too important, too crucial to be taken as part of an omnibus Bill, which considers 57 other Bills, other Laws and which, therefore, means that these two particular amendments will not receive the attention that they ought to receive from Members of this House.

Madam Speaker, I am also aware of the convention that things that have been presented in the Budget Speech in terms of policy should not be taken here. But we will obviously be taking other matters which have not been presented in the Budget Speech and which are included here in the Finance Bill as regards policy and the technical aspects. Madam Speaker, I will deal, firstly, with probably one of the most important parts of this Bill that relates to the Gambling Regulatory Authority and then I will take the other parts of the Bill.

Regarding amendments to the Gambling Regulatory Authority, Madam Speaker, in my view this section of the Finance Bill contains some of the objectionable and unacceptable amendments to the GRA Act. I am not myself a betting man neither a horse racing man; it has been years since I have placed a bet. Nevertheless, I respect people who want to go to the races and I respect people who want to engage in reasonable gambling; I have no problem with that. I want to say also that horse racing is a substantial sport in Mauritius; it is not a joke.

It is a substantial sport; it is an industry in its own right. It employs directly and indirectly something like 2,500 people - 2,500 families - and they are living from horse

racing and the associated betting etc., that is, a large amount of people. Regarding the amounts of bets placed, it is difficult to know because there is a legal betting and there is also the illegal betting which may be as much, again, as the amount of the legal betting. Let us say it amounts from Rs5 billion to Rs7 or Rs8 billion annually spent by Mauritians on betting on horse races, that is a huge amount of money. We know, therefore, that there is a lot of money to be made legally and illegally from this business and that is where some of the amendments become objectionable and unacceptable. What is the backdrop to these amendments which have not been fully explained at all in the Budget Speech? What are these amendments? What is the backdrop? The backdrop to these amendments is a Commission of Inquiry commissioned by the previous Government on horse racing. That is the backdrop!

That Commission of Inquiry found in its final report major shortcomings with the Mauritius Turf Club. We have to agree that the Commission of Inquiry found major shortcomings with the activities, the operations and the governance of the Mauritius Turf Club, that is true. But it also, Madam Speaker, levelled an equal number of very strong criticisms, found equal number of shortcomings with the Gambling Regulatory Authority; that is the case, Madam Speaker.

Now, this Commission of Inquiry submitted 23 recommendations in its final report plus another 13 in its implementation report, so in all 36 recommendations. The great majority of these recommendations have been totally ignored and have been still ignored here in this Finance Bill. Worse, Madam Speaker, as we know, the Commission of Inquiry submitted an Interim Confidential Report that disappeared twice at Government level without there ever being a Police inquiry or whatever. But let us put that on one side. It is clear that it was wilfully made to disappear this interim report because maybe some friends, etc, of the present Government, I must assume, have been named in that report.

Now, Madam Speaker what does the Commission of Inquiry say about the GRA? It is crucial because today, we are giving substantial additional powers to the GRA. Now, what does it say about the GRA? I quote from the Commission of Inquiry Report. It says that –

- GRA is not fit for purpose;
- GRA has lack of resources, expertise and experience;
- GRA is poorly staffed with little operational capacity;
- GRA has no one on the Board which has expert knowledge and experience of horse racing.

It goes on to say –

- a lack of leadership;
- a strong political involvement on the Board of the GRA, and
- a perception of political influence.

Now, these are all the things that are in the final report of the Commission of Inquiry on horse racing.

Now, in the implementation report, it does note a few improvements, I must say, but it goes on to say that these findings are heavily caveated and based on the crucial additional resources which need to be provided to the GRA.

Madam Speaker, the first point is that there had been hardly any changes made either to the Board of the GRA or to the additional human resources that the GRA requires to do this job. Worse still, Madam Speaker, is the case that has been raised by the whole of the Opposition where still we have a Chairman at the Gambling Regulatory Authority, Mr Gulbul. This particular Chairman, who is going to have all these additional powers, has been heavily compromised at the Commission of Inquiry this time on drug trafficking because of his supposed alleged involvements – at this stage, this what it is - with drug traffickers.

The situation, if anything, has gone worse when the Commission of Inquiry sat because now we have a Chairman that has been heavily compromised and we know the apparent connection between horse racing, betting and drug trafficking. This also has come out clearly at this stage of the Commission of Inquiry. The Opposition has very rightly required, demanded the resignation or revocation of this Chairman and he does not seem to have had the decency to do so, Madam Speaker.

Now, what are the new powers that are going to be given to this GRA, Madam Speaker? Perhaps, the most objectionable one is - because I remember - the same Board that the Commission of Inquiry found had no experience of horse racing, the same Board that has as Chairman, *Me*. Gulbul, the same Board that has a majority of the members who are civil servants, therefore, not experts in any way on horse racing. This Board, Madam Speaker, will be able to override any decisions of the Mauritius Turf Club concerning races, etc.

Madam Speaker, this is the amendment which is being proposed in clause 23, I quote

–

“(c) in section 7(1), by inserting, after paragraph (g), the following paragraph –

- (ga) on receipt of a complaint or on its own initiative, review decisions of –
 - (i) a horse racing organiser or its agents; or
 - (ii) an appeal committee set up under section 31(1)(e);”

This is what the GRA is being given the power to do, which did not exist previously. Now, if this power had been given perhaps to the Horse Racing Authority which was, in fact, recommended by the Commission of Enquiry, I think, probably, nobody would have bothered because the Horse Racing Authority was meant to have all the expertise, including foreign expertise to be able to judge when a jockey has made a fault or some error or some deliberate cheating, and when some sanctions of the Appeal Committee of the MTC - you may or may not like the MTC but, in my view, they have more experts on horse racing than the GRA, which has none. So, I would have understood, had Government taken the trouble to create the Horse Racing Authority or to create this Independent Division of the GRA with an independent Board, that is, independent of political involvement, if that power of reviewing and reversing decisions of the MTC had been given to that, but this is not the case. We have the same old ineffective, inefficient and unknowledgeable GRA which is going to take that decision.

Madam Speaker, that is why I have raised before the issue of the huge amount of gambling that takes place. We have talked about Rs5 billion to Rs7 billion, maybe more. Now, what is the situation? You have a race, maybe some friends or someone has made a bet, something has happened in the race or may not have happened, the MTC decides this particular horse is the winner, and what does the GRA do, it reverses that decision. So, instead of this set of persons making a huge game, it is another set of persons making the game. That is the sort of power that is being given to the GRA! *Me* Gulbul, I don't know whether he is a horse racing expert, I don't know if he is a betting expert, but I would guess he is not. I think he is an expert in other matters, but not that. So, Madam Speaker, I fail to understand the cheek of Government to come up with this sort of amendment and giving this sort of power to the present Gambling Regulatory Authority.

Madam Speaker, we had a chance before of saying that we have a good country, we have good reputation. We don't want to work all backwards. We want to enhance our reputation. This sort of amendment takes us, Madam Speaker, more into the sphere of a banana republic than anything else, and this is the truth. This is the truth! We cannot allow this sort of amendment to be passed today.

Madam Speaker, there are other issues regarding the GRA. Now, we should make laws which apply to everybody. We should not make laws which only have an intention or a specific purpose of hurting someone, of taking someone out of a position or a law which is *télaguidé*, Madam Speaker.

I am going to talk now about the new section 93 which is being included on page 39, Madam Speaker, if you want to follow. It is quite complicated. It is at page 39 of the Explanatory Memorandum. Now, what does this new paragraph say? It says - and again this is completely new, I think, to our legislation as far as I know, anyway - that a person who is under investigation for any offence of fraud or dishonesty or any other offence as may be prescribed, if that person is part of the licensee, firstly, if he is applying for a licence, and that person is in some way involved in a company applying for a licence, therefore, that company will not be authorised to have a licence, but also - and this is new - if a present licensee has on its Board, say, as president or whatever, such a person, his licence will not be renewed, and that is section 93A. So, section 93 says that sort of person should not get a licence if he is under investigation and section 93A says there will be no renewal.

Now, it appears quite clearly, Madam Speaker, that this part of the proposed Bill actually aims at removing one person and one person only, and that is Mr Mukesh Balgobin, President of the Mauritius Turf Club. This is what is understood by the whole of Mauritius by this section that has been included. Why? Mr Balgobin has his own theory. He thinks that it is because he has been unkind, unhelpful to a particular friend of Government, namely SMS Pariaz. This is what he says. And this law comes now.

Now, we have heard from the hon. Prime Minister, from everyone right from the start that if you are under investigation - every day we are told this - if there are allegations, then Government will do nothing, will sit on his hands, will do nothing because nothing has been proven. We even have a senior adviser at the level of the Prime Minister's Office, who, every week or every two weeks, sits in Court under an accusation under the Prevention of Corruption Act. Still, he has not been found guilty and he travels freely, and does whatever he wants to do and whatever work Government asks him to do, and he sits on the hundreds or tens of Boards and even directs these boards. Fair enough! This is what Government has told us from the beginning. So, why in this case, only in this case, someone who is merely - and I use 'merely' with caution because I don't know what Mr Balgobin may have done or may have not done - under investigation, has not been found guilty by anyone, this should now apply to the Mauritius Turf Club, whereas it applies nowhere else, Madam Speaker. What is

good for the goose must be good for the gander! If we are going to put this in the law for the MTC, then it must be in the law for everything else, including all the Chairmen, including the present Chairman of the GRA probably, who is also Chairman of the Law Reform Commission, including the senior adviser at the Prime Minister's Office, Mr Mauthrooa and everybody else. Either you have it for everyone or you don't have it at all! This is my point of view, Madam Speaker, concerning this particular clause in the Bill which I find totally unacceptable.

Also, you may know that the offences which, at the moment, is fraud or dishonesty, may be changed at any time at the will of the Minister of Finance – I presume in this one. It may be changed at any time because it says -

“(...) under investigation for any offence of fraud or dishonesty or any other offence as may be prescribed”.

So, to be ridiculous, tomorrow you can have a traffic offence and it is prescribed, and out you go. This is totally unacceptable and cannot be allowed to be included in our laws, Madam Speaker.

I will now come to the power under section 33 here for the GRA this time, to determine the fees that are going to be paid by the totalisator operator, bookmaker etc, to the Mauritius Turf Club. What is this? Apparently, these sorts of fees account for 75% of the income of the MTC. 75%! Now, we are going to have direct interference in the affairs of the MTC because, Madam Speaker, this is what section 33 says, that these people, totalisator operator, bookmaker, sweepstakes organiser, shall pay to the MTC such amount, not as the MTC may determine - you would have thought that the MTC knows the expenses etc. and would have determined what are the fees - but instead it is the GRA which will determine what revenue the MTC receives or does not receive, and whatever is decided by the Board of the GRA, the same Board of GRA which has, according to the Commission of Enquiry, no expertise at all in betting or horse racing; this GRA will determine the fees and everyone will have to abide by these fees.

It's clear, Madam Speaker, that this is going to subject the Mauritius Turf Club to direct control by the GRA and give GRA the means to put enormous pressure on the MTC. Why again this is important? Because we are talking about racing, we are talking about not hundreds of millions, Madam Speaker, but of billions and billions of rupees, which are won or which are lost every year at the races.

Races can be honestly run or can be very dishonestly run. That is how it happens. Our priority should be that races in Mauritius should be as honestly run as possible, because people can come to great hardship if they lose their money, they can lose their house, they can lose their life, they can lose everything, they can go bankrupt. People have gone bankrupt; they go bankrupt every year.

So, Madam Speaker, our aim as a Government should be to improve matters and not to make it worse. In my view, this total political interference in the GRA, which is being presented for voting today in this House, is a huge step backwards. I would like to ask, Madam Speaker, even with the faults that exist at the MTC, whether the public would not be happier to go on as it is, rather than take this huge step backwards and be in the hands of *Me Gulbul* and his fellow Board members. I would myself, Madam Speaker, refer the present situation rather than go backwards. This is not to say at all that reform is urgently needed in the horse racing industry in Mauritius.

This is why I had raised before the question of not passing this part of the Finance Bill today and leave it to an actual full debate in the House when a proper Bill is provided to this House. A proper Bill which I want to see taking into account all the 36 recommendations of the Commissioners of Enquiry; it has cost us millions of rupees. All these ought to be taken into account and debated. We will see whether some are good, some are bad, which ones ought to be embodied in law, and which ones ought not to be embodied in law.

But to play around with betting, Madam Speaker, and horse racing in this way is totally unacceptable. And I will ask a question: if it is not the Commission of Enquiry which has provided all these recommendations, which has provided all these amendments because it is not them, Mr Ben Gunn was in the papers in "*Le Week-end*". If it is not the Commissioners of the Board of Enquiry who have given all these recommendations to the Ministry of Finance, to the Prime Minister for inclusion into this Bill, then who has? Who has usurped the powers of the Commissioner of Enquiry to provide these amendments which are totally unacceptable? Is it now Mr Beekarry who has done this? Who? And I think the Minister of Finance should come and tell us who has usurped the powers of the Commissioner of Enquiry and provided all these totally unacceptable amendments to the law, Madam Speaker, and this why, as I say, I would like to see this whole part of the Bill scraped.

Madam Speaker, still on the GRA concerning the limit on cash betting, very well, the Bill, of course, reduces money laundering. I agree on that; there is no issue obviously because

you will not be able to buy these tickets after having pretended to have bet. Fair enough! I understand this. But, Madam Speaker, the Commissioner of Enquiry had, in fact, identified that the illegal or supposed that the illegal betting market is, at least, as much as a legal betting market, and nothing, as we can see, is being done to stop that. And in my humble view, Madam Speaker, this amendment of Rs2,000, whilst it may well prevent money laundering, I accept that, it will, on the other hand, increase substantially illegal betting in Mauritius, which was already enormously high.

Now, illegal betting in Mauritius, obviously, is not controlled, it is more risky for the person who bets, but also, of course, no revenue accrues to Government when there is illegal bet, obviously, because there is no tax that is paid on an illegal transaction. So, Madam Speaker, although it is meant well, I think this Rs2,000 limit is not a good idea in that it will increase substantially the illegal betting market and also I have read in the papers that - I have heard it said - it is being done again - I don't know whether it is true, I hope it is not - to favour again my friend *SMS Pariaz* because it has all the machines in place. So, Madam Speaker, you see that all these amendments to the GRA Act have, at least, a tendency to favour only one operator, and that is the strong smell, Madam Speaker, of favouritism that is generated by these proposals for the Gambling Regulatory Act.

Madam Speaker, now I will try to proceed alphabetically so that it is easier for everyone. I am going to go through clause 3 (a), Madam Speaker, and that is where the word 'freely' is being removed from the Bank of Mauritius Act so that if ever this is passed - and I hope it is not - that the Bank of Mauritius will then be able to invest into non-freely convertible currencies. Now, there are about 20 - it depends, the definition changes a little bit - freely convertible currencies, you can say it, dollar, the Australian Dollar, Pound and whatever. All these are freely convertible currencies. About 20 of them! And then you have got other currencies. Let's say you have got the Argentina Peso, the Indonesian Rupiah, the Venezuelan Bolivar and so on. Do we really want our international reserves to be invested in these currencies? And that is the question because this is what this clause will permit. It will allow the Bank of Mauritius to invest and buy in our name Venezuelan Bolivars if they want to. And, Madam Speaker, we know, it was stated in the Budget Speech, that the reserves of this country do not belong to the Bank of Mauritius; it is our pride and joy every time we say we have so much reserves. It is looked at by the foreign community also. And our reserves amount to something like Rs180 billion, and if they were to be lost, or in any manner gambled away, it would, in fact, be a terrible loss for our country, Madam Speaker. The

objective of the Bank of Mauritius - why it has been given the duty to look after our foreign reserves - is not to make a profit, but it is to keep them safe. It is to keep our foreign reserves safe so that when we need them to pay for imports and whatever else, they are there.

The Prime Minister has not, at any time, given the reason why we are having this change. He has mentioned that there is going to be this change in his Second Reading speech, but he has not provided any reason. I can only imagine that it is so that we earn higher interests which would be unacceptable. As I said, the point is not to gamble them to get higher interests, but to keep these reserves secure. We all know, anyone who has made an insurance knows - I did not put any money - that higher interests come with higher risks. No one will be stupid enough to give you higher returns if there are no higher risks, and we do not want higher risks on our exchange reserves, Madam Speaker.

Now, I can understand that you have taken some loan in some currency and that is going to be repaid, and by way of wishing to hedge against that loan, you have invested in that currency. Let us say you have Chinese Renminbi which is also not freely convertible. Let us say you have taken a loan and you know that, in 20 years' time, you are going to repay it. So, you invest in that so that there is a sort of hedging and you have the money to repay in time. I can understand that.

So, Madam Speaker, what I am saying is this: let us say we accept the fact that we may invest a little bit in non-freely convertible, but I would like this Bill to set a maximum limit, Madam Speaker, of our foreign exchange reserves that may be invested in this way. Let us say we can afford to put 5 per cent of our international reserves, 10 per cent at the maximum, in these currencies which can be highly volatile and which are not major international currencies. This is, therefore, my suggestion concerning the removal of 'freely' from the Bank of Mauritius Act which will enable it to invest our reserves in any way, anywhere, in any currency that it wants.

Madam Speaker, then we are dealing with clause 3 (b) which concerns the issue of commercial papers. There were no controls before, I understand, so these controls now are welcome in that it, in fact, prevents just about anyone who wants to invest in commercial papers. So, that is a good thing. The other thing that is of concern, Madam Speaker, is, of course, that these permissions which are going to be given by the Bank of Mauritius should be highly restricted because, if only for one thing, there are huge amounts of excess liquidity in the economy and these cost a lot of money to the Bank of Mauritius. I have taken this here

before, it costs a lot of money to be sterilised by the Bank of Mauritius because it pays interest and it keeps the money in its coffers.

If the banks have so much excess liquidity then, in my view, companies should not be allowed to issue these commercial papers which are promissory notes. In effect, they are loans that they are going to take from X, Y and Z and, of course, a loan document will be issued in return. This is what we are talking about. Now, these permissions should be highly restricted because there is already a huge amount of excess liquidity in our banks and we also know, Madam Speaker, the risk that is involved when companies borrow left, right and centre.

Again, let us take the British American Insurance (BAI). What was it doing? It was taking deposits. This time these types of companies will take loans. What security, what guarantees do these people who are going to invest in these commercial papers give these loans in other words? Are we going to have one, two or ten more ponzies? That is the question. I can see in the clause related to this that it does say that the Bank of Mauritius will have regard, Madam Speaker, to nothing else than the audited statements of these companies that want to issue these commercial papers - the audited statements, this is what it says! If a company, and its audited financial statements, has Rs300 m. of net assets then the Bank of Mauritius may authorise that particular company to issue these commercial papers or, in effect, take these loans.

What have the last two years shown to us concerning the audited financial statements, Madam Speaker? What have they shown, but the fact that these audited financial statements have been most misleading, highly unreliable? I cannot see now how, as one condition, this is what the Bank of Mauritius will rely on! Madam Speaker, do you know the net assets that Bramer Bank, which went bankrupt a year or two years ago, had on its audited financial statement? The Bank of Mauritius is talking about Rs300 m. Bramer Bank had Rs14 billions of net assets! Rs14 billion and a few months later it went bankrupt because I am talking about audited accounts of 31 December 2013.

The MPCB, Madam Speaker, again another bank mostly bankrupt. The Government put Rs6 billions after the elections in that bank together with the Bramer Bank Rs1.2 billion of net assets! The BAI Company (Mauritius) Limited, I brought these accounts here; the ex-Prime Minister was talking about it, he did not know. The BAI (Mauritius) Limited, Madam Speaker, on 31 December 2013, went bankrupt or it was closed down or whatever term you

want to use. A year later, it had Rs6 billions of net assets! The surprising thing here is that no action has been taken by anyone against any of the auditors. Would you believe that, Madam Speaker, that these auditors have signed such misleading financial statements? Depositors have lost hundreds and millions of rupees and nobody has dared to go against these auditors because they have very large long pockets, all of these are international groups? Nobody has gone against these auditors and we have left the poor depositors to suffer under a tent at *Jardin de la Compagnie* rather than go against! It is not too late, Madam Speaker. I do not understand. Perhaps the Minister of Finance and Economic Development can tell us, although it is not strictly related, why we have not had any action taken against these auditors because it is money that we are leaving on the table, Madam Speaker.

Madam Speaker, now we are going to increase the minimum capital of banks from Rs200 m. to Rs400 m. It is a one-size-fits-all measure which I don't think is relevant anymore in the international, financial or banking sector. One-size-fits-all! I mean a bank cannot have all the same capital. We should do like in Europe and the UK where the capital of the bank is not fixed for every bank but it is relative to the size of the bank, it is relative to the risk that the bank is taking, it is relative to its credit risk, what they called the market risk and also the operational risk. These issues are important when you look at the capital of the bank because again, Madam Speaker, the banks that have gone down, Bramer Bank had more than twice; it had Rs1 billion as share capital. The MPCB had Rs400 m., but still went down. Let us take an international bank. Let us take Barclays Bank. Barclays Bank Mauritius - not Barclays Bank worldwide obviously, Madam Speaker - has a share capital of Rs13 billions which reflects the solidity of the bank and the size of the bank. So, my request, Madam Speaker, is that the share capital that is going to be put in law should not be a one-size-fits-all. It is fine for a new bank that comes up, discourages some of the charlatans that may want to open a bank. But it is certainly not good in an operational set-up where we are seeing banks with vastly more share capital go bankrupt.

And also, Madam Speaker, one last thing on this issue concerns the banking sector. Obviously, this is to try and prevent banks going under, but the real issue is not that. The real issue is what about the tests that are being done by the Bank of Mauritius? We used to have the camel test, now we have some sort of stress test. How valid, how *efficaces* these tests are to determine whether banks are going to fail in the future or not, and all the information in Mauritius points to the fact that the test currently made, and previously also, by the Bank of Mauritius are totally inadequate, have not prevented all these banks from failing, have not put

the red flag, and instead, Madam Speaker, have allowed these banks to continue to operate and the same situation, if not worse, prevails today. It would be no surprise if some other banks were to fail because the tests that are being done - and they are called stress tests - by the Bank of Mauritius, are totally inadequate.

Madam Speaker, I move on now to other issues, Clause 7, Building Control Act. It is fine, Madam Speaker, that the Building Control Act will exempt greenhouses. But, Madam Speaker, surely there must be again a limit to the size of the greenhouse that can be constructed without a Building and Land Use permit. Otherwise, it can be a danger to people who work there, to the neighbours etc. Say, a cyclone comes and takes the whole greenhouse and throws it into the garden of the neighbour. It may be ok if it is a small greenhouse, but it is certainly not acceptable if it is a large greenhouse. So, Madam Speaker, although we want to encourage this type of agriculture, we want to encourage this type of activity, certainly the Building Control Act should put a limit on the size of the greenhouses that can be constructed without a Building and Land Use permit. Otherwise, we will be putting the lives of employees in danger in case it collapses or neighbours in a cyclone or whatever.

Madam Speaker, I come now to clause 10, Commissions of Inquiry Act. I have personally no problem with the removal of the power of the Intermediate Court to order closure of a bank which does not comply with one of the provisions of the information. I have no problem with that. But it cannot be left in a void just like that, full stop. There is power to impose a fine of, I think, Rs1 m. on the bank. But the removal of that power to order the closure must, in my opinion, be accompanied by additional sanctions that the Commission of Inquiry, through the Court, can take, like taking actions, fining, even imprisonment for the executives of that bank who do not comply with that request for information.

I think it must come with that other additional power. Why do I agree on the fact that you cannot close a bank just like that? Because who are you going to punish when you close a bank? Certainly, you will punish the shareholders, the CEO or whatever, who no longer have a job. But you cannot punish also the hundreds of thousands of depositors who have nothing to do with the Commission of Inquiry, and the refusal of the bank to provide that information. This is why I agree on that particular provision. But it must, in my view, be accompanied by authority or power for the Court to imprison and to fine individually those persons or that Board of directors who has not complied with the request of the Commission of Inquiry.

Madam Speaker, Clause 19, Code of Corporate Governance. It is a big code like that. Some people say it is useful, I hope it is. It is beginning to make a change in our mindset as far as people who are in charge of administering companies are concerned. But there is one exemption which bothers me, and which is being created here in the law. The Bill provides for 100% subsidiaries of obviously holding companies to be exempt from reporting on corporate governance. I think this is totally wrong, Madam Speaker, and I will tell you why. Because it is not the fact that you own a 100% or not that matters. It is not that fact. The fact is whether how big you are, what is your activity? If an insurance company were to be a 100% subsidiary of another company, would you, Madam Speaker, be happy that this company does not provide any report on corporate governance? It can be a huge insurance company because here the exemption is not given as to size, it is given as to the ownership. And I think that is wrong, Madam Speaker.

Let us take some examples. The Central Electricity Board - the Deputy Prime Minister is not here, but I will say it - has created three companies: CEB Fibre Net, CEB Facilities and CEB Green Energy. If we look at the Budget and the statements being made in the House, these companies will have more than a billion rupees for the next three years to spend. This is public money, Madam Speaker. These companies are 100% subsidiaries of CEB. There have already been questions asked in Parliament, *des interrogations*, as to how these companies are going to be run. Are you going to be happy that these companies are not going to report on corporate governance, are not going to have audit committees, are not going to have all that although they are huge companies?

Madam Speaker, here my request is we may have an exemption for subsidiaries or even generally companies not to report on corporate governance, but it should be related to, say, having asset value of Rs50 m. or turnover, say, of Rs50 m and in that way, you will strict a company, whether it is a 100% or not, to the size that it is. I would not want to see, for instance, tomorrow a bank to fall under this category one way or another, and not report on corporate governance. It would be a great tragedy for good governance in this country, Madam Speaker.

We come now, Madam Speaker, to something very dear to my heart, and that is clause 26, Corporate Social Responsibility. Madam Speaker, it is a shame that the Minister is not here. CSR is a very, very useful thing. It has helped tens of thousands of people, whether they are poor, whether they are sick, whether they are handicapped, whether they are children in need of education. In any way of life, even it is wildlife in Mauritius, or the environment, it

has helped in many sectors and many thousands of people. Madam Speaker, there is this provision in the law now which is going to be 50% for next year and then it will move on to 75%. But that is not my main issue. My main issue concerns subsection 9 of section 50, of what is being proposed, the amendment to subsection 9 of section 50, because that subsection is being removed entirely from the existing law. It is being removed entirely from the Income Tax Act.

What does that subsection say? It says - and I will paraphrase it, Madam Speaker - that you may, obviously, have 50% of your CSR that you can spend as you wish more or less with the guidelines, and another 50% that you have to give to the National CSR Foundation. We will talk in a moment of the disaster, that is, the National CSR Foundation. You gave another 50% to the National CSR Foundation, but subsection 9 gives an exemption from giving that second 50% to the National CSR Foundation. It says that if you are a company and you want to use that second 50% which you are meant to give to the National CSR Foundation - I am sorry if it is a bit complicated, but that is how our law is - if you apply to the National CSR Foundation, I presume, then you can be actually exempted from giving that money to the National CSR Foundation. So, you can decide, for instance, to use 75% of your CSR yourself and 25% to give to the National CSR Foundation.

Madam Speaker, that was a very useful provision, which was put in the law. It allows flexibility because some companies have very valid programmes. Not all companies! Some companies have extremely valuable programmes and are very useful to our society. This provision makes you be able to apply and if you have a valuable programme, to be exempted from payment of that 50% fully or partly. This is causing, Madam Speaker, a lot of hardship to NGOs. We know, Madam Speaker, because the whole NCSR *a été un exercice bâclé*. Not a cent has been spent from 01 January to today on NGOs. Not a cent! Many of them have gone bankrupt. Many of them have curtailed substantially their activities. It is obvious because they do not have the 50% they used to get. Therefore, Madam Speaker, they have been promised part of the money, I think, in August and then again you have to apply like this. The whole National CSR system is a disaster as of now. It is a disaster! In fact, one good thing that hon. Lutchmeenaraidoo had done, was to remove all the conditions and allow freedom to spend, but now this has been reversed.

Madam Speaker, it is fine we are now talking here in the Assembly because we do not need money from these NGOs. I do not think any of us do. But put yourself in a situation when you are a handicap child, when you are a poor student, when you are an ex-prisoner and

you are counting on 'Ki Nou Ete' - I think it has closed down now - to help you out. Because of some stupid, silly administrative reasons put in the Finance Act last year, you have not received any money for the first eight months of this year, then you can see it totally differently.

This is why, firstly, Madam Speaker, I think it is a huge mistake this 50% to the National CSR Foundation, but as far as I am going to talk about, I am going to ask the Minister of Finance not to repeal subsection 9 of section 50 of the Income Tax Act, which allows companies to make an application to the National CSR Foundation, so that they may spend their money directly and do not count on the administrative mess, that is, the National CSR Foundation, Madam Speaker.

Madam Speaker, on the Negative Income Tax, we have said everything. The only thing, I think, we need to look at section 150A, clause 26, is the fact that it is the employer who has registered the employee so that he is allowed – eventually in August next year – to have this negative income tax. What if the employer refuses? We are talking about *ti-dimoune*. We are talking about people who work in households. We are talking about the poorest members of the society. What power will they have to force their employer – *grand missié la* – to register them if he does not want to register them? Is he going to report that employer and lose his job? He rather gets a job maybe if he does not get the negative income tax. So, this, I think, is a major flaw in the law. I can understand why this requirement is there.

Nevertheless, Madam Speaker, we all know that the road to hell is paved with good intentions. Here, Madam Speaker, I think that we are letting the poor at the mercy of those bad employers who do not register them. This particular provision in the Bill has to be looked at again and removed.

Madam Speaker, there is a very good thing here, as an accountant, myself, in section 3A, section 17(e) of the Income Tax Act. To become a tax agent – it is a good thing, but I will speak for my colleagues - so that you can file tax returns for clients to the MRA, you need 10 years of experience. Ten years just to be able to file! Obviously, if you are a qualified accountant like myself, you do not need these 10 years. But if you are a self-made man who has acquired experience to work in companies, in audit firms and tax firms, etc. you need 10 years' experience. I think that is excessive, Madam Speaker.

Madam Speaker, on the annual statement of financial transaction, which is now being required, I think, probably most of us here will have the statements filed with MRA now. We can imagine the number of statements that are going to be filed - not only on individuals. If you receive Rs4 m. a year, you get your details sent to the MRA. Secondly, if you are a company, that is even worse, because if your turnover, therefore, your receipts are more than Rs8 m. in a year, again, the MRA will send that. We have 50,000 companies in Mauritius. So, one thing is sure, that MRA will be receiving 50,000 or so statements from banks – thanks God there is computerisation – telling them that these companies have received more than Rs8 m. a year. That is the situation, Madam Speaker. It is a huge amount of information.

I hope that adequate confidentiality will be installed, Madam Speaker. This is my fear. We are dealing with sacrosanct bank information. We had the occasion, this Government itself, where bank information has been given to the public, private information on loans taken - the ex-Minister of Finance will remember, all his documents given to the Press. I have received information when a VVIP spent a credit card on shoes and jewellery. I did not take it. That information, I think, was given to the Bank of Mauritius and became public. Not you, Madam Speaker! I am not talking about you! Do not look at me like that!

Now, what is the MRA going to do to protect the information that is going to be given to them? Is every one of us going to have a friend at the MRA who is going to pick out all the details of our opponents? Is the NSS going to take that now also and start talking about our banking transactions? I have nothing to hide! That is what may happen. Madam Speaker, it is dangerous, not because of the information that is provided, but because of the leaks in the system. We know in Mauritius that nothing is hidden. I, myself, have put on this very Table so many documents which are secret. Nothing is secret here in this country! This is a situation that we are going to put myself, all our opponents and everybody in the end. God saves these Members of Government when there is a change of Government and the other side of the coin will happen. So, Madam Speaker, we need to be very careful with that.

My other point is on IRS, foreigners, and we are trying to attract very rich foreigners. We all agree on that. Will they be happy - Mr Alvaro, I would like to have his documents - if the banks will now be sending on each person living in an IRS - because he is resident in Mauritius - these documents over to the MRA, blanket documents, blanket information on all those foreigners? What will be the effect on people wanting to come here? Because by definition these people are very rich and I can assume that every single one of them will fall under this provision.

This is a question, Madam Speaker, I am going to ask: what about the offshore? What Offshore Companies are going to fall under this provision? Perhaps the Attorney General can help. We know that, although GBL2, category 2 companies are not tax resident in Mauritius. Category 1 companies are resident in Mauritius. So, as this applies to all residents, that is, companies and individuals, I presume then this may have an effect on our Offshore. And so, I think, this also needs to be responded to as to whether the Offshore Companies will be covered by this legislation when we know that their tax is at 3%. I hope the hon. Minister of Finance comes up with some explanation.

Madam Speaker, clause 36 National Heritage Foundation. We had a Business Facilitation Bill a few weeks ago and so many in the Government beat their chests, so many powers of Ministers are being removed and, now, no explanation again. We are, in fact, giving the power for a Minister to overrule the Board of the National Heritage Foundation. I hope it is not only because of the case of the building in Port Louis - I remember in St George Street - that we are doing this. But this is unacceptable political interference! And, secondly, Madam Speaker, what is the condition? The condition that it is damaged and beyond repair! Well, it's an invitation to every single owner of every single house which may be listed to allow the house to become decrepit! You have a good house, you want to destroy it, but you don't want to burn it down. So, how do you destroy it? You let it become decrepit, then under this provision that is being inserted, you apply to the Minister, overrule the National CSR Foundation, it only has to consult, it does not have to agree and, my house is gone, and that is an invitation *pour la disparition de tous les bâtiments historiques à l'île Maurice*, Madam Speaker, whether it is Government or whether it is the private sector. Government itself can allow its buildings to become decrepit and then fall under that category. We have our heritage, it's extremely important whether it is for ourselves, our children or our visitors, and we cannot afford to allow them, to encourage for them to become decrepit.

Madam Speaker, I move now to an important clause - I won't be too long - that is, Clause 43, Public Debt Management Act. We know that the public debt has been increasing substantially, Madam Speaker. We are now, I understand, at 66.1 % of our GDP, because public debt is always looked at in relation to GDP and here GDP is about Rs480 m. - if my calculations are right. Anyway 66.1 % of GDP, which is already above the legal limit that we are going to set up, which is 65%! This is a bit weird; we are passing a Bill on the same day, knowing that we will not be able to comply with it from day one, because we are already above the legal limit that is going to come. That is the first thing.

Second thing, Madam Speaker, is section 7(c) - you have to read this to believe it - which makes provision for Government to guarantee debt of special purpose vehicles created in effect to borrow the famous USD 633 million Line of Credit, which is Rs21 billions, that is what section 7(c) allows the Government to do. Before it could only guarantee, say, Government entities, now it can also guarantee entities which are created to provide services to Government, that is, these special purpose vehicles that we have been talking about.

Madam Speaker, during my PNQ of some time ago on this famous subject, the hon. Prime Minister had said this, and I will quote from Hansard –

“Madam Speaker, I have already replied that we are going to guarantee; Government will guarantee the 26 biannual instalments that are going to be repaid by all the SPVs.”

This is in Hansard. So, we know now, black on white, that Government will guarantee the whole of the USD 630 million, the Rs21 billions. And this is what section (c) allows it to do and this is why I wanted to highlight this particular section for the benefit of all Members of the House. Because it concerns all of us, not just the opposition, all of us will need to repay.

We know, Madam Speaker, the importance of public debt when people consider investing in our country - we are going to have the Economic Development Board, the Bill in a moment - or consider lending money to the country or even consider lending money to any of the banks in this country. This is how important it is. Madam Speaker, what happens if we add these Rs21 billions to our public debt? What happens if, as the arbitrator has found, we need to pay another Rs5 billions to Betamax? What was going to happen to our public debt, Madam Speaker? Public debt, Madam Speaker, would move immediately from 66.1% to 71.5% of GDP. A huge rise in public debt! An unacceptable rise in public debt which would see our downgrading immediately by Moody's which does our grading. What it does, it rates our public debt. That is a huge increase in our public debt. And, Madam Speaker, I must say it is very cleverly done, but not clever enough. What it says is that now a new debt ceiling - the new law, as you know, sets a newer calculating debt so that it does not compare - will be in 2021 and it will be 60%, which we will never going to meet. I have no doubt that the IMF is not stupid, and when we put all these debts into our debt percentage, although in Mauritius, as it is something that we do ourselves, we can always cook the books just like Greece did. Greece never reported its true debt figure, and look what happened to Greece. And so, we can always do that here, but we will only be fooling ourselves.

Now, in 2021, the laws say that we have to reach 60% of GDP. No way we can do that! But it is not actually put in the law, this is the clever bit, it is put in a regulation at any time. Now the then Minister of Finance, because it won't be the same anytime - which is GN something - can change the 60% to 70%. No one even will know maybe, unless we bring again a Motion of Disallowance here. This is what has been done. Government themselves do not believe that it will be 60% in 2021; otherwise, they would put it in the law. They have not put it in the law; they left it blank in the law, saying any percentage as may be prescribed. And so, it will be, Madam Speaker, something that is changeable at the whim of a future Minister of Finance.

Madam Speaker, public debt is no joke and, therefore, we must tell the truth to the population, that we have taken so much debt, we are going to spend it on so many things and we have taken the debt because we believe we need to spend it on such and such things which will bring good things to this country, not sweep it under the carpet for it to blow up in our face like it did in Greece.

Now, clause 44 deals with procurement and the possibility of a Government body on its own, it seems, to disbar a supplier who has not performed well. Now, that is very vague. I mean, if you apply it correctly, then you can assume that only the *mauvais contracteurs* have actually not done the work. You can do it. If everything was perfect, which is far from being in Government, then you would say that public bodies would only disbar these *fainéants* from obtaining a contract, but if you take it the other way, there can be abuse of this, in that public bodies can disbar people they don't like, people from another political party, for instance, or anyone and I can see no safeguards. Before that, Madam Speaker – this is for a temporary disbarring – and still now for a permanent disbarring you have to go to the Procurement Policy Office, if my memory serves me right. I would like, Madam Speaker, oversight of the Policy Procurement Office and permission from the PPO for them to be able to disbar even temporarily, just so that we avoid abuse of power, favouritism. You have two people, one you like, and one you don't like. You disbar this one and, obviously, you only have the one left to give the contract to. This is too easy to evade and to misuse this.

Madam Speaker, my last point concerns the Sugar Industry Fund. Some time back when I was Minister of Finance, we took out the requirement for planters and *métayers* to register with the Sugar Industry Fund every year. We thought it was abusive that planters had to register every year to the Sugar Industry Fund. We have 16,000 planters. Can you imagine 16,000 people every year applying and, obviously, this provision in the Bill is to

avoid abuse of the system, but you can control the abuse easily, because you know this better than me, I am sure, the millers provide information on each planter who has provided cane or not in the year. So, if there is any claim for insurance and it is clear that in the previous year or years that particular planter, although he is registered with the Sugar Insurance Fund, has not been producing and, obviously, you can disallow his claim. So, Madam Speaker, my request here is concerning the planters. We are trying to facilitate, there is citizen facilitation in the Budget Speech. There is business facilitation, but here it is the opposite, and to my mind, it serves no real purpose, instead it forces 16,000 - not one or two - people to register every year.

So, I will finish here, Madam Speaker, to say that I do hope that the hon. Prime Minister will listen to my request that the provisions concerning the GRA are removed from this Bill so that they can be looked at in a separate law. And also, my request, Madam Speaker, because I am very worried about the public debt situation, that that part of the amendments on the Finance Bill that relate to the Public Debt (Amendment) Act be taken out because they are too important and should be dealt with separately.

Thank you very much.

Madam Speaker: Hon. Gayan!

(11.27 a.m.)

The Minister of Tourism (Mr A. Gayan): Thank you, Madam Speaker. Madam Speaker, let me start by, first of all, thanking the hon. Prime Minister and Minister of Finance and Economic Development for having accompanied the Finance (Miscellaneous Provisions) Bill with Explanatory Notes on the Finance Bill itself. I think these notes are very helpful and they must be read together with the Bill in order to have a proper understanding.

The other thing, I would like to say, Madam Speaker, is that we are dealing with a very technical and complex Bill. It is not easy for any person to easily understand all the intricacies of this Bill, and all the provisions and the laws that are being amended. In fact, this particular Bill proposes to amend almost 58 pieces of legislation and this is not unusual. In fact, in 2013, the hon. Leader of the Opposition, who has just spoken before me, was the Minister of Finance and Economic Development, and when he brought the Economic and Financial Measures (Miscellaneous Provisions) Bill in 2013, he amended 73 Acts of Parliament. So, it is not something unusual, but it is a matter which is normal in an exercise of this nature.

Let me, Madam Speaker, respond to the criticisms levelled by the hon. Leader of the Opposition on the GRA. In fact, what this particular clause mentioned by the hon. Leader of the Opposition is trying to do is to separate the organisation of races from the regulatory body. Right now, we don't have that separation in terms of horse racing and regulation of races. And this is a direct consequence of the Commission of Enquiry on horse racing, the Parry Report which has made recommendations and this particular Bill is starting to implement part of the recommendations. This is just the beginning. The other provisions will come into play as and when the other amendments are dealt with. But the hon. Leader of the Opposition made, in fact, three remarks regarding the GRA which are important, but, as I say, this Bill is very complex; so I'll go by page, Madam Speaker, so it is going to help everybody.

The first major comment made by the hon. Leader of the Opposition, the GRA, was with regard to the additional powers being given to the GRA with regard to a complaint being made by a punter or whoever regarding horse racing. So, the power which is being given to the GRA under this particular clause found at page 35, is –

“On receipt of a complaint or on its own initiative, review decisions of –

- (i) a horse racing organiser or its agents; or
- (ii) an appeal committee set up under section 31(1)(e).”

So, this is just part of the process of having integrity in horse racing. Anybody who has lost money will not go to complain because gambling has its element of loss. I mean, no one gambles with a certainty that he is going to win. Everybody buys the lotto ticket every Saturday, but it does not mean that he is going to win the lottery every Saturday.

I believe that it is not right, in this particular House, to impute motives to why this particular clause is being inserted. It is not to deny anybody the right to complain, but any authority will act fairly and in good faith. So, I believe that this horse racing organiser who has a complaint lodged against him will be dealt with according to the law and to the rules which pertain to any particular appeal in this country. We are still a country where the rule of law exists and if there is a grievance, there are remedies that are available for that particular grievance. But I also believe that it is not right to keep mentioning the name ‘Gulbul’ every time the hon. Leader of the Opposition is speaking. I think in this House we must rise to a certain level and not brandish names like this which creates a lot of misunderstanding in the public, because what we are doing, here, today, Madam Speaker, is being broadcast live to

the country and to the world. So, just using the names of people who are not in this House, is not something which is very parliamentary. So, I hope that others, who will speak after me, will refrain from making this kind of comment.

The other point that was taken on the GRA by the hon. Leader of the Opposition was with regard to the GRA determining the amount that is paid to a horse racing organiser. This is at page 34, at the bottom of the page.

Now I have said, Madam Speaker, that the whole point with regard to setting up the independent horse racing authority, as recommended by the Commission of Enquiry is to separate organisation of races from the regulatory body. Now organisational of races is one thing, but regulation of horse racing is something else. This is where the Board comes in and says that the Board will determine the amount to be paid to the horse racing organiser. Once this payment is made, the totalisator operator, the bookmaker or whoever is free to use his race card and fixtures. I am not in horse racing, so I don't know what all this means, but anyway I am just reading from what the text provides.

So what it says is, once the information has been paid for then that information is free to be used by everybody. In fact, Madam Speaker, today I saw, in one of the papers, an article by somebody criticising this particular provision. He was criticising the GRA, and also the MTC. The MTC apparently meets only once a week and they have the election of their members and a lot of the votes are taken by the proxies. All is engineered so that only two groups continue to have control over the MTC. So, all this has to be looked at, but it cannot be looked at all at the same time. It has to be incremental and this is the beginning of something that has to be done. I think that we all consider that horse racing is a wonderful sport. People, Mauritians love it, tourists love it and we must give it credibility and we must also create an environment where people can enjoy and bet, thinking that they have a fair chance of winning, not because of illegal practices.

The other point taken by the hon. Leader of the Opposition on the GRA is with regard to that provision found at page 39, where the hon. Leader of the Opposition said that this particular Clause is targeting a particular individual. He mentioned that name of that individual; I am not going to mention the name of that individual. The existing law already provides for persons who have licences to be persons who are fit and proper person, who have integrity and who are not involved in any fraud or dishonesty. The only criticism, which

the hon. Leader of the Opposition has mentioned, is with regard to a person being under investigation.

Now we are dealing with something to do with horse racing, where stakes, punting takes place, and we want people who are in charge of this kind of operation to be like Caesar's wife beyond suspicion. If somebody is under investigation for any offence of fraud or dishonesty or any other offence that may be prescribed - this is where the hon. Leader of the Opposition thought that we could prescribe any kind of offence but that is not the case. Legal drafting works on the basis that it has to be an offence of a similar character, i.e. ejusdem generis. It cannot be any other offence; it cannot be a road traffic offence. It has to be an offence dealing with fraud or dishonesty, and it is the case in Mauritius, Madam Speaker, that if somebody is under investigation for a serious criminal offence, immediately he will be taken to the Police, maybe put under arrest and then released on bail, and he is not allowed to travel. So he is under investigation and that person is limited in his range of activities because of the nature of the investigation. So, I do not believe that it is fair, to say that this particular Clause is targeting a particular individual. In fact, it is good that we have this kind of provision because it compels anybody in the racing industry to be very careful about what he does, and how he can avoid being on the wrong side of the law.

So, Madam Speaker, these were the major criticisms levelled by the hon. Leader of the Opposition on the GRA. Of course, he has his right to criticise, but I think the criticisms do not hold any water because we cannot simply believe that whatever is being done by this Government is wrong or is targeting individuals. A law is for everybody, it will apply to me, to you, to everybody and this is what a Bill is all about.

Madam Speaker, the hon. Leader of the Opposition also mentioned about a banana Republic. I think it is unbecoming that, in this House, the hon. Leader of the Opposition, who holds a constitutional post, should be decrying his own post by stating that he is the Leader of the Opposition of a banana Republic. I do not think this is right.

So, I am just saying that we have to be very choosy about what we say in this House because we are role models; at least, we hope to be role models and we should not unjustifiably just criticise our country. This is, after all, our country, we have no other, and when we talk about country as a banana Republic, we are criticising ourselves.

Madam Speaker, let me move on to another aspect of this particular provision with regard to the Board of the GRA having power to fix the amount. I am informed that it is not

the Board that is going to sit and say this so much for the MTC. There will be a tender exercise which will be carried out in all fairness and it will fix the rates at which the amounts payable to the MTC will be decided. Once again, I believe that all this is not a banana Republic, it is a system where we want it to work, to be transparent based on a system of integrity where people have confidence in racing. People will go to the races and will keep going to the races because it is a great sport.

Madam Speaker, on another point raised, I think the hon. Leader of the Opposition agrees that there has to be a limit on cash betting of Rs2,000 and that all the provisions should be put in place to track illegal betting. We cannot close our eyes to the possibility of an incestuous relationship between drug trafficking and horse racing. I think there is a lot of money laundering going on at the races and we must be careful in, at least, having the means to track when something illegal or illicit is happening. So, this is why I believe that this particular provision together with other provisions that are included in this Bill go towards creating an environment where money can be traced and tracked and can be accounted for at any time. So, this is what I wanted to say on the first point of the hon. Leader of the Opposition. I think that he agrees with most of the provisions; in some other things, he had some minor comments, but...

Mr X. L. Duval: Madam Speaker, on a point of order, I don't think the hon. Minister should interpret what I agree with or not. He mentioned that I agreed with the Rs2,000. I did not say anything, but I do not think he should interpret what I agree with or not.

Madam Speaker: Okay, that is not a point of order. I believe it is a point of clarification, but I should tell you as well that you had your right to make your criticisms and that he has the right to reply to your arguments.

Mr X. L. Duval: Not to misquote me.

Mr Gayan: I will not misquote anybody. If I am wrong, I am wrong but what I said was that on the other aspects of the GRA, apart from the criticisms, I think the hon. Leader of the Opposition did not find much to say.

(Interruptions)

Let me come to the other major point made by the hon. Leader of the Opposition which was with regard to what is found on page 59, Madam Speaker, on the statements of financial transactions or statements on life insurance where an obligation is placed on every

bank or non-bank institutions which are non-bank deposit taking institutions to furnish to the Director-General of the MRA a statement of financial transactions effected by -

“(i) an individual, a *société* or a succession that made a deposit exceeding 500,000 rupees or deposits exceeding 4 million rupees in the aggregate in the preceding year (...).”

And in the case of –

“(ii) a person, other than an individual, a *société* or a succession, who made a deposit exceeding one million rupees or deposits exceeding 8 million rupees in the aggregate in the preceding year(...).”

Madam Speaker, I started off by saying that we have the Explanatory Note and I believe that for the better understanding of this particular provision, let me say to this House and to all those who may be listening to this debate, what this particular provision is all about and why one of the issues raised by the hon. Leader of the Opposition finds its answer in this particular Explanatory Note.

At page 20 of the Explanatory Note, the clause that I just referred to, clause 26 (zg) makes it mandatory for banks and non-bank deposit taking institutions to submit to the MRA as from 2018 an annual statement of financial transactions on or before 15 August of every year. The legal provisions have been worked out after consultations with the Mauritius Bankers' Association, the Insurers' Association and Money Changers. A bank or non-bank deposit taking institution will have to give information on an individual, except for a non-resident, a *société* or succession that made in the previous year a deposit exceeding 500,000 rupees or aggregate deposits exceeding 4 million rupees. Deposits exclude emoluments and loan disbursements credited in an account as well as intra account transactions.

In the case of corporations, with a view to keeping the information flow manageable, the reporting figure will be a deposit exceeding one million or aggregate deposits exceeding eight million in the preceding year. The reporting requirements do not cover a company holding a Global Business Licence, a listed company, its subsidiaries and associates. I hope that this answers the query of the hon. Leader of the Opposition, and the details to be provided to the MRA by a bank or non-bank deposit taking institution are the following –

- the name of the account holder and his national identity card number;
- the total deposits made in each account held by client being reported upon, and

- the balance held in any financial year.

With regard to money changers or foreign exchange dealer, the dealer will have to report on a person apart from a public body who has bought or sold foreign currency equivalent to 200,000 rupees or more in one transaction, giving in respect of that person -

- his name;
- NIC;
- amount of foreign currency bought, sold and transferred and its equivalent in rupees.

The same applies to insurance companies which have to provide to the MRA information in respect of a person who has paid life insurance premiums exceeding 500,000 rupees in the preceding year and giving the same kind of details as for the banks. With regard to a non-citizen, the identification number issued to him at the Immigration Office, passport number or business registration will have to be provided.

Madam Speaker, one of the concerns and I think it is a legitimate concern, mentioned by the hon. Leader of the Opposition is with regard to confidentiality. I am one of those to believe that institutions in this country must act as institutions which are empowered by law. Banks have a duty of confidentiality and so do all the bodies mentioned here. So, I believe that everybody will have to comply with confidentiality provisions and everybody will have to pay a heavy price in the event that there is a breach of confidentiality. The whole structure of the financial sector depends upon confidentiality.

The fact that a transaction is reported to the MRA does not mean that the MRA will start an investigation straightaway. But, when we look at what is being said before the Commission of Enquiry on drugs, Madam Speaker, on the linkages between money laundering, drug trafficking, horse racing and whatever, then it is incumbent upon this Government to restore trust in the institutions and also to be able to say to any person who is having transactions of an extraordinary nature to be accountable.

Now, what other body apart from the MRA will be able to do this particular work in all confidentiality? As far as I know, I have never come across any case regarding the MRA where there has been a breach of confidentiality. I have not come! Maybe I am wrong on this, but personally I am not aware of any case where there has been any breach of confidentiality when it comes to the MRA.

I know that this provision is something which is unusual for the MRA to have this kind of information because the MRA has its own powers but, in view of what is happening and what we are being informed of in the country, it is important that we have this particular provision with regard to this particular reporting transaction.

Madam Speaker, the hon. Leader of the Opposition talked about something with regard to greenhouse. His concern was that there is no dimension, no size being given to this particular project. I look at it differently. If I am the investor, I am putting my money in any project, I will have a feasibility study, I will ensure that whatever money I am investing in my particular project will work in such a way that I get a return out of it and it is going to be a viable project. So, anybody will have to do his own due diligence. So, I believe that this particular concern is not something which may be valid, the size of the greenhouse or whatever, I do not think that this is very important.

With regard to the negative income tax, the concern of the hon. Leader of the Opposition was that maybe employers would not pay the gain. Madam Speaker, when we had the debate on the Budget, in fact, I did mention myself in my intervention that the informal economy of Mauritius is about 24 to 25 per cent. That is huge! In other countries of Africa, it is even bigger. But, what are we trying to do? We are trying to get everybody into the formal economy and this is one way to proceed and this is why if an employer does not abide by the law, of course there will be penalties and remedies that will be available against an employer who fails to play the game and the employees as well because they also have a stake in this negative income tax. I believe that it is new. It has worked in other countries. Of course, there will be teething problems, but I believe that this is the way to start because we need to have everybody in the formal economy and try to reduce over time the extent of the informal economy in this country. I am saying this because we know when we go to see our *mandants* on every Wednesday, the number of people who come seeking jobs. They are all employed, but in the informal sector. In fact, once I was talking to someone and he said he has been out of a job for years and then his phone mobile rang. He was talking and said: “*mo pe vini la, ene ti moment, mo pe ale travail*”. So, this is the kind of situation we are faced with and I am sure that everybody in this House knows. We all know this and we all go through it every week. We are a great nation of *traceurs*, as they say. *Zot batt batter!* Everybody is *batt batter*, but everybody wants to be in the formal set-up. When I say formal set-up, it is the formal Government or parastatals set-up or Cargo Handling. At the Cargo Handling, I do not know what the hon. Leader of the Opposition has done to Cargo Handling when he was in charge of

that, but everybody wants to work in Cargo Handling. I do not know what he did. But anyway, I am saying this because the negative income tax is something which is revolutionary. It is going to transform this country and ensure that everybody has a minimum of means to be able to live on. So, I hope that all employers will play according to this particular provision of the law. All employees will report if there is a breach of that particular provision of the law. Let us give it a chance and I am sure that this is going to in the best interests of our country.

Madam Speaker, I will not address the issue of public debt management. I think the hon. Prime Minister will deal with that. So, I believe that it is a very complex Bill. There are lots of things to say, but my job was simply to respond to the hon. Leader of the Opposition. I think I have done so.

So, I thank you for your attention.

Madam Speaker: Hon. Osman Mahomed!

(11.56 a.m.)

Mr Osman Mahomed (Third Member for Port Louis South & Port Louis Central): Thank you, Madam Speaker, for giving me the opportunity to intervene on this Financial Bill this year. I am not going to go through all the items, given that the Leader of the Opposition has been quite extensive in his coverage. I am going to cover 6 to 7 aspects from a different perspective as far as possible and I am going to be quite slick in my intervention. At the outset, I would like to say that I can categorise my view on the Bill, on these aspects in just three classes: the good, the bad and the ugly.

Let me start with one good and positive thing, which is the negative income tax, as set out in paragraph 26 subsection 150A on the Negative Income Tax allowance. Madam Speaker, I opened up a Constituency Office in February 2017 and it is there for me to receive my constituents from Tranquebar, Vallée Pitot, Ward IV and the constituency. I receive people from all walks of life, but what has surprised me most is the increasing number of really poverty-stricken people who come to see me every week with problems to do with their impossibility of making ends meet: feeding their children, paying the rent and bills, getting clothes for them to go to school. I do not think they are *traceurs*, to use the word used by hon. Gayan, because I have visited many of them. You say we have become a nation of *traceurs*; I do not think they are *traceurs*. I have visited many of them and they are really living in dire situation.

So, if I find paying a negative income tax to an individual, who derives earning of Rs9,900 a good measure, I sincerely hope that the implementation will be too and that we do not have the administrative problems that the Ministry of Education has had with the handling of the grants for the SC and HSC exam fees. That was a big issue and I hope quickly we can move on with this measure. I also sincerely hope that all regions of the island will receive consideration that espouses the spirit of equity and not following bad principles. So, I do support the negative income tax if it is handled honestly, that is, people get their dues fast and according to merit.

Madam Speaker, I now come to those elements in the Finance Bill which fall in my category, considered as bad and inherently so. And here, I lift the carpet on the ICT sector which falls under clause 27 where the Information and Communication Technologies Act is being amended. In his speech on the Budget debates, hon. Etienne Sinatambou, the outgoing Minister of ICT said that we were doing rather well by comparison with other countries of Africa and even China. Well, I beg to differ, and I base myself on the economic and social indicators on the ICT sector for 2016, which has just been published by Statistics Mauritius last Wednesday, exactly a week ago!

Madam Speaker: Hon. Osman Mahomed, I will have to stop you for one minute. Just to draw your attention to the fact that already, debates have been held on the Budget and that now the debate which is going on is on the Finance Bill and is restricted to amendments which are being brought to the legislation. So, I would kindly request you to restrict your comments to amendments which are being brought in the Finance Bill which is in front of us.

Mr Osman Mahomed: But, Madam Speaker, the economic indicators has been published seven days ago way after the debates which were held about a month ago.

Madam Speaker: No, no! We cannot go back on debates on the Budget. We have to restrict ourselves to the amendments which are being brought. If you want to talk on the ICT sector, you have to restrict yourself to amendments which are being brought to the ICT Act.

Mr Osman Mahomed: So, I may ask the hon. Minister of ICT, who will be speaking after me later, will the amendments that are being proposed today on clause 27 address the fact that the contribution to the ICT sector to GDP decreased in 2016 and real growth rate, after removing price effects, has decreased? How will the amendment address that there has been a drop in exports, including re-exports in-between these two years? How will the

amendments that are being brought today address the large number of establishments which is increasingly defined as those employing 10 or more persons?

(Interruptions)

These are fresh figures. So, how will these amendments address these issues today? Safe for the administrative amendments of the ICT Act which deal with the General and Consolidated Fund. This is what we are being asked to vote today, more specifically the transfer of the balance of surplus funds. Actually, we need a total revamping of that Act and not some fiddly administrative improvements. This part of the Finance Bill, to my view, is badly conceived and badly directed.

I now move to the ugly part, Madam Speaker, and I will take a little more time on this one because of the complexity of the subject. As a matter of fact, it has to do with paragraph 43, Public Debt, which stems from paragraph 339 in the last Budget Speech, which deals with Public Management Debt Act to be amended. It is for the sake of improving transparency and that shall be closer to IMF definition. The question is: does it? Madam Speaker, what we need is a country that does its budgeting exercise that is based on balanced fiscal policy. We do not need a Budget where we are clearly living beyond our means, that is, in debt. We need a Budget that is based on real transparency about our growing debt. The last thing this country needs is a budget which is, so to speak, playing with the figures by removing chunks of our foreign debt off the book. If this is the case, it is even uglier when you see what was proposed in the Government Manifesto and what is going on at the moment. What is worse still is that if you turn, Madam Speaker, to clause 43 of the present Finance (Miscellaneous Provisions) Bill, it looks like –

- (i) we are firstly being asked to vote to allow for the Government to borrow more;
- (ii) the Government will be able to borrow more money without it appearing in the Government books as national debt, and
- (iii) the Bill proposes to shift the time line from 2018 to 2021 because the Government even with all the amendments that is being proposed, will now be able to meet its targets.

Let me now, Madam Speaker, if I may, turn the spotlight on clause 43 of the Bill which seeks to amend the PDMA in another way and, here, I want to refer to the Line of Credit from India that the hon. Prime Minister has negotiated. Now, the hon. Prime Minister

has himself admitted that the Government has found a unique way to package the money borrowed from India by using a Special Purpose Vehicle (SPV) working in tandem in this device with the State Bank of Mauritius. Now, does this not tantamount to this huge loan not being counted as public debt? Is it not something that bowls down to no more or no less than some sort of financial fiscal tricks which will not pull the wool over the most scrupulous eye of the IMF? These are my questions today. It may look clever to some, yet not to others.

Indeed, let us consider, Madam Speaker, what will happen tomorrow, if the Special Purpose Vehicle is not able to raise adequate revenue to pay back money if the projects it is supposed to finance are not profit-generating? Will the State Bank of Mauritius behold the baby and the bathwater? I hope that the hon. Prime Minister and Minister of Finance can shed some light on what happens when all these come exposed or can I be even bolder in asking the hon. Prime Minister to look at that clause again for the sake of future generations, because the debt level is going way too high. May I draw the attention of the House to some more issues at the crossroads, at clause 43(b)(iii), which seeks to amend section 7(2) of the PDMA so that the new debt ceiling newly defined does not exceed 65% of GDP at the end of each fiscal year.

Currently, section (2) provides for a debt ceiling narrowly defined with exclusion of 60% of GDP. So, having got the country into deeper debts, the Government now wants to raise the ceiling and hide new debt under the carpet. But, raising the ceiling and lifting the carpet, so to speak, will not solve our problem. Madam Speaker, how can we be sure that all public owned or controlled institution units are taken into account? This is a serious matter and it is not clear at all under the PDMA Act. All this fiddling with the figures is a serious matter. What does the man or indeed the woman in the street think about all these? It seems that the Government has got itself into a hole and keeps on digging. What makes this business worse is that the small prints just give *carte blanche* for the Government to change this target and the target date again in the coming years. I am saying this in reference to clause 43(iv) A and B, which seeks to amend section 7(3) of the PDMA to push the target date of the public sector debt ceiling from December 2018 to June 2021 and to modify the ceiling level from 50 % to 60% of GDP.

On a different note, Madam Speaker, clause 43 (c), which amends section 8(1) of the PDMA, extends the powers of Minister of Finance to grant Government guarantees for debt repayment to any institution providing services to Government or to any public sector entity which he considers to be in the public interest. Strict criteria for extending Government

guarantees to non-public sector entity should be laid down in the PDMA and not left to the discretion of the Minister of Finance *per se*. This is just too much. How much more can we accept to take insofar our country debt is concerned?

Madam Speaker, the greatest signal of coming financial troubles comes from the pace of increase of debt. Ruchir Sharma has warned us in The “Rise and Fall of Nations”, saying that when it comes to public debt, size matters, but pace of increase matters more.

Madam Speaker, I would now turn to two controversial amendments that are being proposed to exempt people tax. I have to confess, I am in favour of tax exemptions for the poor, but these do not seem to be the case. The first exemption is the retrospective duty exemption on buying or constructing a health institution extended to cover the lease or sublease of an immovable property. The second exemption is on the Invest Hotel Scheme which eliminates paying the tax on transfer of leasehold rights in State lands when you first acquire immovable property under the Invest Hotel Scheme. This exemption is being extended to cover a reselling of property. Madam Speaker, this is all very controversial, but the hon. Prime Minister did not touch this on these matters in his summing up on the debates on 20 June 2017, and that is why I would kindly request him today to clarify on the rational between these two amendments.

Madam Speaker, may I also venture in some further stormy waters. I would like to ask the hon. Prime Minister what has happened to all the promises about the Ocean economy and about the second economic miracle. Now, I am going to ...

Madam Speaker: Hon. Member, I am sorry, you cannot open the debate again!

Mr Osman Mahomed: I am going to move. I wanted to make an entry point to the amendments that are being brought for the increase of the price of tobacco, starting from a bit afar because ...

Madam Speaker: Which clause is the hon. Member referring to?

Mr Osman Mahomed: Second Schedule, section 15(d)(i). Talking about stormy waters, Madam Speaker, and the increase in the price of tobacco as part of the section, as I just mentioned, there are waves that are being generated by the Commission of Enquiry on Drugs. The MSM Members seem to be overdosing on this at present, the hon. Deputy Speaker, hon. Mrs Jadoo-Jaunbocus ...

(Interruptions)

Madam Speaker: Hon. Member, what has that to do with the clause that you are mentioning? You said the Second Schedule. What does this has to do with the Second Schedule?

Mr Osman Mahomed: I am going to draw a parallel between cigarettes and drugs.

Madam Speaker: Yes, but the hon. Member cannot open the debate larger than what it is.

(Interruptions)

I don't need your remark, hon. Shakeel Mohamed!

Mr Osman Mahomed: So, when the price of cigarettes goes up, consumption is supposed to go down and paradoxically the yield of tax to the Government increases. The secret lies in the comparative in elasticity of demand for tobacco with respect to price. That is a well-known aspect of econometrics of public health. In fact, it is a progressive tax helping many people from poor families to quit and saving them loads of money. But when a young teenager goes to a *tabagie*, as so many do, even in my own constituency and gets fags into ones and twos, that is against the law and encourages consumption that the public health measures have designed to reduce. This is no less a crime than dealers in hard drugs offering cut price deals to youngsters to get them hooked and then milking them and driving them to crime.

Any honest Government would remove the licence from *tabagies* that break the law and an honest Government will use the extra yield from the tobacco tax to provide more support to the Police to do so. And even more for public health programmes and school education that would reduce the number of youngsters taking up this dying habit and help them to quit. Now, studies have shown that this is a highly cost-effective measure.

Tobacco and drugs are only expensive if you are foolish enough to buy them. Let us see more from the Government on law enforcement, health education and tobacco drug withdrawal schemes with training for health workers to assist in cost-effective...

Madam Speaker: Hon. Osman Mahomed, please, don't open the debate again. I have said time and again that you should restrict yourself to amendments which are being brought. We won't discuss again policy matters which are not concerned and directly concerned with the amendments that are being brought!

Mr Osman Mahomed: Okay, thank you, Madam Speaker. So, I shall move to the amendment being brought about to section 23 of the Finance Bill which proposes to amend the Gambling Regulatory Authority Act and, like many other Members of the House, I have read the article which appeared in last Sunday's "*Le Week-end*", titled "None of the amendments reflect the fundamental changes recommended by the Commission", and I am sure Members would have also taken cognizance of the communiqué of the Mauritius Turf Club, titled "*La refonte de l'Industrie Hippique locale prônée par le Finance Bill 2017 - Appel à un dialogue constructif*".

Now, the Leader of the Opposition has been quite extensive in his coverage. Madam Speaker, I do not gamble nor do I encourage anyone to do so, but what has triggered my attention to the amendments that are being proposed at clause 23 is in the communiqué of the Mauritius Turf Club is the following sentence, and I quote –

"Ces amendements auront un impact négatif indéniable sur l'avenir des 350 employés à plein temps et environ 1,500 à temps partiel et tous ceux qui vivent et dépendent de l'industrie hippique."

Madam Speaker, Champ de Mars is located at the heart of my constituency and the House would recall how, on so many occasions, I have spoken against the conversion of Champ de Mars into a mega parking. Now, not only the Government is insisting on this project, but I will fail in my duty, as responsible elected Member for Constituency No. 2, if I do not stress on the fact that the MTC employs many of my constituents, be it in the Champ de Mars area, Tranquebar and Vallée Pitot.

Madam Speaker, may I appeal to the Minister of Finance and Economic Development to involve the various stakeholders in a dialogue to arrive at a just settlement over this matter.

To end, Madam Speaker, what we do find in this complex Bill is a morsel of good in it if the Government has the honesty to implement it fairly and swiftly, to relieve poverty which I would heartily welcome in my own constituency and others with so many people across the country. Then, Madam Speaker, what do we have the right to expect from a Finance Bill?

1. A good Finance Bill would aim to redistribute wealth fairly and swiftly.
2. A good Finance Bill would act with honesty on the basis of just assessment of the state of finances of the country.

3. A good Finance Bill would honour transparency, and
4. That is the kind of Finance Bill we call for today, this is the kind of Finance Bill this country deserves to have.

I thank you for your attention.

(12.18 p.m.)

Madam Speaker: Hon. Sawmynaden!

The Minister of Technology, Communication and Innovation (Mr Y. Sawmynaden): Merci, Madame la présidente. Madame la présidente, cette année encore une fois, une soixantaine de lois feront l'objet d'amendements dans le *Finance Bill*, ceci dans un souci de renforcer par rapport aux nouvelles dispositions votées dans le dernier budget présenté par le Premier ministre et ministre des Finances, l'honorable Pravind Jugnauth.

Madame la présidente, mon discours sera principalement axé sur l'amendement au niveau du *National Identity Card Act*. Venons maintenant aux amendements de la *National Identity Card Act* ! Cela fait quatre ans depuis que le processus de conversion de la carte d'identité nationale a démarré. Lors de son apparition en 2013, cette carte a suscité pas mal de polémiques, d'interrogations et de questions. Toutes justifiées par le fait que dans sa forme originale, elle représentait une atteinte aux libertés individuelles. C'est pour cela que le Premier ministre avait initié une action légale protestant contre les caractéristiques initiales de la carte, notamment le stockage des données biométriques. C'est grâce à ce combat mené devant la justice, qu'en mai 2015, la Cour Suprême statuait que les données biométriques ne devaient plus être stockées de façon centralisée. Par conséquent, les données biométriques stockées furent détruites en septembre 2015.

Désormais, dans le *Finance Bill*, nous avons fait provision que personne, y compris l'État, ne puisse préserver dans la durée des données biométriques, c'est-à-dire au-delà de la date d'émission de la carte. Il est important de rappeler ces faits car une petite poignée de détracteurs continuent à faire croire que cette carte d'identité est une mauvaise chose pour les citoyens de ce pays, qu'elle porte atteinte à leur liberté. Non, cela n'est plus vrai, Madame la présidente ! Ce gouvernement, avec le nouveau *Finance Bill* qui va être présenté, ce sont des garanties formulées qu'il n'existe aucune peur ou appréhension autour de cette carte.

Je tiens à rappeler ici que les informations imprimées sur la surface de la carte d'identité sont les suivantes –

- i. le numéro d'identité de la personne ;
- ii. son nom de famille et son prénom ;
- iii. son genre ;
- iv. sa date de naissance ;
- v. une photographie de la personne ;
- vi. sa signature ;
- vii. la date d'émission de la carte, ainsi
- viii. qu'un numéro de série unique à la carte.

S'agissant des données stockées dans la puce de la carte d'identité, il existe des données simples comme mentionné et des données cryptées. L'adresse postale de la personne, sa photo, les points singuliers locaux appelés aussi *minutiae* de quatre de ses doigts.

C'est quoi au juste des *minutiae*? Madame la présidente, permettez-moi de vous donner plus de détails afin d'éclaircir tout le monde dans la Chambre et aussi au niveau de la population. Tout commence lorsqu'une personne à l'enregistrement de sa carte donne les empreintes de ses doigts. Voilà l'empreinte d'une personne quand il va prendre sa carte d'identité. À partir de cette image, notre logiciel identifie les points plus distinctifs ce que nous appelons les *minutiae points*, les points rouges, *which I am going to table*. Et à partir de là, le logiciel détermine l'emplacement de ces points afin de constituer une carte ce que nous appelons un *minutiae map*. Voilà ce qui reste à la troisième étape, et en dernier lieu ces coordonnées sont mémorisées dans la carte d'identité sous forme binaire. C'est ce que nous appelons les *fingerprints minutiae* à la fin ce qu'il reste sur la carte à puce.

Par conséquent, la carte d'identité ne contient que des données et en aucun cas l'image complète d'une empreinte. Vous conviendrez, Madame la présidente, que cela rend impossible toute mauvaise utilisation de l'empreinte de nos citoyens.

J'aborde maintenant un autre aspect important de notre carte d'identité nationale. L'objet de la modification de l'Article 10, paragraphe 3 de la *NIC Act* qui vise à autoriser la lecture de la carte d'identité. Que serait un smart *ID Card* si on restreint son usage à une simple présentation lors d'une vérification d'identité. Devions-nous dépenser 1.2 milliards que pour ne plus avoir une carte laminée ? Non, Madame la présidente ! Ce gouvernement

est visionnaire, il met en place l'île Maurice de demain, celle qui tient à faciliter le quotidien des citoyens, celle qui va permettre à chaque citoyen d'économiser du temps lors des démarches administratives. Nous sommes nombreux à nous plaindre de la lourdeur administrative lorsqu'il s'agit de nos démarches que ce soit pour remplir pour la énième fois nos noms, prénoms et dates de naissance sur des multiples formulaires où dès la nécessité de produire à chaque fois des photocopies de nos documents originaux. Un exercice pas *eco-friendly* du tout! Cet amendement vise à simplifier tout cela car avec cette nouvelle identité, la lecture des données civiles, le numéro d'identité, le prénom, le nom famille, le genre et la date de naissance peut se faire de façon électronique directement de la carte en utilisant un *card reader*.

Cela entraînera une saisie des données civiles rapides surtout sans erreur lorsqu'un citoyen traite avec une agence autorisée. Qui plus est dans la ligne du concept '*Know Your Client*', l'adresse postale de la personne peut être lue à partir de la carte *if the card reader is equipped with a SAM card delivered by my Ministry allowing the agency to do so*, ce qui réduira le fardeau administratif du citoyen en éliminant ce concept ancien de devoir présenter une preuve d'adresse comme une facture d'électricité, d'eau ou de téléphone.

Autre point important, la réduction du risque d'usurpation d'identité avec une vérification de l'identité d'un citoyen sans aucune ambiguïté. Pour vérifier l'identité d'une personne, une agence autorisée pourra demander à cette personne ses empreintes qui seront ensuite comparées aux *minutiae* se trouvant sur la carte. Si ces *minutiae* correspondent, alors l'identité de la personne sera sans équivoque. Naturellement, il existe plein des garantis rattachés à la lecture des cartes identités.

Madame la présidente, nos détracteurs disent que nous n'aurons aucun contrôle sur les *card readers*. Je tiens à spécifier ici que même si ces *card readers* peuvent être achetés sur le marché, ils devront se conformer aux spécifications techniques établies par mon ministère. Ces *card readers* devront également être homologués par nos services. Il est essentiel pour moi de préciser une chose, les *card readers* homologués ne pourront accéder qu'aux données civiles du citoyen. Ces données ne sont pas cryptées et sont visibles comme le numéro de la carte identité de la personne, son nom de famille, son prénom, sa date de naissance, son genre. Pour pouvoir lire plus d'informations, les agences auront à être approuvées par mon ministère et se feront attribuées un module d'accès sécurisé, le *Secure Access Module*, les *SAM cards*.

Un *card reader* munie d'un *SAM card* pourra accéder à tout ou une partie des données cryptées qui sont l'adresse de la personne, sa photo ainsi que ses *minutiae*. La partie exacte à laquelle ces *SAM cards* pourront accéder sera déterminée par mon ministère en fonction de la demande de l'agence. Par exemple, le ministère de l'éducation voulant vérifier l'adresse du domicile de l'enfant n'aura accès qu'à l'adresse des parents. Rien d'autre, que ça ! La vérification de l'identité d'un titulaire de la carte sera possible grâce à des dispositifs qui intègrent les fonctions des lecteurs munis de *SAM cards* et de *scanners* d'empreintes digitales. À noter que les agences utilisant de tels périphériques ne seront pas autorisées à enregistrer les *minutiae* d'empreinte digitale lus à partir de la carte ou dérivés à partir des empreintes obtenues avec les scanners.

Naturellement chacune de ces agences aura à se conformer aux divers provisions contenues dans les lois existantes qui sont le *Civil Status Act*, le *Computer Misuse and Cybercrime Act*, le *Data Protection Act*, the *Electronic Transaction Act* et l'*Information and Communication Act* et naturellement le *National Identity Card Act*. Afin que les agences puissent intégrer leur système d'information avec les *card readers*, le ministère de la technologie, communication et innovation mettra à leur disposition des *software development kits*.

Voilà, Madame la présidente, je viens d'énumérer la liste des garde-fous que nous avons à notre disposition en vue de rassurer le public sur l'utilisation de cette carte identité. Cependant, je tiens à rassurer ceux qui pensent que la carte ne doit pas être utilisée avec des *card readers*. Ces personnes auront la possibilité de fournir les informations les concernant soit verbalement, soit par écrit comme cela se fait aujourd'hui. Cela reste possible car selon cet amendement les titulaires de la carte en sont les propriétaires. Ils devront ainsi donner leur consentement à la lecture de leurs cartes identité, et ceci n'est en aucun cas une obligation. Cet élément va bien répondre aux réserves émises par l'honorable Baloomoody le 19 Juin lors de son intervention sur le budget.

Madame la présidente, à ceux qui crient au loup, s'agissant des lecteurs des cartes, je leur dirai qu'un *card reader* est dans ce cas équivalent à la photocopieuse qui est utilisée aujourd'hui pour faire une copie du document de la personne. Autre exemple que nous pourrions citer, à l'aéroport aujourd'hui, l'officier scanne votre passeport et c'est ainsi que vos données sont lues et vérifiées. Ceux qui ne voudront pas utiliser leurs cartes d'identité auront malheureusement plus de formulaires à remplir et des photocopies à présenter, mais cela reste leur décision. Je voudrais aussi ajouter que nous n'inventons rien de nouveau en s'agissant de

la technologie de cette *smart card*. D'autres pays nous ont précédés en adoptant une telle carte. Argentine, la carte nationale d'identité est délivrée à la naissance. Nos amis belges, l'*e-ID card* a été introduit en 2005 et en Estonie la *smart card* est une preuve d'authentification pour les transactions bancaires et elle permet même de voter via Internet. Cela démontre qu'une carte de cette nature est réellement un plus pour tout un chacun et qu'elle facilite grandement la vie.

Aujourd'hui la technologie permet d'accomplir des merveilles. Demain, ce sont d'autres utilités qui auront cette carte. Par exemple, en France, avec la nouvelle carte vitale, les autorités ont pu réduire les cas de fraudes et d'usurpations d'identité.

Je conclurai en insistant sur le fait que la nouvelle carte identité ne doit pas être vue comme une entrave à la liberté de son détenteur. Elle doit être vue comme un précieux sésame qui va lui faciliter son quotidien. Très bientôt avec la mise en service de l'*e-Health* system, cette carte sera un précieux atout. Il ne sera plus nécessaire d'attendre de longues minutes pour s'enregistrer à l'hôpital. On n'entendra plus parler des dossiers égarés des patients ou des informations erronées. Cet amendement vient procurer tous les paramètres veillant à la sauvegarde confidentielle des données personnelles des citoyens. Et je tiens à dire à nos détracteurs que depuis son entrée en fonction en 2013, il n'y a pas eu un seul cas où l'identité d'une personne ou ces données ont été utilisées à des fins malveillantes. Nous ne pouvons plus nous permettre à être réticents au changement. La technologie avance à une telle vitesse que nous devons procurer l'environnement adéquat aux mauriciens pour qu'ils puissent en profiter pleinement.

L'avènement de la nouvelle carte d'identité, et les amendements présentés aujourd'hui vont dans ce sens, celui de nous permettre d'avancer en toute sécurité vers une île Maurice innovante et moderne. Certaines personnes parlent d'une carte de répression et nous espérons que nous avons pu leur démontrer que c'est une carte pour le progrès.

Merci, Madame la présidente.

Madam Speaker: Hon. Shakeel Mohamed!

(12.32 p.m.)

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

Thank you very much, Madam Speaker.

Just at the outset, let me say that I was pleasantly surprised to hear the Minister just speaking before me being such a champion of the National Identity Card. If I am not mistaken, this sudden change or gradual change in the stance of this Government is just symbolised by what this hon. Minister has said. I cannot but reflect on what different position he had adopted together with Members of Government with regard to the ID card on many issues and how now they come to qualify what supposedly was their position. But then, again, very symptomatic of what this Government represents; changing position whenever it suits them and then when they are in the Opposition or want to be in Government, they say something else.

Nevertheless, let me say that it is welcomed change. At least, he has seen the light even though he is seeing it through some different types of goggles, but still he has seen the light.

Now, the second issue which I would like to address is the following, each and every time that the Finance Bill is presented to this Assembly, there is always an issue which is raised, and rightly so, it is with regard to the ruling which was given by Mr Speaker on 21 July 2009. That particular ruling, Madam Speaker, was precisely - and I would read it again with your permission. I quote what the Speaker then said -

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

Now, the long title, here, of the Bill is very clear to one and all. The object of the Bill is to provide for the implementation of measures announced in the Budget Speech 2017/18 and for matters connected consequential or incidental thereto.

Thank God for technology, and I do hope that my computer was working when I tried to use this function which was basically go and search each and every element which is basically mentioned in the Finance Bill and find out whether they are incidental to any of the provisions that were referred to in the Budget Speech, what is the relevance of each and every provision of this particular clause of the Finance Bill in line with the ruling of Mr Speaker back on 21 July 2009.

I have not finished the exercise, but one of the things which I have come across and I would say it right away, and I am sure other Members of this august Assembly will also have something to say about this particular ruling, whether it is of relevance today. When I came across I just mentioned only one, I will talk about clause 22 of this Finance Bill. Clause 22 talks about -

“The Freeport Act is amended, in the First Schedule, by deleting the item specified in the Fifth Schedule to this Act.”

When I go precisely to this particular section which is clause 22, what it tends to amend is precisely about a whole plot of land in Plaine Magnien. It is being retrieved from a project and it will no longer be used as a Freeport area anymore. Now, this is the whole point...

(Interruptions)

Madam Speaker: Hon. Shakeel Mohamed, can I interrupt you for one minute, because you have referred to a ruling which was given by the previous Speaker in 2009. May I remind you also that the Standing Orders were amended in 2015 and Standing Order 52 (b) reads, and I will read it -

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

And I should say that this amendment was brought to the Standing Orders in the light of the ruling which was given by my predecessor in 2009.

(Interruptions)

No! And then, you referred to the title of the Bill. So, before you proceed any further to say that there are clauses in the Bill which are not related to measures in the Budget, I would say that this is not so.

Mr Mohamed: One thing, Madam Speaker, I thank you for having made my case. In actual fact, what you have just done is do nothing but strengthen the point that I was in the process of making and I had not even finished to embark upon, and I was not even at the middle point of the point I was trying to make, when I was gladly interrupted by you. Because I think that you tried to enlighten the House by bringing to my attention this very important amendment to the Standing Orders which shows exactly why the position I am

taking today is a position that you should, in my humble view, listen to very carefully before giving a ruling. This is what I welcome, another ruling which I will bow to. I may not agree with your ruling at some time, Madam Speaker, but will bow to it. But in this particular case, when you look at the amendment that was brought to the Standing Orders which you have kindly, Madam Speaker, read out, one thing which I would like to go to is precisely that particular amendment to the Freeport Act, as I have said, which is retrieving a plot of land which was to be used at some point in time for Freeport development, and now it is no longer going to be used for that. It is just purely and simply being pulled back, most probably given back to the Ministry of Housing and Lands which is the guardian and the holder of all land belonging to the State - I hope that is the case - and not given to anyone else.

In this particular instance, I have gone as I have said through a very important search, mechanism and function in the computer that exists nowadays, and which I went to search, let me find out whether the word 'Freeport' is used at any time in the Budget, be it in the main Speech or be it in the Annex. Never has this issue mentioned, be it directly or indirectly - I say it very carefully be it directly or indirectly - about the Freeport, a piece of land being retrieved. Never has this Budget made any mention of the policy change of Government pertaining to the Freeport operation at Plaine Magnien. Never has this Budget made any reference to any financial implications that it may have or be connected to, be directly or indirectly, *de près ou de loin*. Never has this Budget made mention of anything with regard to retrieval of that plot of land. And this is so obvious to one and all, when one reads it and looks into it, that I myself do not understand why therefore is this particular piece of legislation be amended in this Finance Bill of today when, Madam Speaker, you rightly pointed out to this House that the Standing Orders more so has been amended in order to shed light following the ruling of 2009 as to what should be in the Finance Bill. And according to what you have read, Madam Speaker, I thank you for that once more, you have clearly indicated therefore to this Assembly and to all those who are listening to us today that you are right, this particular clause should not find its place in this Bill, and should not be in this Bill, and cannot therefore be in this Bill, and it should therefore see a ruling that emanates from you that goes in line with this particular amendment that has been brought to the Standing Orders, and this is what basically I expect.

I am now looking at you, Madam Speaker, I have the impression that you wanted to say something else. With your permission, if you want to do so I will sit down again.

Madam Speaker: No, if you want to finish, then I will. I will allow you to continue, finish and then I will give my ruling.

Mr Mohamed: Thank you. On that particular point, I have finished, maybe I will be honoured to hear you now, on this particular point.

Madam Speaker: No, no, you continue!

Mr Mohamed: I am seeking guidance, please, don't get excited. And this is not the only point. There simply are so many other issues, and I will leave the pleasure to other Members of the Opposition who would direct the attention of you, Madam Speaker, to those particular sections of the laws that should not have found their way in this particular Finance Bill. It is not here, Madam Speaker, an opportunity of scoring political points, it is only an opportunity of reminding you and other Members of this Assembly that we have to adhere to and stick to the provisions of the Standing Orders and nothing more and nothing less.

Now, the hon. Leader of the Opposition had started out his intervention by referring to a very important issue which was this whole issue about the GRA, this whole issue about a particular company called *SMS Pariaz*, if I am not mistaken, and this whole matter that went before the Courts of Mauritius and the intervention of the GRA. While he was talking I found it very interesting to go to some research. The research I found, I did not have to go very far it is all there on the Internet for one and all to see and it is clear that at some point in time there, indeed, was an issue between the Mauritius Turf Club (MTC) and *SMS Pariaz* and that this matter had ended up before the Supreme Court. The Supreme Court had, at some stage, referred the matter back to the GRA saying that the GRA should intervene in this particular matter because precisely it is empowered to do so pursuant to section 33 (2) of the GRA Act.

In this particular case, what was the matter about? There was a confusion that was persisting precisely a few days before *le coup d'envoi de la saison des courses* with regard to, I read here: "*au sujet de la prise de paris ou pas par SMS Pariaz*". Precisely, because the Mauritius Turf Club was saying that *SMS Pariaz* owed it some money which it was not paying. This went before the Courts and the Courts clearly decided here that it was, therefore, for the GRA to come, to decide and to act as a regulator and to use the law and decide what it had to decide.

But, we go on to see that the Head of the MTC was very, very clear in this particular *litige*. He said, what is owed to the MTC must be paid. *SMS Pariaz* owes money, it must be

paid. It cannot run away from its responsibilities and no one can come and dictate a private company what is owed to it must be paid. So, here surprise, surprise! Or should I say not to anyone's surprise, the Government, the Gambling Regulatory Authority, and that was only a slip of the tongue when I said Government Regulatory Authority – what I meant was Gambling Regulatory Authority, there was no pun intended – and, in this particular instance, the title here on 23 March 2017 is –

« *Paris – Litige Sur La Redevance : » -*

As I have said, the money that was owed to the Mauritius Turf Club -

« *La GRA Tranche En Faveur De SMS Pariaz »*

“*Tranche en faveur*”! When I look at the amendments that are being proposed here, I was quite taken aback because clearly this situation now, in my humble view, is closely connected to what is being provided for by what happened in this *litige*. Here, I go to the relevant Clause 23 of the Gambling Regulatory Authority Act which is being amended.

What is this amendment about? I read, here, in the document that was given to us, the Bill, and I read here that section 6(b) is being amended by –

“inserting, after paragraph (a), the following new paragraph -”

A new paragraph, that is –

“(aa) ensure, where a horse racing organiser is paid such amount as the Board may determine by a totalisator operator, a bookmaker, a sweepstakes organiser or an operator of dart games (...).The horse racing organiser does not prevent to totalisator operator, bookmaker, sweepstakes organiser or operator of dart games from using its race cards and fixtures.”

Funnily enough, Madam Speaker, there have been questions in this Assembly put by hon. Bhagwan with regard to what he tried to describe as being this incestuous relationship between some Members of Government and this company called *SMS Pariaz*. And, he had tried to bring this to the attention of the hon. Prime Minister by telling him that he should look into the matter because it is something which, indeed, is very dangerous because it does not make any sense when a Government says that it intends to try to fight money laundering, it intends to try to break the back of all this intricate link that there may exist and exists between horse racing and drug trafficking and money laundering and, at the same time, not do anything worthwhile to fight this scourge. Why do I say it was very important what hon.

Bhagwan said, is because when I read here what is being done in actual fact is finally as though removing the power from the Mauritius Turf Club and placing, therefore, now the power in the hands of the Gambling Regulatory Authority. They will decide what is the amount of money - the Board may determine what would be paid to a bookmaker.

It goes even further than the horse racing organiser does not prevent, in other words, the Mauritius Turf Club will have no right whatsoever to prevent the bookmaker or the other operator from using its race cards and fixtures. In other words, come what may, it is now the Gambling Regulatory Authority that is supposed to regulate, and now, this time, it becomes party to a contract between a bookmaker and the Mauritius Turf Club! That does not make any reasonable, logical sense, but what it does show in actual fact is that this is an amendment which is tantamount to interference by Government through the Gambling Regulatory Authority into the affairs of the Mauritius Turf Club. Has this in any way addressed the worrying issues that have been raised in the Commission of Enquiry Report on gambling and horse racing?

The answer is no! Because in its report, as rightly pointed out by the hon. Leader of the Opposition, the finger of blame was not only pointed to the Mauritius Turf Club but also to the GRA. The lacunas within the capacity of function of the GRA were really addressed in that report. But, here instead of coming to correct the lacunas as pointed out in this particular report, the Government has chosen only to come in to amend the law which clearly is an interference of this Government by using the GRA and Parliament in order to come and interfere in a contract to which they are not even party.

So, this, in my humble view, is quite a sad day because had this in any way had an effect on money laundering, I would have applauded Government, but it does not have any effect whatsoever on money laundering. But, on the contrary, it allows the GRA and its Board to take position for a company that is an operator, a bookmaker of its choosing and, therefore, comes to fuel what was put before this Assembly by hon. Bhagwan that there is, indeed, an incestuous relationship between certain companies, in this particular case *SMS Pariaz* and the Government. Now, this incestuous relationship is, indeed, being fuelled by this amendment being proposed in this Finance Bill and I fail, therefore, to understand why this is being proposed. What has this got to do in the battle? This particular clause what has this got to do in the battle to clean up the system?

Clearly, all the amendments being proposed thereafter in section 31 subsection (1) (A) and (B) where it says that –

“(...) by deleting the words “appointing an appeal committee” and replacing them by the words “setting up such appeal committee as the Board may approve”;

Once more, it is here not coming to correct, Madam Speaker, the wrong that exists within the functioning and the structure of the GRA, but is consolidating the position of the GRA and its capacity to abuse its position and to favour one company *vis-à-vis* another and, obviously, since there are political appointees there, I hope that they will not be guided by what political masters dictate, but they will have some independence. But, let us go outside and to all those who are listening to us in the public. Do they believe that the GRA is independent? Do they really believe that the GRA, with such additional powers that have been given by this Government to the GRA, do they believe out there, members of the public, that the Gambling Regulatory Authority is, indeed, an independent authority that can operate independently and be able to decide issues without paying heed to who are the friends of certain personalities within Government. I need not go further into what members of the public believe, I need not myself say what I believe because, it is clear for one and all, that this is a very worrying feature of what this Finance Miscellaneous Provisions Bill is all about.

There is a very important piece of this Bill which I would like to address. There are other parts which I have to address as well, Madam Speaker, but I will break because I will go longer on those other issues; for instance, National Heritage is an issue which I will deal with later on, the National Heritage blunder which I believe this Government is committing. Now, we have all heard about what has happened to one of the oldest, if not the oldest building of Port Louis, which is being demolished, to the astonishment of all those who have at heart the importance of cultural heritage, national heritage, not only to us as Mauritians, but to the future generations of men and women of this planet. But then, again, I will get into it later on after the break.

I see that there are five minutes left before the time we normally break, obviously under your guidance, Madam Speaker. But there is an issue which I believe I have time to address, which is of utmost importance as well and that is with the need to register a tax advisor. If I have not mistaken, it will be under the Mauritius Revenue Act, which proposal is being made to amend that particular legislation. And if everyone could really understand what Government is trying to do, Government is basically saying that, in this particular

section of the law, there will have to be amendments. Clause 34, a new part 3(a) to be added, and here, a tax agent -

“No person shall -

- prepare and sign the annual return of a taxpayer,
- represent a taxpayer before the authority,
- represent a taxpayer before the ATDR panel,
- represent a taxpayer before the Assessment Review Committee,
- transact any business on behalf of any person in respect of the person’s legal rights or obligations under revenue law unless he is registered as a tax agent or registered nominee of a tax agent.”

In this particular case, you have the MRA. Now, once again, we are not here in an Assembly where we are the only ones who have views. Let us not forget that we have members of the public out there, who are citizens of our country. They have views. Now, if they are to be asked whether they believe that the MRA operates with a lot of fairness and equity, they will tell you, no, the MRA does not operate in fairness. This is the general view of the public, if not the majority view of the public. The MRA is *un Etat* within a State, whereby they operate as though they are policing their way through into our private lives and treating everyone as though there is no presumption of innocence, but presumption of guilt. This is what the MRA is all about. I myself have been a victim of the MRA immediately after the elections, I had a tax investigation, and funnily enough, it just came to all members of my family on the same day, immediately after the elections, the swearing in ceremony of this Government. I do not forget about that! He was another Commissioner of Police - thank God he has been. Now, what I would like to get at, and if people did not understand who I was referring to, I meant hon. Dayal.

Now, what I was trying to get at here is the amendment that is being proposed by Government. Now, you have therefore to need the permission of the MRA in order to register as this tax agent. They are the ones who will decide who will be a tax agent and who will not be. They will be the ones who will assess how to register this person and we have to satisfy the Director General of the experience in order to represent someone as a tax agent. True it is that there must be, at least, some standards by those who are entitled to represent clients as tax agents but, in this particular case, what I find reprehensible is clause 17(e), where we go on to read here –

“It is on receipt of an application made under paragraph (a) that the Director General shall refer the application to the committee for its recommendations.”

So, we are talking here about a professional, for his whole life he has acted as a tax agent, the MRA may, for some political reasons or because they do not like someone's face, do not like the way he dresses, or he just has been so victorious vis-à-vis the MRA, he has been so efficient against the MRA, he has been so good at showing the MRA how wrong they have been and has winning cases each and every time before the relevant Tribunals and Courts, then the MRA can decide, oh no! we do not want that person to be a tax agent and we have decided, because we have assessed him, we have determined, therefore, that we will not allow him to continue acting as a tax agent! And if that person wants to act as a tax agent, it is only the Director General who can register him and the Director General may publish, from time to time, as the Director General may determine a list of persons registered as tax agents. Would that be a list for those who are in the good books of the MRA? Clearly! *Comment se fait-il alors, Madame la présidente, que ce sera pour l'autorité, la MRA qui va décider quels seront les professionnels qui auront le droit to be a tax agent ?* How can they, as one of the parties they themselves regulate, who will decide to practise an independent profession? This is conflict at its worst! This is a violation of one's constitutional right to practise one's profession at its worst. This is not to be authorised and cannot be tolerated. Now, what I am saying here is not because I have to stand up and score political points, it is me speaking to the hon. Prime Minister and Minister of Finance, requesting him to look into that particular clause again. There have been many amendments brought, not only to this clause, but to many other clauses that are circulated and which we have received at late hours at our residence, all of us.

And this is another opportunity, Madam Speaker, for him to look into this because you cannot have the MRA, as one of the parties assessing a citizen of this country, assessing a corporate entity, assessing a body, and then it is going to be the body that will decide who is going to be allowed to act as a tax agent to represent those people who are being assessed. *C'est un conflit d'intérêt* to the worst degree that anyone can imagine. Maybe the hon. Prime Minister has not gone into the intricacies of this particular section of the law because there are other sections of the law that, maybe, have had his attention because of the very important impact on the finances of this country in line with the policies that he wants to bring forward. And maybe - I can only say maybe - this is a section that he has not spent much time on, and I do not say that in any critical manner. I humbly request, therefore, that this section be

looked at again, because it must deserve the attention of the Minister of Finance and it deserves that it be removed since it would be a violation of Constitution, and totally unacceptable because it would be conflictual.

Madam Speaker: I suspend the sitting for one and a half hours. The hon. Member will resume thereafter.

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

On resuming at 2.38 p.m. with Madam Speaker in the Chair.

Madam Speaker: Yes, hon. Shakeel Mohamed!

Mr Mohamed: Madam Speaker, I would like to thank the hon. Prime Minister for being here. I would have wished that he was more surrounded. Thank you, Sir.

Madam Speaker, I was just now speaking about the section which is clause 34 of the new Bill, which I found to be quite unacceptable. Just to remind the Assembly, Madam Speaker, what I was getting at was that it was not right to have it that a committee would have to assess whether a professional such as a barrister, or an accountant or another professional could be registered as a tax agent to represent the interest of a client having to do with matters before the MRA (Mauritius Revenue Authority) because it would not be correct and it would be placing the MRA in a conflicting or conflictual position. More so and I will go further than that, you will see here that not only is this legislation adding the registration of a tax agent, but at 17(e), subsection (7) what is being proposed is the following, and I read that –

“Every registered tax agent shall comply with such directions as may be issued by the Director General.”

A lawyer, when his services are retained - and I am sure that Members on both sides of the House who are lawyers and even non-lawyers would agree with me - you are supposed to act independently and not to act under the instructions clearly of your client, but you are not supposed to act under the directions of one of the parties to the matter, that would be the Mauritius Revenue Authority. Therefore, it is sacrosanct to be able to have respect for the independence of a professional that will represent someone before the tax authorities, that is, the MRA.

Now, if that person is told in statute that he will have as a tax agent to comply not with the instructions of his client, but with such directions as may be issued by the Director

General, let us try to imagine what it would be in practice. A lawyer, an accountant, a professional, a tax expert having to, first and foremost, obtain *la permission du Directeur Général* of the MRA *pour se faire enregistrer après qu'un comité ait vérifié s'il est qualifié pour être accepté comme un tax agent*.

Autre étape, pendant qu'il est au *MRA* pour représenter les intérêts d'un de ses clients, il doit agir en toute indépendance. Il ne doit surtout pas être sous le contrôle des directives du Directeur Général de la *MRA*. Mais ce qui est proposé par le gouvernement est exactement le contraire. C'est que ce professionnel va perdre toute indépendance et quand on perd son indépendance, on perd son intégrité. Quand on perd son intégrité, on ne peut pas représenter les intérêts d'un client à la *MRA*. En d'autres mots, c'est donner le contrôle total à une des parties concernées qui est la *MRA* et de ce fait tuer dans l'œuf l'indépendance d'un professionnel qui est supposé représenter les intérêts de son client devant la *MRA*.

Je vous dis, Madame la présidente, que je suis surpris. Je ne m'attendais pas à ce qu'une clause pareille se retrouve dans le *Finance Bill*. La raison pour laquelle je suis surpris, c'est parce que précisément on a à faire avec un Premier ministre qui est de surcroît un homme de loi. Et de ce fait, je suis convaincu qu'il a un respect pour ce qui est l'indépendance d'un professionnel qui doit aller représenter les intérêts d'un client à la *MRA*.

De ce fait, quand il y a une clause dans la législation proposée qui prévoit que every registered tax agent shall mandatorily comply with directions as may be issued with the Director General, it is clearly killing the independence of this professional who is the tax agent. Now, he will be under the directives of the Director General. In other words, the Director General can tie our hands, the Director General gives you directives and you will be mandatorily obliged to follow these directives. Where is your independence? Because the reason ...

(Interruptions)

True! I thank my friend, hon. Baloomoody, for reminding me of this. It is against the code of ethics of lawyers. So, I would be happy to raise this issue and as Members of the House will see, this goes beyond party politics. I say it for the third time. Hon. Rutnah would stand up later on as usual and try to rebut what I had said, but will find immense difficulty in rebutting what cannot be rebutted. Because it cannot be rebutted that the code of ethics says what it says. It cannot be rebutted that, in fact, independence must be adhered to. It cannot be rebutted that, in fact, the law proposes exactly the contrary and hon. Rutnah should look at

the hon. Prime Minister who is trying to advise him accordingly his rebuttal. The hon. Prime Minister is therefore listening with much attention to what I am saying and this interest therefore deserves that he advises the hon. Member to rebut in such a way that would make this Government happy. Then again, it's not a question of making anyone happy; it's a question of making sure that *il y a des respects des institutions* but part of institutions are, in fact, the code of ethics of lawyers. If law and statute is going to come in to try to *dénaturer* the essence of the code of ethics, then it is statute telling lawyers that you can go against the code of ethics or you have to go against code of ethics. It doesn't make any sense. In actual fact, the reason why it's of utmost importance to raise this issue today even more, Madam Speaker, it is because *l'actualité demande*. Without getting into details, that code of ethics of barristers, of lawyers is so important to ensure that there is discipline in a vital sector of the economy, which is our law courts, which is the practice of law. Now, this statute dangerously destroys it and blows it to smithereens. There is now the element which I would like to address and, once again, to this side of the House, independence of institutions is of utmost importance. At one point in time, Madam Speaker, you will surely recall that there has been a move from various Governments, more so the previous Government to review all our laws to try to see that Government intervention in terms of ministerial intervention in matters giving decisions to Ministers should gradually be reduced and removed from our legislation. Why is that so? It is important for Government to send a strong signal, a signal that the less intervention that a Minister is allowed to have or to make by way of statute, powers given to a Minister to intervene in decision-making matters *au niveau du gouvernement*, Cabinet can decide. To give the sole discretion to a Minister, this is not the trend anymore worldwide and gradually this is disappearing from the law books and the statute books whereby there is more transparency, there is less possibility for people to go into situations that there will be some sort of perception of corruption without saying that there would be corruption. The perception is dangerous and we have to ensure that Government not only is not corrupt but is perceived not to be corrupt. But that is very important, and here I see an amendment that is being proposed in clause 21 which is the Fisheries and Marine Resources Act of 2001. Already when one looks at Section 74 of the Fisheries and Marine Resources Act subsection 1, there are a lot of powers that the Minister has under the Fisheries and Marine Resources Act. It is a pity that hon. Minister of Fisheries is not in attendance at the moment. You will recall I recently, in this Assembly, addressed a very important matter which was when he, himself, as hon. Minister, had been giving the right to aquaculture on some plot of land to another Member of this Assembly's relative.

You will recall, I talked about this particular hon. Minister who is reported to have given a nephew of his a permit for aquaculture. This, I said it in this Assembly, *avec preuve à l'appui*. Now instead of ensuring that Ministers do not and are not put in a position where they can exercise such powers so that perception of corruption is there, I am not saying there is corruption, but let us say perception must be avoided. We should, therefore, avoid to legislate in such a way as all of us are legislators. We should avoid to legislate in such a manner to give power to increase *la perception* that there is, indeed, corruption.

Let me expatiate on this. The Fisheries and Marine Resources Act is being amended in section 74(1) by inserting after paragraph (f), the following new paragraph. Therefore, the Minister will have now the sole discretion in addition to the plethora of measures and rights that he has under section 74. He will have a new one; this time to prescribe measures for allocation of fishing rights.

You know, Madam Speaker, how wide that is, one man, one person, a Minister will have now the right to prescribe measures for the allocation of fishing rights. After that very person who has not denied what I have averred, that he has recently exercised his discretion as a Minister to give to his nephew aquaculture rearing rights, instead of ensuring that this does not happen and does not multiply in terms of situations where other members of his family or other members close to Government would obtain such fishing rights - we have here statute. We are being asked, here, as legislators. Madam Speaker, we are being asked here as Members of the Parliament. We are being asked here and people are listening to us outside, to legislate and to give the right to one Minister, hon. Koonjoo, give him the right to prescribe measures for the allocation of fishing rights. Does that reduce the perception or the potential of corruption or does this increase it? Simple ! To one and all, it does not, in any way, address the issue *de la perception qu'il y a certain ministres qui se servent de leurs pouvoirs discrétionnaires de façon inacceptable et pas de façon morale, surtout de façon immorale*. La perception est là. Je me souviens récemment l'honorable Sorefan qui était il n'y a pas longtemps de cela derrière moi et qui suivait de façon attentive quand on parlait et que, lui-même, nous rappelait souvent qu'il fallait avoir clairement des règles de transparence, qu'il fallait clairement avoir des règles qui démontraient qu'il ne doit pas y avoir de perception même de corruption. Je me souviens de l'honorable Sorefan qui le disait et on l'applaudissait. Aujourd'hui il a décidé d'être de l'autre côté et j'espère que changer de côté ne veut pas dire changer de raisonnement ou perdre son raisonnement. Je l'espère. Est-ce que pour cela qu'il ne participe pas aux débats, je suis sûr que j'ai tort mais par contre j'aimerais

pouvoir l'entendre sur ce qu'on partage tous, l'importance de s'assurer que la perception de corruption disparaisse et la corruption même.

Now, there is another issue which I would also like to address here, it is the following Clause 26 – Deduction for households' employees. This has been applauded by many when wages paid to the household employees were Rs30,000 can be deducted whichever is the lower. It is a practical issue which I would like to address. Let us imagine, Madam Speaker, this particular measure and in any measure that is brought in tax amendments, amendments to the fiscal matters. There should be something that comes out of it that shows a positive not only a positive which means that Government *récolte de l'argent* mais it is a policy measure that clearly can and should be interpreted and used in order to encourage the creation of employment and to ensure that those, who are employing household employees, do not stay in the dark and contribute for those employees to the National Saving Funds and the National Pensions Act to ensure that, after they have worked at their retirement age or even in the eventuality of some sort of injury, that they benefit from something because of those contributions. So there are positive to expect from such a measure.

However, when it is said in this legislation that the maximum that will be able to be deducted with Rs30,000 annually, imagine if you go for the calculation. Hon. Rutnah has showed us; I will just go for a rough calculation and not want to make a mistake, it is clearly less than Rs3,000 a month that one is allowed to deduct from one's tax for a household employee. This is what Government is telling us; Government is telling the people at large that: "you can employ someone". In other words, the positive which I am looking at is the creation of labour because if you are encouraged to deduct what you are spending for household employees, *par exemple*, you will be encouraged, in other words, to create employment and employ more people because you will be able to deduct it. But here, Government is telling us, we are only allowed to deduct a maximum *de R 2,700 à R 2,800 par an* for all household employees. Is this not sending a message? Government is expecting what therefore? For us to understand what would be the minimum salary that is payable to household employees!

Today, the Remuneration Orders, Madam Speaker, speak after we ratify the Domestic Workers Convention of the ILO before 2014 and the Remuneration Orders that were amended following my instructions to the Remuneration Board, NRB. The report was given, and now domestic workers and household employees get more than this minimum of Rs6,000 or below Rs6,000 they were getting, and by law, they are entitled to higher wages. Here, at

the one hand, the National Remuneration Board says you are entitled to higher wages, but you can only deduct less than Rs3,000 a month from tax. Will this be a measure that will encourage the creation of employment? I do not believe so and it is a wrong signal which the Government is sending to show that, in fact, it is not encouraging employers to create employment and to pay and contribute, pay a reasonable salary, pay a reasonable pay packet at the end of the month and to contribute legally what has to be contributed *au nom de ces travailleurs*.

And to show the same stance that Government adopts in relation to workers, let us look at clause 28 which is the Insolvency Act. This is the clause that surprises me, but you see, Madam Speaker, each and every time we have stood up, not only me, but various hon. Members of the Opposition, we have said that this Government is clearly private sector oriented. We have said it. Sometimes they asked: “How, show us! You can’t just keep on throwing accusations and not showing us that we are pro-employers.” “We are pro-workers”, Government says. And all Governments say that actually! But then, when I look at clause 28, amending the Insolvency Act section 204, what clause 28, in fact, says, is, it amends the Insolvency Act to provide that where a company is in receivership, the amount unpaid in respect of PAYE, TDS and VAT shall not form part of the property of the debtor and shall be paid in full to the Director General of the MRA before payments are made to other creditors.

Let us understand what exactly that means. It means a company is in receivership and you could have workers who are owed their salaries. You could have workers who are going to be made redundant. You have workers who will not receive any compensation that would be sufficient for them in order to be able to survive and those workers are being *rétrograde, la rétrogradation des travailleurs*. The order in which they are entitled to recover something from a situation of a company that is in receivership, whereby Government, through the decision of the hon. Minister of Finance and Prime Minister, pushes itself forward and the MRA comes and supplants the position of a worker because the worker is no longer going to be entitled to receive money first, but Government will receive first. I am not saying that things were perfect before this proposal. I am saying what should have happened is to note that since the past two years, many companies have shut down. The number of redundancies has shot up. The number of people joining the workfare programme has shot up. The number of people who are now desperate, trying to leave this country because there is no job creation, has gone up. So, what to do we do for those who are losing their jobs? Do we not have to amend the law in order to ensure that we protect, not only workers who are losing their jobs;

that we amend the law to put workers in the priority position? But for Government to come and tell us that in a receivership situation, it will not be anyone else but the Director-General of the MRA in full will be paid before anyone else.

Once upon a time, I remember the former Government, Madam Speaker, you will recall, we used to say 'Putting People First'. We used to say that. And then, Members of the Opposition - and the MSM was in the opposition then - used to say: "we don't believe you because you are not 'Putting People First'". The chance and the luck has it that this Government has not used this phrase, this tagline 'Putting People First' and the reason that the Government has not used it, it's because it does not put people first. What it does, in fact, it puts the Director-General of the MRA first. It favours the collection of money by the Director-General of the MRA and relegates the issue of the suffering of the worker who has lost his job. Let me not stop only at a worker, what about a small business? What about a small supplier? What about a small enterprise? What about an SME that is indeed a client that is owed money by this company in receivership? Is this something that does not happen very often?

Très souvent, il arrive dans l'actualité même s'il y a certains qui s'efforcent à cacher la vérité et l'actualité ou à détourner l'attention des faits, l'effet qu'il y a une augmentation de chômage, qu'il y a beaucoup de sociétés qui ont fermé leurs portes, qu'il y a des gens qui ne veulent plus rester à Maurice parce qu'ils n'ont plus confiance dans Maurice. There are tonnes of people who are in those situations. People are owed money because they have supplied furniture, materials, services to companies in receivership and they end up with redundancies in their own company because they do not get their money. What does Government do to protect? Is this a caring Government? Because I thought there would be a difference between the previous Government and this one; where the previous Government has failed, this Government would succeed. This is what was sold. This is what was promised. And this is where they failed again. Because when I look at this particular clause, it can be of only four lines, but it has a lot more meaning and goes further in the hearts of people because it displaces the priorities that should be given to the weak.

It is only a caring Government that would ensure that the weak are taken care of and a caring Government would not propose clause 28 which amends section 204. And what the people out there, Madam Speaker, has to understand *et ce qu'ils doivent comprendre dans ce qui est proposé par ce gouvernement, le gouvernement au pouvoir, c'est que la loi doit être amendée pour que priorité soit donnée* in a situation of receivership. *Si c'est une compagnie*

qui a des difficultés financières, a receiver is appointed. Priorité dorénavant va être pour le directeur général de la MRA pour recouvrir ce qui est dû au gouvernement et non pas priorité aux travailleurs. C'est ça un caring Government. Sad! I expected differently because of all those promises that were made but then again almost after three years I am getting used and everyone out there were getting used to the empty promises.

Madam Speaker, it is, therefore, important for us to talk. As I said, I promised I would talk about clause 36, which is an important piece of legislation, the National Heritage Fund Act. A clause that amends section 12 of the National Heritage Fund, once again, to allow the Minister - and *juste pour la forme* - inserted therein 'after consultation with the Board'. And one knows what this Government understands by the meaning of 'consultation'. Consultation means *zet enn regard* and does not mean even listening. Madam Speaker, I was saying this to my good friend here today when we came in this morning. It is a pity because this whole purpose of even having this debate here is a process of consultation. It is not simply that *nous allons simplement faire des discours pour qu'on puisse se faire entendre. Ce n'est pas cela l'objectif d'un débat parlementaire. L'objectif d'un débat parlementaire, Madame la présidente, c'est qu'on puisse avoir des échanges d'idées et les échanges* must not be in vain.

We do not have the monopoly of knowledge and the Government does not have the monopoly of knowledge. Putting our minds together and paying attention to what we suggest is important. Hon. Osman Mahomed has drawn the attention to what is the good, the bad and the ugly - and I thought Clint Eastwood would pull out - but he had the courage and honesty, Madam Speaker, of referring to what was good in his view. It is a balanced manner, but it is a pity that we are here talking, as though what we are saying makes no sense, *on le fait pour la forme*, and we do not see Government - unfortunately, and I hope I am wrong - pay heed to what was saying, bring amendments in the interest of the nation. And it is not here any wrong if the Government accepts that maybe there are changes to be brought, but I do not see this Government able and capable of going higher than the position, the low level where they are floating right now, if they have not sunk already.

But the National Heritage Fund Act is amending it and giving power to the Minister –

“(2) The Minister may, after consultation with the Board, by regulations, cancel the designation of a national heritage where –

(a) the national heritage has ceased to exist; (...)’

Just look at this: 'the national heritage has ceased to exist'.

So, basically, what we are going to do is, it is only after it stops existing that we are going to consult, it is after it has stopped existing *qu'on va avoir consultation pour la forme, pas dans le fond*. Because, here, consultation is not even described neither is it defined; it does not say what type of consultation. It does not put an onus upon the Minister to say that he is bound to consult and it has to be public consultation. Where are views of the members of the public? Because it is not only Government - when I say Government, Madam Speaker, it is not only because hon. Pravind Jugnauth is Prime Minister that I say Government. We have been in Government as well. When I say it is not only Government, I mean, it is not also us - next time when we are in Government - who have to behave in the same way that we behaved before or this actual Government is doing it. We have to change.

Consultations, Madam Speaker, mean that in a situation like this one and others, when there are situations where a national heritage is concerned and it has to be consultations where members of the public have their say.

Madam Speaker, a lot of us here have been travelling - paid by Government obviously - and we have seen how things are done in other countries. Many of us had the opportunity to go to Geneva. In Geneva, I will recall that the World Trade Organisation at some stage wanted to extend the buildings and the facilities within the premises, the yard, the land belonging to the World Trade Organisation. The World Trade Organisation could not bring any changes to or build or even apply for a building permit without it going through a referendum. Why did it have to go through a public referendum? Because it concerns something which is essential to the national heritage and culture of the people of Geneva! This is direct democracy!

Is this not time, therefore, for us as a country, not only as some very enlightened gentlemen and NGOs have said pertaining to *le Métro léger*, which I commend, which I am all for, yes, *la démocratie directe* - we need to have a referendum on projects of such a nature that touches the hearts and the lives of people in their everyday life. Here, it touches our history and without our history, we are nothing. I remember hon. Rutnah having taken us down memory lane, he likes doing that to us. He took us down memory lane very often not only last week, but also some months back. It is important to remember where we come from. If we are to simply have changes in the law that says –

“(2) The Minister may, after consultation with the Board, by regulations, cancel the designation of a national heritage where –

- (a) the national heritage has ceased to exist;
- (b) it would no longer serve the public interest that the national heritage remains so designated; or
- (c) the national heritage needs major repairs and the cost of such repairs would be onerous (...)

Who would decide that the cost would be onerous? The Minister? Who are the experts who will decide whether the cost is onerous? What about the people of Mauritius, they do not have *voix au chapitre*? They do not have a say whether the private sector can come together and ensure that funds are found in order to keep a national treasure alive. If we are to change this, therefore, Madam Speaker, let's push the reasoning and let's look at the future, because when we legislate we do not legislate for today, but for the future as well. Imagine Government House costing too much! Let us just pull it down! The people would not have a say. Let us pull Government House down or let us bring Château de Réduit down! People do not have a say. Why? It is costing too much to upkeep it. And then after we have pulled it down, the Minister will, *pour la forme*, have consultations and those consultations do not say with whom and will say: 'Well, you know, it was costing too much, too onerous and, therefore, it no longer needs to exist and, therefore, let us declassify it.' *Après la mort, la tisane!* Is this what this Government is proposing? *Après la mort, la tisane!*

(Interruptions)

You see they have confused me too much.

So, what do we do? Do we accept such a piece of legislation? I can assure you, Madam Speaker, that the Government will not change this piece of legislation, even though there are pressing arguments coming from one's heart asking that this legislation be changed in order to protect our national heritage and not to leave it in the hands of someone. What does this amendment say? It does not even propose public consultations. How can we live members of the public out of it?

So, *demain on peut avoir le musée de Mahebourg, on peut avoir le musée de Port Louis*, let us bring it down, *parce que cela coûte beaucoup d'argent* and the Minister has decided, that's that ! If that is the case, why do we have legislation? Let them do what they wish! This is the whole attitude which I have an issue with, Madam Speaker.

As I said, and let me conclude on that, we do not have the monopoly of knowledge. Government does not hold the monopoly of knowledge. But what we do have, in fact, is the members of the public out there have a right. They have a right to have their voices heard and they have a right for those voices to be taken into account, their various opinions to be weighed and it is only when this weighing exercise, this analysis has been made, listening to the people that we can take a decision, a decision in the interest of the people. But we cannot have a Government that comes and says: *‘pour la forme on va avoir un débat; pour la forme on va entendre des vociférations; pour la forme on va entendre des mots, mais en ce qui concerne les idées, on ne va pas vraiment prendre en considération quoi que ce soit, parce que* - as hon. Gayan sometimes said it, he puts it better than I do - Government is Government and Government decides.”

I mean, he does not have to say that, I know that. But then again, we expected a different Government and this is what the people expect out there, a different Government! And, I just can hope that the hon. Prime Minister has listened to what I have said and it will not fall in deaf ears and if it does, we will change it soon.

Thank you.

Madam Speaker: Hon. Rutnah!

(3.13 p.m.)

Mr S. Rutnah (Third Member for Piton & Rivière du Rempart): Thank you, Madam Speaker. Madam Speaker, every year as nights follow days, whenever a Budget Speech is made in Parliament, there is a natural consequence of presenting a Bill of this nature which is called the Finance (Miscellaneous Provisions) Bill in order to deal with the changes that have been enunciated in the Budget debates.

So, it is a natural consequence of the Budget after its presentation that there should be a Finance Bill. The Finance Bill then brings changes to many laws as a consequence and in doing so, it also reflects the spirit and intendment of Government policy, of Government’s aims and objectives as to where the country and how the country’s public affairs will be managed.

When hon. Shakeel Mohamed started his speech, he took issue with the objective of the Bill which reads as follows –

“The object of this Bill is to provide for the implementation of measures announced in the Budget Speech 2017-2018 and for matters connected, consequential or incidental thereto.”

Which is why, when I started I said that it is a natural consequence after the presentation of a Budget that comes the Miscellaneous Provisions Bill. This is not for the first time that such wordings have been used in the Finance Bill. I see the hon. Leader of the Opposition looking at me, when he was Finance Minister in 2013...

(Interruptions)

I have not criticised his credentials yet!

(Interruptions)

He also used similar wordings and the wordings that were used and in those days hon. Shakeel Mohamed was in Government...

(Interruptions)

Two Bills...

(Interruptions)

Madam Speaker: Please, do not interrupt the hon. Member!

Mr Rutnah: But, in any event, in 2013, this is how the object of the Bill was worded

—

“The object of this Bill is to provide for the implementation of measures announced in the Budget Speech 2014 relating to taxation and national finance and for matters consequential and incidental thereto.”

So, the criticism levelled by hon. Shakeel Mohamed, the First Member of Constituency No. 3, is not well-founded when he says that he has seen nothing in the Budget Speech about the Freeport. I have a copy of the Budget Speech and if we look at the Annex of the Budget Speech at page 37 at paragraph B.4., there is a paragraph on Freeport and this is how it reads —

“Amendments will be brought to the Freeport Act as follows —

- (a) with respect to manufacturing activities the restriction of 80 per cent of the annual export value towards Africa for all export activities undertaken in the Freeport is being reduced to 50 per cent;
- (b) a new legislative framework will be worked out by the Board of Investment to enable the transition from a Freeport to a freezone concept, and
- (c) to review the Second Schedule to cater for companies incorporated in Mauritius and providing Freeport related services outside Mauritius such as advisory, marketing, engineering, project management, technical support and related services.”

Now, let me explain what and how the Freeport works. Madam Speaker, there are three types of Freeport. First, the private Freeport developer, he owns the Freeport infrastructure and carries out Freeport activities himself. Then we have a second type which is the third-party Freeport developer. The third-party Freeport developer owns the infrastructure which is leased to Freeport operators and we have a third type of Freeport which is Freeport operators.

The Freeport developer in the zone that we are dealing with, that is, which is to be found in Clause 22 and I will also be referring to the Explanatory Notes prepared by the hon. Prime Minister and Minister of Finance and Economic Development. Madam Speaker, the zone which we are concerned with is zone 17. It says here in the Explanatory Notes, Clause 22 amends the Freeport Act in First Schedule to provide for removal of zone 17 of an extent of 593.49 metre square from the Freeport area situated in Plaine Magnien as it is no longer used for Freeport activities.

Now, who owns the Freeport? It is not the Government. It is a private undertaking. The Government does not own the Freeport. If that Freeport is not being used for the purpose that it was intended to or if there is no one to lease that Freeport because as far as I understand, zone 17 was leased to someone who was storing mobile phones and other phone related products in the warehouse. Then, they left and it was lying there.

So, obviously, the private developer, the private third-party Freeport developer is not going to lose money. That is why it has to be dezoned. When I say dezone, I mean de-zone, because there is a zone, not ‘disowned’ but ‘dezoned’. It has to be dezoned. Why it has to be dezoned? Because the private company can lease it to others for other activities or the private

company can use it for its own other business activities to develop the land, to develop the facilities, etc.

This is not the first time that Freeport has been dezoned in this country. It is not the first time! In fact, in the past, when the Labour Government was in power, at least, I can give one example when Freeport was being dezoned by virtue of Government Notice. There was a Government Notice No. 28 of 2014 which was gazetted on the Government Gazette of Mauritius No. 22 of 08 March 2014 and in that Government Notice, the First Schedule to the Act was amended by deleting zones 13 and 23. So, this is not the first time that a dezoning exercise is being carried out. If we would have done this exercise similarly as the Labour Government was doing by virtue of Government Notices, then you would have seen Members of the Opposition running here with Motion of Disallowances and criticising us. But now, at least, after the Budget Speech, it has been included in the Finance Miscellaneous Provision Bill. So, today, for us to be criticised for dezoning something which is not in use, is not fair by any standard. And I anticipate the First Member for Port Louis Maritime will realise that the dezoning exercise is not something new. It has not put into peril and risks the society, people in Mauritius, taxpayers, but, on the contrary, it has assisted so that that facility can be used by others and create economic activities so that there be multiplier effect into the economy.

Then, hon. Shakeel Mohamed also dealt and made attacks against how we are changing the law in relation to the Gambling Regulatory Authority, and it seems that he tends to forget or have selective memory about the Gambling Authority that was in place prior to our coming to power. I am not going to name names, but we know how a very close agent in Constituency No. 5, Mr B. went to the Gambling Authority with an empty envelope and exited with a licence; we know. So when today we hear about incestuous relationship with this Government and those in the gambling Authority, perhaps we should look back and see how incestuous it was previously. Today, Madam Speaker, if we are facing all kinds of allegations that are going on in the Commission of Enquiry, is it as a result or as a consequence of what has been happening since 2014 at the Mauritius Turf Club and at Champs de Mars? Is this as a result of these two and a half years? Or is it as a result of systemic failure of the previous Government which has given licences left, right and centre, and allowed quite a lot of illegal activities to take place at the Champs de Mars? Today, what we are doing? We are amending the law to curb those illegal activities that used to take place at the Champs de Mars and, in particular, those who have been given licences. Now, let's

look at the Explanatory Note, because I cannot explain it better than what has been produced in this Explanatory Note, and I am very grateful to the hon. Prime Minister and Minister of Finance for having provided this assistance to us. Madam Speaker, clause 23 amends the Gambling Regulatory Authority to provide for the following –

- Banning of cash betting transactions as may be prescribed to increase audit trail on betting activities.

Now what is wrong with this? Can we be criticised for this? When we hear about money laundering going on, money laundering taking place at Champs de Mars, can we be criticised if we are going to ban cash betting transactions?

- Introduction of an account-based betting together with a player card programme system to facilitate tracking of offenses related to money laundering.

Is there anything wrong with it? We have not been criticised on any of these point-by-point, but just to come in the House and to make general criticism and to voice all kinds of venoms and, I will not say innuendoes, but making all sorts of allegation, insinuation against those who are today in charge of the Gambling Regulatory Authority.

- Making it mandatory for licensees operators earning Rs10 m. or above to report and file suspicious transaction to relevant authorities for a more effective fight against illegal activities in the gambling sector, and for tracking of offenses related to money laundering again.

Today, the Champs de Mars has become a product of money laundering and it has become a *fief* of criminals who are engaged in financial crime. It has become a place where from financial crime people have engaged themselves into drug related activities. So, are we not right to do this? Is the population not going to benefit from this? Is not our country going to benefit from these kinds of measures to deter criminals who are now and who were previously engaged in criminal activities in Champs de Mars?

- Introduction of the personal management licence for horse racing and gaming sectors to foster integrity and better supervise gambling activities.

Operative words, important words: ‘integrity’, ‘foster integrity’ and ‘better supervise the gambling activities’.

- Making it mandatory on every licensee other than a collector or an operator of dark games to prepare and submit his financial statement in accordance with international financial reporting standards.

Have his financial statements audited by an auditor licenced by the Financial Reporting Council not later than six months after the end of the financial year submit the audited financial statements to the GRA and the Mauritius Revenue Authority. There are a number of other changes, Madam Speaker. Now, why all these changes? Why? Because there is in existence a report! There is a report dated June 2016, Report on the Implementation of the Recommendation of the Commission of Inquiry on Horse Racing in Mauritius. Now, let's see this report which was commissioned by the previous Government, published last year, where recommendation 3 reads as follows -

“A revision of the Gambling Betting Laws on betting in Mauritius to help address the illegal betting market and provide funding for integrity measures. “

And then it refers us to sections 3, 5 and 8.

Now, what I have referred to earlier on, Madam Speaker, from the Explanatory Note, are they not consistent with what has been said in that report? Is it not what Government is trying to do, to implement the spirit and the intention of this report and to ensure that illegal betting, illegal activities, money laundering and criminal activities do not take place anymore at Champ de Mars down there? That we bring some degree of honesty and integrity in how the affairs should be run there. I do not see how when we do good things, it tends to be incestuous as qualified by the First Member of Constituency No. 3.

Madam Speaker, we are not removing the power from the Mauritius Turf Club. The Mauritius Turf Club will continue to be the Mauritius Turf Club, as a body independent, as a body that is going to be involved in horse racing. But there will be also the GRA. It will be there. It will function independently. I am glad, early on, when dealing with the Mauritius Revenue Authority in relation to registration of tax agent, hon. Shakeel Mohamed stated that we should trust lawyers. We should trust people who are in the discipline of law because they act independently. It is sacrosanct to have their independence. I trust and I anticipate that everybody in this country trust those who are running the GRA because they are lawyers. Lawyers are trained, Madam Speaker, to use their independence even if personally you are against something, but as a lawyer when you look at it within the legal framework, you have to reason it legally and to apply the law in doing so. So, it cannot be said that in one situation,

when a lawyer is chairing a committee, then it is okay, but when it comes to GRA, then it is not okay. I think it is an unfair criticism, Madam Speaker. This Government especially is not and will never try to interfere with the affairs of the Mauritius Turf Club.

Madam Speaker, I would also like to deal with clause 34 that the First Member of Constituency No. 3, Port Louis Maritime, spoke about. He dealt with the issue of tax agent. This is a new regime, Madam Speaker. It is a new regime and obviously there might come a time when Government will have to think about how to ensure that things are done properly. But looking at the Explanatory Note, let us see what is in it -

“Only tax agents registered with the MRA will be allowed to prepare returns and transact business under the revenue laws. A member of the Mauritius Institute of Professional Accountants or a member of the Bar Council will be deemed to be registered.”

I can see why. Because accountants and lawyers are people who are trained professionally to act independently and to always ensure that due diligence is being exercised during the course of their profession. We know these days, there are many people who are not accountants or many people who claim to be chartered accountants or professionals when, in fact, ...

(Interruptions)

Madam Speaker: Please!

Mr Rutnah: ... sometimes they are partly accountants and partly something else. It is like a mermaid, partly fish and partly woman. You cannot have an accountant who is partly accountant and partly - I do not know - may be a politician. But, Madam Speaker, there should be a logic. Logic should prevail.

(Interruptions)

Madam Speaker: No crosstalking, please!

Mr Rutnah: So, it is important - I see my hon. friend is listening to me intently - to have people who are professionals and who can act independently. For the MRA to register an accountant, a chartered accountant, an accountant who is certified to practise, an accountant as a professional, that applicant will have to prove that he is a chartered accountant and he is not partly accountant and partly mermaid. He will have to submit his application. He will have to submit his certificates. He will have to submit all his credentials.

Then, he will be able to register. Similarly, the lawyer, the barrister, the member of the Bar Council will have to produce evidence that he is a member of the Bar. That he has been called to the Bar somewhere in England and Wales, in New York, in Commonwealth countries, in Mauritius or elsewhere where it would be acceptable for him to practise law in Mauritius and to join the MRA. So, this is really safeguard. It is important because we cannot afford in Mauritius to have people who claim to be professionals, but they do not act like professionals. This is where you start to doubt their credibility, you start to doubt their competence and then one day it happens by virtue of the conduct, by virtue of the behaviour, the gloves are suddenly off. We do not want this to happen. Gloves are off! And the gloves have been off as we know. So, this is very important, Madam Speaker.

(Interruptions)

Dezone! My learned friend, hon. Ramful, wants me to go back to dezone, Madam Speaker. I am not going to go back to dezone. Maybe you and I can discuss the dezoning ...

Madam Speaker: Why do you pay heed to what he said? You are addressing me!

Mr Rutnah: Madam Speaker, maybe I should invite the hon. Member for a cup of tea or for a cup of coffee and I will discuss it with him later on.

(Interruptions)

Madam Speaker, as far as the criticism in relation to clause 21 is concerned, clause 21 deals with the Fisheries and Marine Resources Act ...

(Interruptions)

Yes, after the mermaid, Madam Speaker, I go to the fisheries now! But I am not going to dive into the ocean to fish; I am simply going to dive into the heart and mind of the people of Mauritius who are listening to me today.

Madam Speaker, clause 21 amends the Fisheries and Marine Resources Act in section 74 to regulate the allocation of fishing rights, including conditions on catch and fishing quotas, characteristic of vessels and management measures. Who will decide this? It is going to be the Minister. How is he going to do that? Now, let us look at clause 21, Madam Speaker. Clause 21 reads as follows –

“The Fisheries and Marine Resources Act is amended, in section 74(1), by inserting, after paragraph (f), the following new paragraph –

(fa) prescribing measures for the allocation of fishing rights”

Now, who is going to prescribe these measures? Of course, it is the Minister. This is not for the first time in legislation. It has been said that a Minister is going to prescribe an action. It is not for the first time. This kind of drafting has existed since time immemorial, since the colonial powers to since when we got independence up to now.

(Interruptions)

Yes, it is changing slowly but surely. Now the consultation with the Board is changing. It is not only the Minister. There is a Board, Madam Speaker. The Minister has been elected by the people of this country. He represents the people. Some time when I come to the House, I hear many people say that for everything we have to do a referendum. You want to change a law, we have to do a referendum. You want to change something in the biometric card, you have to do a referendum. But we cannot run a country on the basis of referendum when we are democratically elected Members of Parliament, who are accountable to the people of Mauritius, who are accountable to the State. We have to trust those who run the affairs of this country and the people have trusted us. The people have put their trust, their confidence and their faith in us.

The Minister, who is in charge of fisheries, has 2.4 million kilometres of ocean to look after. Of course, as he said himself in the radio programme the other day, he is not going to take 2.4 million kilometres of ocean and do ‘ting ting’ with it. He has to work, he has to ensure that the ocean economy is exploited in such a way that we benefit from it, our children benefit from it. The future of this country benefits from it. But people...

(Interruptions)

Please! Madam Speaker, when the hon. First Member of Port Louis was on his feet, I was listening to him.

Madam Speaker: Yes, I understand. Please, continue! Please, do not disrupt him! Do not look at them! Look at me!

(Interruptions)

Mr Rutnah: Thank you, Madam Speaker. Here comes the man in charge! Madam Speaker, as I was speaking about the fisheries, the Minister is on his way to take his place. I am sure, Madam Speaker, when he is going to make decision, he is going to ensure that there is no part mermaid or part accountant during his consultation with the Board to make

decision about fisheries and he is going to make the right decision for the people of this country, for the nation of this country in order to ensure that the future of the ocean economy has a boom in the years to come and that we will be able to sustain our economy jointly with the fisheries.

(Interruptions)

Madam Speaker, they may make whatever comments, but the truth is this, that the people of Mauritius have put their confidence, their faith in hon. Minister Koonjoo, who is in charge of the fisheries industry.

Madam Speaker, then my learned friend, the First Member for Port Louis Maritime and Port Louis East also criticised clause 28, the Insolvency Act.

Now, let us see what is in the Insolvency Act. He takes the issue of who is going to get paid first. Now, clause 28 amends the Insolvency Act in section 204 to provide that where a company is in receivership, the amount unpaid in respect of PAYE tax deducted at source or VAT shall not form part of the property of the debtor and shall be paid in full to the Director General of the MRA before payments are made to other creditors.

Similar provisions have been made in the Income Tax Act and Value Added Tax Act. We have just been accused of a Government of private sector and I do not understand why. Why are we a Government of private sector? We want to be a Government of the private sector and the Government of the public sector so that the private sector and the public sector can walk hand-in-hand to lead this nation to prosperity; that is what we want. As a Government, we have to be able to track in private sector and together with them, we develop this country, we develop this economy.

But let us look at the crux of the matter in clause 28. To whom do companies owe normally? Is it to the small people of Mauritius? Is it to the population, or is it to banks, or is it to big corporation, big financial institutions? Why the big financial institutions should get money first and not the Director of the MRA? A company which has failed to be bound by its obligation to pay the MRA the revenue that it owes and that revenue is supposed to be public purse. Why the Director General of the MRA should not get it first? Because it is public purse! It is money that belongs to the State. It is money that belongs to the people of Mauritius. It is our money. It is the money of the workers of this country. It is the money with which the children of this country will be served with for the future of this country. So, why on earth the first chunk should not go to the Director of the MRA? Because the money that is

collected by the MRA is not used to keep in a safe somewhere in Vacoas or elsewhere or this is not money that is going to be taken to Italy. It is money that is going to be used to finance public affairs in Mauritius. So, Government is absolutely right to ensure that the first chunk goes to the Director of the MRA and then others are classified thereafter, the big corporation to whom the debt is owed.

Madam Speaker, I will also deal with the criticism that has been levelled against us in relation to the identity card. I am not going to be long because my very able friend, hon. Yogida Sawmynaden, has replied. But why I want to reply as well a little bit is because this was an issue that was very close to my heart when the Labour Government came with legislation that they are going to introduce biometric identity card and that they are going to save the data of the biometric identity card, and that was dangerous. That was dangerous to such an extent that people started to protest on the streets of Mauritius and the protests were such that it became one of the main electioneering issues in 2014. And we promised people that there will be an identity card, but that identity card is not going to save your personal data. Your fingerprint is not going to be there and there will be no other biometric data with which you will be able to track down easily. And I am glad my very able and learned friend, the Attorney General has circulated an amendment in relation to this issue and he has, in doing so, Madam Speaker, circulated an amendment in relation to paragraph 37 (d) and in the proposed subsection (3) (f) by deleting the words ‘fingerprint images’ and I am glad he did it because there were some issues in relation to this because people tend to be scared when they see that their fingerprint images are going to be saved somewhere. Although temporarily, but it does not reflect the spirit and intendment on the issue on which we campaign. Now that it has been removed, I am personally comfortable that these changes are compatible with the Human Rights Convention. So, I can go and sleep nicely without having any problem of thinking about the adverse effect that this might have. And I am grateful to both my learned friend, the Attorney General and to my learned friend the Minister of Technology, Communication and Innovation.

Madam Speaker, the other criticism that we face today is in relation the National Heritage Fund. The National Heritage Fund, Madam Speaker, is clause 36 and it reads as follows: Clause 36 amends Section 12 of the National Heritage Fund Act to allow –

“The Minister may, after consultation with the Board, by regulations, cancel the designation of a national heritage where –

- (a) the national heritage has ceased to exist;
- (b) it would no longer serve the public interest that the national heritage remains so designated; or
- (c) the national heritage needs major repairs and the cost of such repairs would be onerous, subject to the Board having considered all possible means of preservation with relevant stakeholders.”

What is wrong with it? What is wrong if something is not going to serve the purpose that it was intended for? Why spend money on it? Why? My friend has criticised a lot, but he has not suggested any alternatives. He asked: “where are the views of the people?” Where are they? But how do we do that if for every single decision we go and seek the views of the people, then when are we going to make decision? When we don’t make decision, when we take time to make decision, we get criticised that this Government is not doing anything. But when we do things, they say: “the views of the people are not respected”. So, they try to put us in this catch-22 situation, that when we do something it is not good; when we don’t do, they are not doing anything. So, it is not fair simply to criticise, simply to come and say that everything is going pear-shaped in this country.

Madam Speaker, I am glad that, as always, changes are being brought into our legislation to modernise our country, to modernise the way the affairs of our country are run, and to do so, it is important that we debate here and that is what we have been doing since this morning and the debate will continue. I fully support all the measures that have been announced by the Prime Minister, Minister of Finance and Economic Development. And I am grateful for having given me the opportunity to express my opinion on the Finance (Miscellaneous Provision) Bill.

Thank you.

Madam Speaker: Hon. Yerrigadoo!

(3.59 p.m.)

The Attorney General (Mr R. Yerrigadoo): Madam Speaker, thank you for allowing me to intervene. There are not many issues left to be addressed, so I won’t be very long. The basis for this Finance (Miscellaneous Provisions) Bill is, of course, the Budget Speech. But one must know that it is not just the Budget Speech, that is, the speech itself. Together with the Budget Speech, the hon. Prime Minister and Minister of Finance and

Economic Development took the pain of circulating the annex, and not only the annex, a booklet depicting in a very clear manner all the projects intended and all the schemes and the policies encompassed by this Budget Speech.

So, when we come today in this Finance (Miscellaneous Provisions) Bill and the different provisions, about the 58 legislations which are being amended in consequence or to give credence to the implementation of this Budget Speech, this is what we take as a whole. And I am happy that hon. Rutnah, who spoke before me on the matter relating to the Freeport Act, clearly showed on which page of what annex this specific measure was alluded to.

Also, when this Bill was circulated, it was not circulated alone. As has now been the practice in this House, the existing provisions which the Bill seeks to amend were circulated. But the hon. Prime Minister did not stop there because we know it is very technical and it is very complex. He also circulated an Explanatory Note on the Finance Bill.

Now, let me say something; it has been two weeks since the Finance (Miscellaneous Provisions) Bill was circulated. True it is, it was re-circulated with the Order Paper last week together with these two aids to fully understand it. But hon. Members of this House, I think we were sitting on the Budget Speech itself, had been given a copy of the Bill. And it is good we have been given full two weeks to look at it. So, I will now allude to certain specific provisions.

Firstly, there is one by the hon. Leader of the Opposition on an important amendment; the new proposed section 123 (c) of the Income Tax Act. This is the one which will provide now for the yearly provision to be made electronically to the MRA of statement of financial transaction. Now, again true he said there are some 50,000 companies in Mauritius. It is not as if we are going to have bundles of papers. The MRA has already gone on the digital age, dedicated servers. So, it will be made electronically. Now, by whom? What does the legislator say? By an individual, a *société* or a succession that made the deposit exceeding Rs500,000 or deposit exceeding Rs4 m. in the aggregate, in the preceding year, or secondly by a person - so it caters for the second category - other than an individual, a *société*, a succession who made a deposit exceeding Rs1 m. or deposit exceeding Rs8 m. in the aggregate, in the preceding year.

Now, a statement of financial transaction should contain all the relevant details, bank account numbers, total deposit made and the balance as at 30 June in the preceding year.

Now, Madam Speaker, banks do not operate in a vacuum, banks operate according to the provisions of the Banking Act and the regulations that the Bank of Mauritius as regulator makes under the Bank of Mauritius Act. Secondly, the MRA also does not operate in a vacuum, it operates under its own legislation, the Mauritius Revenue Act.

So when, every year, Ministers of Finance come to this House and propose new policy measures, and we come here with a Finance (Miscellaneous Provisions) Bill to amend certain Clauses, one must not just look at those Clauses. If one looks at the Banking Act itself, I am talking about the issue of confidentiality when transmission of information, as sensitive as these are concerned, so this is totally safeguarded, Madam Speaker.

The specific question was relating to the offshore sector, whether we all know Category 2 Global Business Licence (GBL2) are not tax residents. I wish to state here that I am advised by the Financial Services Commission that this new paragraph (a), as it is here, shall not apply to the GBL1, that is, Global Business Licence Category 1 companies as well as not to GBL2, licence issued by the FSC. It shall also not apply to an individual who is a non-resident as well. So, this clearly applies to residents of Mauritius.

Now, I will not dwell into why we excluded them. These are intern governed by their own laws. We all know the nature of Global Business Sector, we all know about the FIAMLA, we all know about the powers of the MRA and the Bank of Mauritius, and we all know there is one particular section, Section 15 of the Mauritius Revenue Authority Act relating to fiscal investigations. So, to reply straightly to the Leader of the Opposition, global business is not covered by this and confidentiality is totally ensured.

Now, on a few of the measures, the National Heritage Act, again if we look at the existing provisions which have been circulated, the Minister already has the power to delist. So, if we were to come on this Finance Bill today, and introduce a new power, giving the Minister with a portfolio of national heritage, this new found power to delist, then there would be cause for concern. But let's look at the existing provision which is to be found at page 96, as circulated. So, how is something designated as National Heritage? Well, it is the Minister who designates, after recommendations by the Board. If you read Section 12 - which is reproduced, circulated to all Members - Designation of national heritage, it says -

“12. Designation of national heritage

The Minister may, on recommendation of the Board, designate by regulations

—

(a) any monument; (...)"

And subsection (2), the Minister already has the power to delist. What does subsection (2) say, as is read –

“(2) The Minister may, after consultation with the Board, by regulations, (...)"

Once again! Hon. Mohamed has been Minister; he knows regulations are brought to Cabinet. Cabinet approves the regulations, regulations are gazetted, and regulations are laid on the Table of the National Assembly. If there is cause for concern under the scrutiny of the National Assembly, there can be a motion of disallowance, as has been the case recently. So as to say that the Minister goes ‘*coucou*’ and Minister does anything with no scrutiny whatsoever.

What does this provision say? It says –

“(2) The Minister may, after consultation with the Board, by regulations, cancel the designation of a national heritage (...)"

Which the Minister, himself, would have designated by regulation prior, where –

- “(a) the national heritage has ceased to exist;
- (b) it would no longer serve the public interest that the national heritage remains so designated; (...).”

And what is now being done, because it is a reality. Of course, we all treasure, we all wish our national heritage to be preserved. One important thing: with what money? This is where we should all put our heads together because, in fact, the Act we are amending is the National Heritage Fund Act. What does the Act do apart from setting the Board? It sets up a Fund, and it is from monies in that Fund that things are repaired, renovated etc. But it costs a lot of money, and however much we would like to maintain our *patrimoine*, if it were a *patrimoine*, we have included now, in a very simple drafting manner, three circumstances –

- “(a) the national heritage has ceased to exist;
- (b) it would no longer serve the public interest that the national heritage remains so designated;(...)"

Already in our law, and we add a third one because it is a reality, we live in a real world –

- “(c) the national heritage needs major repairs and the cost of such repairs would be onerous, subject to the Board having considered all possible means of preservation with relevant stakeholders.”

It says it all.

So, it not just the Minister saying ‘Hey, I want to delist this, I want to delist that.’ There are caveats. Now, in this Budget, it’s all good to talk, but what has the hon. Prime Minister and Minister of Finance done in this Budget? He has made provision in addition to the rehabilitation of the Plaza Theatre, of the Curepipe Town Hall, of the Port Louis Theatre. He has identified 14 other historical and cultural heritage sites for rehabilitation and refurbishment which run into hundreds of millions and it’s all in the annex to this Budget. So, Madam Speaker, it is not true to say that we have not thought about this and we are just acting *au détriment de notre patrimoine*.

I would not wish to comment on the demolition of La School, because I understand there is a case in front of Supreme Court right now. Suffice to say, I have checked and rechecked it has not been listed as national heritage. It was not listed, has not been listed so it would not be correct to say that we were demolishing a monument which was listed on our national heritage laws. So, it is not correct to say that.

On a few other issues, Freeport Act, hon. Rutnah has said. My learned friend Yogida Sawmynaden has aptly responded to the issue about the National Identity Act. I think that is clear now. There are some amendments; I will now allude to the amendment which will be moved by the hon. Prime Minister at Committee Stage. Before I go there, on the issue of the tax agent, hon. Prime Minister is going to enlighten us on a number of issues, we have all been listening very carefully. What is the intention? Many of us here have practised before the Assessment Review Committee. In the old days, what was the practice is the income tax raises an assessment, and you did not really have radiation. Of course, you would have time limit, you would go before the ARC. At some points you would then say : ‘Okay, I want an informal meeting.’ Then, we know informal meetings can drag on etc. But it is a matter of fact, that anyone and everyone appears before the ARC, and sometimes that protracts matters, and more often than not people come and say: ‘You know, there was just a guy doing up my accounts, I am now going to go and look for a professional.’ What has happened since? The MRA is going more and more on the mediation side. Successive Governments have tried to push it, to cause people to talk at an early stage for them to settle. From an informal structure,

it has become more formalised with an inbuilt structure inside the MRA itself. So, there is a new limb for professionals to practise, *un nouveau corps de métier est en train de se designer* in relation to tax agents. That is one thing.

Secondly, hon. Gayan, earlier on, when talking about something else which the hon. Leader of the Opposition alluded to, about drafting and rules of interpretation, talked about the new stem journalist rule. Let me reassure hon. Members that in the Mauritius Revenue Authority Act, the Director-General has specific powers. He cannot go outside these powers and there is a reason and an ambit wide set up. He will certainly not be issuing directives to professionals, be it Barristers, Solicitors or professional Accountants to tell them how to conduct their cases in the hearing before him. This is not the ambit of those directives at all. Those directives would, of course, be coming through the form of regulation and not just administrative instruments. So, I wish to reassure hon. Members of the legal profession and all professionals, legal profession of which I also form part, that this is certainly not the case. There is no infringement to our beloved Code of Ethics and to the Cabinet principle and to what not. So, let us not go into that.

So, on the amendments something people have not been talking about right now, in Clause No. 8 there is an amendment to the Civil Service Family Protection Scheme. In fact, in the Budget, the hon. Prime Minister and Minister of Finance and Economic Development stated that the Civil Service Family Protection Scheme Act will be amended to take on board religious marriages which have been registered in the Registrar of past religious marriages, enhance accountability with respect to preparation of financial statements and other operational issues. Now, the amendment caters for, if there is the apportionment, the fund in fact caters for in any actuarial manner for a beneficiary to the fund. On the death of a contributor to the fund, of course, he would have his would-be beneficiaries, wife and children.

Of course, because the fund would cater only for the apportionment for one wife, but as our law stands, it caters within the precincts of our law and our Code Civil. If there were to be properly registered religious marriages as Well, this would be apportioned equally between the spouses. So, this is the ambit. Because no one has alluded to it, I thought I would explain that relating to the pension and to the children's dues.

All the other amendments have already been alluded to, fingerprinting and the rest is to do with the commencement. On the second page, when you look at Clause C and Clause E

you know this is to be done in the commencement. As our learned friends would know, you would have the commencement clause in the Bill which is very important because when you are making consequential amendments and for the commencement and different dates may be fixed for the different coming into operation of all these things.

So, I believe all the points have been addressed. I would not be dwelling further. Let me, before finishing, just pay tribute to all the officers of the Ministry of Finance and Economic Development and of the Attorney-General's Office under the guidance of the Solicitor-General, Parliamentary Counsel and all her staff, because as soon as the Minister of Finance finishes his speech there is a *veritable course contre la montre* to capture policy and to amend legislations and all these people, women and men, to this in a remarkable manner. They work under tremendous pressure and they always deliver at the expense of so many other things. I would wish before ending to commend all these people who work and make all these things happen for us, hon. Members, to stand in this House and to be able to speak on that Bill.

I commend them, Madam, and I thank you for listening to me.

Madam Speaker: Hon. Uteem!

(4.17 p.m.)

Mr R. Uteem (First Member for Port Louis South & Port Louis Central):
Madame la présidente, les années se suivent et se ressemblent. Chaque année, à pareil époque, le ministre des Finances nous présente son *Finance Bill*. Un *Finance Bill* qui au fil des ans est devenu un véritable fourre-tout. Malgré le *ruling* du *Speaker* d'alors, en date du 21 juillet 2009, et les *Standing Orders* que Madame la présidente, vous-même, vous avez bien vaillamment cité, force est de constater qu'une fois de plus dans ce projet de loi devant nous aujourd'hui il y a plusieurs amendements à des lois qui n'ont absolument rien à voir ni de loin ni de près avec les finances ou les taxes. Un exemple, les amendements au *Clinical Trials Act*.

Certains amendements, Madame la présidente, mériteraient un texte de loi séparé avec un débat spécifique sur la question et je suis sûr si on avait un projet de loi séparément pour la *GRA Act* ou pour le *NIC Act*, il y aurait eu plusieurs intervenants sur le projet de loi. Toujours est-il que, Madame la présidente, nous nous retrouvons aujourd'hui avec un *Finance Bill* qui contient des amendements à pas moins de 56 textes de loi dans un document long de 147 pages. Mais je dois souligner que le Premier ministre a fait un effort cette année.

On amende seulement 56 textes de loi alors que dans le *Finance Bill* de l'année dernière on amendait 57 textes de loi. Donc, un de moins c'est toujours cela de gagné.

So much for the form, Madam Speaker, let us turn to the substance of the Bill. I am not going to go through every single amendment that is being proposed in the Finance Bill. We already had a thorough debate on the Budget Speech. What I propose to do is to limit myself to the few specific amendments which either had not been dealt with at all during the Budget Speech or had not been dealt with sufficiently in the Budget Speech and which are now before the House.

I will start with the Public Debt Management Act and I entirely agree with the hon. Leader of the Opposition that we should have had a separate Bill before this House dealing only with this very important piece of legislation. As announced in the Budget Speech at paragraph 339, the Public Debt Management Act is being amended to change the method of calculating the public debt ceiling. This amendment is welcome. It is welcome because for a number of years now, we, on this side of the House, have been criticising the Government for artificially defining a mode of calculation of public debt which does not, in fact, reflect the reality of the situation. For example, for the purpose of calculating public sector debt ceiling we don't take into consideration debt of banks and insurance companies owned by the Government which is not guaranteed by the Government. Similarly, certain debts incurred by certain enterprises are not within the definition.

So, the new method of calculating public sector debt is an improvement but, still not entirely satisfactory. Hon. Members will recall how the hon. Prime Minister in a joint Press conference with the Indian High Commissioner a few months ago explained that the billions of rupees of loan that we will be getting from the Government of India so generously will not form part, those debts will not form part, of our public sector debt for technical reasons because of special purpose vehicle which will be issuing preference shares.

I think, Madam Speaker, that it is the responsibility of every responsible Government not to understate our public sector debt. And, this Government should certainly not be bragging about the fact that it has found means to borrow money without affecting our public debt ceiling and it should not be claiming trademark, copyright on doing so because, at the end of the day, Madam Speaker, it will be us, taxpayers who would have to repay all these public debts.

Madam Speaker, in the Budget Speech the hon. Prime Minister also vouched to reduce gross public sector debt to GDP ratio to 63 per cent by the end of June 2018 and then to bring it back to 60 per cent. Madam Speaker, but when it comes to reducing public debt this Government has been a serial underachiever. A serial underachiever! We will remember how in 2014 when this Government took office the public debt was at 61 per cent of GDP. The hon. Minister of Finance vouched to reduce it to 58.6 per cent. Instead of it being reduced, it was increased to 61 per cent and then to 66 per cent last year. So, 61 per cent instead of the promised 58 per cent. Up, up and up! This is why when it comes to public debt, Madam Speaker, I call this Government a serial underachiever.

Yet, under section 9 subsection (3) of the Public Debt Management Act, the Minister is required under the law to prepare a debt management strategy and, from time to time, to review that debt management strategy. Now, does this Government have a debt management strategy? If he does, then obviously the strategy is not working.

Madam Speaker, there is no harm in borrowing to finance expenditure, provided that the borrowing generate growth from which we can repay our debt. But the public debt is growing higher today than our economic growth. We know that this Government will not be able to reduce the public debt. This why in the proposed amendment before this House today, Government is only required to reduce the public debt ceiling to 60% by 30 June 2021. Not by next year, not by the following year, but by 2021, meaning after the mandate of this Government is over. *Quel aveu d'échec! Après moi le deluge!* When we think this Government was promising a *second miracle économique* and they are not even able to reduce our public debt. That is why I call them serial underachievers.

Madam Speaker, with your permission, I would like to say a few words about the introduction of this tax agent. This has been hinted in his speech by the hon. Leader of Opposition and then in detail by hon. Shakeel Mohamed. I have to come back to this because I am very disappointed. I have listened carefully to the Attorney General, who is also the Vice-Chairman of the Mauritian Bar Council. Serious issues have been raised about the right of the lawyers who represent taxpayers. He did not mention anything about it, except that he mentioned that the hon. Prime Minister would be explaining the rationale behind this. So, let me say how the situation is presently.

Today, any taxpayer who wants to go before the MRA, who wants to go before the Assessment Review Committee, can be represented by a Counsel of his choice. The guy then

goes there because we are law practitioners, we are licensed to provide legal advice and we have free right of audience before all Courts. What is being proposed now is that not only accountants, but also law practitioners, barristers will have to register as tax agent, and this is not what was said before. When we look at the annex to the Budget Speech, Madam Speaker, at page 13 under Registration of Tax Agent, this is what it says –

“As part of efforts towards modernisation of tax administration, the Mauritius Revenue Authority Act will provide for registration of Tax Agents with the MRA. A member of the Mauritius Institute of Professional Accountants or a member of the Bar Council will be deemed to be registered.”

This is what was announced, that as a Member of the Bar Council, we are deemed to be registered automatically. We do not have to do anything, we are automatically registered as a tax agent. But, when we look at what is proposed in the Mauritius Revenue Authority Act, amendment to the Act, at page 80, of the Finance Bill, we see that there is going to be a new Part III(A). Clause 17C states –

“No person shall –

- (c) represent a taxpayer before the ATDR Panel;
- (d) represent a taxpayer before the Assessment Review Committee;

unless he is registered as a tax agent or a registered nominee of a tax agent.”

Then, Clause 17E states –

“(1) No person shall be registered as a tax agent unless –“

And there is the criteria. Subclause (2) states –

“(2) (a) Any person who wishes to be registered as a tax agent shall make an application to the Director-General in such form as he may approve.”

Anyone, including law practitioners. There is absolutely no derogation for law practitioners or for accountants, for members of the Mauritius Institute of Professional Accountant. Everyone will have to register. The Director General, when you apply for registration, he can accept your registration or he can reject it. This is what subclause (4) (a) provides –

“(4) (a) The Director-General may, after due consideration of the recommendations of the committee, grant or reject the application and shall forthwith notify the applicant of its decision.”

So, now, for me, a licensed law practitioner, to represent a taxpayer before the Tribunal, I will need to have the permission of the Director General, when, in fact, what I am doing is acting against the Director General. Because when you are appealing, you are appealing against the decision of the Director General. So, the Director General is choosing who can represent a taxpayer against him. In absolute breach of all rules of natural justice and fairness, he is the judge and party. And the hon. Attorney General does not say a word about this! Not a word about the constitutional right of any person to be represented by the Counsel of his choice. Because we know when a taxpayer is dealing with the MRA, there may be penal sanctions, there may be criminal liabilities if the taxpayer has breached the provisions of the Income Tax Act or the VAT Act. So, now, in order to negotiate with the Director General, the Director General will decide who can appear before him. So, I would respectfully ask the hon. Prime Minister not to move for the amendment of the MRA Act, take the time to consider and talk to stakeholders and, at the very least, provide what was provided in the annex to the Budget Speech, meaning that any law practitioner automatically is a tax agent, which is not the case, the way the proposed amendment to the MRA Act is structured currently.

Moving to the Income Tax Act, one of the highlights of the Budget Speech, Madam Speaker, was the introduction of the negative income tax, which was welcome by both sides of the House. I am going to open the debate on the impact of such measure, on minimum wage or whether this measure should have covered part-time workers or people in the informal sector. It suffices to say that unlike what hon. Minister Gayan stated in his speech, this measure relating to negative income tax will not ensure that every worker in this country will have a minimum salary because it is very specifically directed to certain types of full-time employees whose employers are paying the National Security.

Now, one aspect of this law, Madam Speaker, which seems to have escaped the attention of all Members addressing this House before me, is the proposed amendment to the amendment that has been circulated yesterday. Now, if we look at the Finance Bill, the clause dealing with operation, Commencement of the Act, clause 61(12) tells you, I quote –

“(12) Section 26(zc), (zk) and (zr) shall come into operation on 01 January 2018.”

And clause 26 (zk) and (zr) are the sections of the Income Tax Act dealing with the Negative Income Tax Act. So, we were told in the Finance Bill that this provision will come into effect

on 01 January 2018. And this is what was in the Budget Speech, this is what was in the Annexes.

However, yesterday, an amendment was circulated and in paragraph (e) of the circulated amendment, we note that in clause 61 –

“(i) by inserting, after subsection (3), the following new subsection –

(3A) Sections 26(w), (zk) and (zr) (...) shall come into operation on a date to be fixed by Proclamation.”

And subclause (12) which provided that the clauses will come into operation on 01 January 2018 have been deleted.

So, we await impatiently for the hon. Prime Minister to explain. Is there a reversal decision? Are we to take it that the measures announced in the Budget relating to the negative income tax will no longer take effect on 01 January 2018, and, if not, when? When will this negative income tax measures come into force?

Madam Speaker, when the hon. Prime Minister was referring to the negative income tax measures, he stated in his Budget Speech that these measures were being introduced to reduce income inequality. He also announced another measure to reduce income inequality, the imposition of a solidarity levy so that certain individual who owned more than Rs3.5 m. will have to pay five per cent additional tax.

However, what the hon. Minister of Finance did not mention in his Budget Speech is that in the Finance Bill, he will be introducing other measures which would have the opposite effect, instead of reducing the income inequality, he will actually increase the income inequality. If you look at the Income Tax Act - I am not going to go through every measure - we have a number of tax breaks, tax rebates, tax exemption which would benefit only a specific class of taxpayer. For example, there is a generous eight-year tax holiday afforded to companies involved in Deep Ocean Water Air-Conditioning. We all know, Madam Speaker, that, up to now, there is only one company in Mauritius who has received the licence to do Deep Ocean Water Cooling.

More importantly, Madam Speaker, I would like to talk about the decision to reduce the income tax for export-oriented companies. You would recall, Madam Speaker, that in his Budget, at paragraph 55, the hon. Minister of Finance stated, and I quote –

“I am introducing a major tax reform to encourage our domestic enterprises to expand their export capacity and seek new markets, especially the SMEs. Their profits (...)”

Meaning an SME profit.

“(...) from export of goods will be taxed at the lower rate of three percent, instead of five per cent.”

So, Madam Speaker, we are reducing the income tax rate from 15 percent to 3 percent, that is, an 80 per cent reduction in the tax rate. So, I was expecting this measure to be limited to SMEs because this is what the hon. Prime Minister said in his Budget Speech. But when we look at the Finance Bill, the situation is different. When we look at section 44(b) of the Income Tax Act, this is what it says –

“Where in an income year, a company is engaged in the export of goods, it shall be liable to income tax at the rate specified in part (ii) of the Third Schedule which is three percent.”

Section 44 (b) does not talk about SMEs. It talks about company. Any company who is exporting goods will pay only three percent tax. We all know, Madam Speaker, which are the companies which are involved in the export. The SMEs? No! The SMEs are mostly for locals. Who are the owners of the big textile factories in Mauritius? Who owns the manufacturing plants in Mauritius? Who owns the sugar factories in Mauritius? *Lepep!* Rs100 negative income tax for *Lepep!* Rs100 m., if not billions of rupees in tax rebates to sugar barons and textile tycoons! Is this how this Government intends to reduce income inequality by giving generous tax rebates to those who are already rich and who can pay more income tax? It is clear, Madam Speaker, that a shareholder of an export-oriented company will be now better off with the measures announced in the Finance Bill. Fair enough, if he is going to pay five per cent additional tax on its revenue, but as a shareholder of its company, its company would be having an 80 percent tax rebate.

Madam Speaker, I would like now to move to a provision of the Finance Bill which again does not seem to have anything to do with revenue or finance, which was not alluded to at all in the Budget Speech but which, in all fairness, was in the annex to the Budget Speech. I am talking about the amendment to the National Identity Card which has been lengthily discussed by hon. Sawmynaden, the Minister of Technology, Communication and Innovation.

Madam Speaker, this is *une énième promesse électorale non tenue*. The House will recall that when in Opposition, hon. Pravind Jugnauth was very vociferous against the storing of data on the National Identity Card. He felt so strongly against it that he even applied to Court for an injunction and, among the planners of the lawyers acting for him, there was no one less than hon. Ivan Collendavelloo, who is now Deputy Prime Minister. So, now when hon. Pravind Jugnauth is the Prime Minister and hon. Collendavelloo is the Deputy Prime Minister, when they have the possibility to make a change, when they have the possibility to put into practice whatever they were saying in the Opposition, what do they do, they do exactly the opposite!

Madam Speaker, it is worth reminding ourselves what hon. Pravind Jugnauth said when he was in Opposition and now what he is doing when he is in power. In a press conference which he had given - on the picture we can see the Vice-Prime Minister, hon. Soodhun and hon. Minister Bodha who were by his side - on 29 December 2013, reported in a 'Week-End' newspaper, and I am going to table a copy of the *compte-rendu* of the Press conference. The title of the newspaper was: 'National Identity Card Scheme', and this is what was reported –

« Pravind Jugnauth accuse Navin Ramgoolam d'avoir mis en route une machinerie infernale. »

First of all, hon. Pravind Jugnauth, accused the former Government of surreptitiously amending laws relating to the National Identity Card. He is reported to have said in that article, and I quote –

« Mo finn dir ki li finn comploter froidement depuis quelques années déjà et en catimini finn fer bann amendements a National Identity Card Act dan Finance Act 2009. »

The hon. Prime Minister, then a simple Member of the Opposition, went to the Press and criticised the Government for bringing amendment to the National Identity Card *en catimini* through the Finance Bill of 2009. And today, what are we doing? He is doing the same thing. Buried in the 150 pages, aren't we amending the National Identity Card Act? Isn't that doing it *en catimini* like his predecessor? Shouldn't the proposed amendment to the identity card, such an important amendment, not be the subject of a stand-alone Bill? I am sure many Members of this House would have had a chance to voice out their concern.

Second thing which hon. Pravind Jugnauth said in that Press conference is that he objected to the fact that the Civil Status Act had been amended to provide for the recording of such other particulars as may be prescribed. It is reported to have said, and I quote—

“Such other particulars as may be prescribed.”

Sa kapav n'importe quoi. In other words, he was against giving power to the Minister, giving him the right by regulation to prescribe what information may be put on the National Identity Card because it can be anything. *N'importe quoi!* And he was right. Fair enough! You should not give a blanket cheque to the Minister to put whatever he wants. But what are we doing now? Section 5 of the NIC Act is being amended to provide, and I quote —

“(2) Every identity card issued in respect of a person shall contain, in electronic form or otherwise —

- (a) the civil data of the person;
- (b) the photograph of the person;
- (c) the date of issue;
- (d) the address of the person;
- (e) the signature of the person, and
- (f) such other information as may be prescribed.”

Isn't that exactly what the hon. Prime Minister said two years ago in the press conference that it means *n'importe quoi*, that he was against it and then today in power, he does the same thing, he gives the power to the Minister by regulation to put any information on that card which the Minister by regulation may want. That is not all, Madam Speaker. In the same press conference, hon. Prime Minister also warned against the people who may have access to personal data, when he is reported to have said, and I quote again from the same article —

« La police, ICAC et meme bane Ministre kapav gagn access a bann information extrêmement sensible ki concerne enn individu kan nous prend tou sala ensam nous trouver ki manière machine la finn met en place. »

So, he was against the Police, ICAC, and Ministries having access to sensitive personal data. Again, today, look what he is doing with the Bill. We are repealing and replacing section 10

of the NIC Act, we are introducing a new subsection 10, subsection 3 which contains the following –

“(3) Without prejudice to the generality of the power under subsection (1), the Minister may make regulations, in particular, to –

- (a) provide for the levying of fees and charges;
- (b) prescribe card readers;
- (c) prescribe SAM cards;
- (d) authorise entities to use card readers to read civil data electronically from identity cards;
- (e) authorise entities to use card readers equipped with SAM cards to read addresses and photographs electronically from identity cards; and
- (f) authorise entities to use, solely for the purpose of identification, such devices, as may be prescribed, equipped with SAM cards to read fingerprint images (...).”

Which I understand will be deleted in the amendment

“and fingerprint minutiae electronically from identity cards without copying or storing such data.”

So, under this section 10 subsection 3, Madam Speaker, we are giving power to the hon. Minister of ICT by regulation to prescribe who can use a card to read the data that is stored on the NIC Card. Now, not only the Police, not only ICAC, not only Ministries but anyone which the Minister wants will be having this machine and will be able to read your sensitive personal data and I say anyone because, although this is not in the Bill when we look at the Annex to the Budget Speech at page 41 section C.7., it is clearly stated –

“The National Identity Card Act will be amended to allow reading card data by both public and private agencies as may be determined by the Ministry of Technology, Communication and Innovation according to set criteria.”

Now this Government is going one step further. Previously, they were criticising the then Government which will allow the card to be read by Ministries, ICAC and the Police, now

they are going to give powers to the Minister to prescribe, to allow, not only Government-owned entities, private entities to read the data stored on your identity card.

Can you imagine, Madam Speaker, the horror among the population, especially among the militants who had fought so hard against storing of data on the national identity card when they read the proposed amendment? Let us not forget, Madam Speaker, that there has been a constitutional challenge to the NIC Act. There has been a case that went all the way up to the Privy Council. People out there are genuinely worried about their national identity card being misused. People out there are worried that their card may be stolen and, once stolen, may fall in the wrong hands and maybe misused. They have read articles in the Internet; I have read those too and despite whatever reassurance hon. Minister Sawmynaden has given us in his speech, the fact is that, according to reports on the Internet, fingerprint minutiae can be reconstructed into fingerprint images. This is what the Internet articles which I have seen, which have been circulated, say. So they are worried, Madam Speaker, that the law provides that the card will only read those information. They are clearly worried that there are not sufficient safeguards to ensure that there would not be collection of data, storing of data and misuse of data.

Let us not forget also, Madam Speaker, that before the Privy Council in the case of *Madhewoo Vs the State*, at page 11 of the judgment, Counsel for the State informed the Privy Council, and I quote –

“The Government had not issued card-readers which would give access to the minutiae on the chip.”

This is one of the arguments used by Counsel for the State. Now, if Counsel for the State had informed the Privy Council that Government is going to come and give card reading machines to the private sector, maybe the outcome before the Privy Council would have been different. We don't know but, be that as it may, I have absolutely no doubt in my mind that there would be challenges to the proposed amendment to the NIC Act if Government insists on going ahead with this Bill.

In his injunction case, Madam Speaker, the Counsel for hon. Pravind Jugnauth stated that he was not contesting the verification functionality as opposed to the identification functionality. If hon. Pravind Jugnauth before the Court stated that he did not have any problem with the card machine, with the card being read for identification purposes, so why

today, we are going to add information on this card which has nothing to do with the identity of the person?

We heard the hon. Minister talk about e-health, about medical reports on that card. We heard him say about civil data, proof of address on that card, so just imagine this card falling in the wrong hands. So, Madam Speaker, I can find no better words to describe the danger of the proposed amendment to the NIC Act than use the very word which hon. Pravind Jugnauth is reported to have used and reported in 'Weekend' newspaper on 29 September 2013, and I quote –

« La carte, souligne-t-il, contient un chip qui sert à inscrire des renseignements de base pour chaque citoyen. Sa pou vinn enn instrument politique terrible dans la main enn gouvernement travailliste pour faire harcèlement, victimisation et prosécution, prévient-il. Tous kaliter dominaire ek persecution Ramgoolam pou kapav fer avec l'information ki pou ena lor nouvo carte identité. Li enn danger se ki li pe rode fer, zis enn tyran, enn dictateur kpav agir de la sorte et kitt fois aköz samem ki li finn cite Mugabe. »

Madam Speaker, *les paroles s'envolent les écrits restent*. Today in Government whatever hon. Pravind Jugnauth has been saying against Ramgoolam against the *Travailliste*, he is doing exactly the same thing today; exactly the same thing that he was reproaching the Members of the Government when he was in the Opposition. For this reason, Madam Speaker, I would urge the Prime Minister to withdraw this amendment, hold consultation with stakeholders and come up with specific amendment instead of giving powers to the Ministers to prescribe whatever information can go on that card. Already set out what information! If the hon. Prime Minister wants to limit it to e-health, already provide that it's going to contain this information, don't leave it open because people out there will no doubt bring a constitutional challenge to those proposed amendments.

Madam Speaker, the one but last provision of law which I want to tackle is the proposed amendment to the Gaming Regulatory Authority Act. Madam Speaker, I am not an expert in gaming. I don't know much about horse racing and never took any interest in it. However, when I was required to intervene in this Finance Bill, I had to make some research on the GRA Act. I had to go through all the PQs and PNQs that have talked about this; read the Commission of Inquiry on horse racing and meet people in the sector. What I found was clearly horrifying, Madam Speaker; nothing less than horrifying. Today, in this provision, in

this Finance Bill, we are going to amend the GRA Act. And the amendment will serve two purposes. The first purpose is to shift the balance of power between the GRA and the horse racing organiser, the Mauritius Turf Club. And then, the second purpose would be, as I would demonstrate later, to unreasonably favour one specific operator, one specific bookmaker. Now, let us come to the first purpose which is to change the balance of power before the GRA and the Mauritius Turf club.

I listened carefully to hon. Anil Gayan. It is not true, Madam Speaker, that this Act is implementing the recommendation of the Commission of Inquiry. To say the least, hon. Anil Gayan has been economical with the truth. What the Commission of Inquiry on horse racing recommended is the setting up of a Mauritius Horseracing Authority; independent of the Gambling Regulatory Authority, not to give more powers to the GRA. In fact, the Commission of Inquiry has been extremely critical of the GRA. And I find it very disturbing, Madam Speaker, that when we are bringing an amendment which is going to affect the Mauritius Turf Club, and I am declaring I am not holding any brief for the Mauritius Turf Club. I find it very disturbing that, yesterday, in a communiqué issued by the Mauritius Turf Club, the Mauritius Turf Club stated that -

“Il est regrettable que le MTC, qui a initié et fait perdurer les courses hippiques depuis plus de 200 ans, n'a, à aucun moment, été consulté par rapport à ces changements”

Very regrettable! We are going to provide amendments which will directly affect the way MTC operates; the way it levies charges. It is going to affect directly its operation and finances, and no one has found it fit to come and talk to the MTC and take on board whatever they have to say. So, the first proposed amendment to the GRA Act is to allow the GRA, in section 32, to approve rules of racing and any amendment thereto.

So, previously the MTC, as a private club, was governed by its own rules. All its members had to adhere to these rules. Now, the GRA has the power to approve or not to approve the rules, so, that deliberate interference by the GRA in the internal running of the Mauritius Turf Club. Then, the GRA will have the right to review the decision of horse racing organisers and even the decision of the Appeal Committee. Today, if you have a jockey who has not ridden the horse the way he should, there is a procedure for sanction and there is also an appeal procedure under the aegis of the MTC. With the proposed amendment, the GRA will now have the power to reverse the decision of the MTC. So, the jockey who is not

satisfied with whatever sanction is taken by the Mauritius Turf Club can very easily go to the GRA and have the decision overturned.

Now, I do not have a problem *per se* with giving powers to the GRA if the GRA was manned properly by fit and proper persons. Let us see what the Commission of Inquiry had to say about the GRA at paragraphs 10 and 11 of its Executive Summary -

“The Commission found the GRA to be ‘not fit for purpose’ and required fundamental changes in leadership, operational strategy and, crucially, proper resourcing with experienced and motivated staff and better technological support.”

That recommendation is borne out by an almost unanimous opinion from all evidence given to the Commission that the GRA is an ineffective and inefficient organisation, in spite of the fact that the Gambling Regulatory Authority Act 2007 provides excellent statutory backing for the authority. So, what the Commission of Inquiry is telling us is that it is not good enough to have good laws. It is not enough to give all these provisions, all these powers to the GRA. You need first to ensure that the GRA is effective, is efficient, is fit and proper. And yet, Madam Speaker, not a word, not an amendment is being proposed today in the Finance Bill that is going to improve the way the GRA is run to make it more efficient and more fit for purpose. We all know, Madam Speaker, and I am not going to dwell lengthily on that, that today the GRA is manned by political appointees with their own agenda.

Now, the hon. Prime Minister in presenting the amendments to the GRA Act stated that the Act is being amended. The proposed amendment is mainly aimed at curbing money laundering through gambling activities. That is the official reason why we are amending the law, that is, to curb money laundering through gambling activities. But, Madam Speaker, the Financial Intelligence and Anti-Money Laundering Act already provides that operators of casinos and bookmakers being members of the relevant profession have the duty to ensure that the people who are betting with them are not using proceeds of crime. They already have a duty to ensure the true identity of the people dealing with them. They already have a duty to report any suspicious transaction. All the measures to curb money laundering are already there. Now, whether the bookmakers are not applying the law as they should be, that is a different matter. There are sanctions to be taken against them. But it can't be that we are doing the amendments just to curb money laundering. And what is the amendment that is being proposed? What is being proposed is that, henceforth, a person cannot put a cash bet in excess of the prescribed amount.

In the Annex to the Budget Speech, there was no prescribed amount. It was stated Rs2,000. You could not place a bet in cash for more than Rs2,000. In the proposed amendment today, the figure '2,000' has been replaced by 'such amount as may be prescribed'. So, maybe in his summing-up the hon. Prime Minister will let us know whether he has another figure in mind instead of Rs2,000.

Next, there is confusion as to whether the placing of bets relates only to placing of bets with bookmakers or does it also cover someone who goes to a casino to play. And I have to say that it is not clear the way I read the Act as to whether the placing of bets includes playing games in the casino. I agree fully with the hon. Leader of the Opposition that the measure introduced to require a limit on cash betting is not going to curb money laundering, but, in fact, it is going to increase illegal betting. It is going to increase illegal betting by credit. And already the Commission of Inquiry has stated that more than Rs800 m. annually is lost in tax revenue through illegal betting.

So, Madam Speaker, if the purpose of amending the law will not have a significant effect on illegal betting, why are we amending the law? This is what I consider to be the real reason before the amendment. The real reason before the amendment, Madam Speaker, is to favour one specific organiser. Today, all bookmakers are allowed to take only cash bets. They cannot take any bets other than cash bets. Except for one! Only one operator today can open an account for a player, get that player to put money on that account and then, every week uses the account to make bets. So, for me there is no doubt that they are requiring all players now to open a player account. This amendment is unreasonably favouring the one operator who has the software, who has the know-how, who has the ability to provide a player card account, which is *SMS Pariaz*. This is not the only instance, Madam Speaker, where the GRA Act is being amended to favour that one particular operator.

Clause 33 of the GRA is being amended, so that it is the Board of the GRA which will now determine how much *SMS Pariaz* will have to pay to the racing organiser. You would recall, Madam Speaker, that on 18 April 2017, hon. Rajesh Bhagwan asked a specific Parliamentary Question, PQ No. B/230, on the dispute between *SMS Pariaz* and the Mauritius Turf Club, and this is the crux of the proposed amendments. There is a dispute between *SMS Pariaz* and the Mauritius Turf Club as to how much money *SMS Pariaz* has to pay Mauritius Turf Club. So, the hon. Prime Minister stated that the GRA issued a directive to the Mauritius Turf Club to require the Mauritius Turf Club to charge only a certain amount, the low amount obviously, from *SMS Pariaz*, and I quote -

“(...) until a complete review is carried out.”

The actual wording used, as quoted by the hon. Prime Minister, was -

“Pending a holistic review of the terms and conditions under which charges are paid pursuant to contracts under section 33(1) of the Act (...).”

And the hon. Prime Minister added -

“To address this issue the Gambling Regulatory Authority is commissioning an independent report on the charges imposed by the Mauritius Turf Club.”

So, clearly, when we came to Parliament and hon. Rajesh Bhagwan asked the question, the hon. Prime Minister stated that the GRA is commissioning a report. One newspaper, *‘Le Mauricien’* of 10 May 2017 even mentioned: *‘Courses Hippiques - Licence Fees: L’arbitrage de BDO – l’incontournable BDO - pour le litige SMS Pariaz/MTC.’*

So, clearly, based on what the hon. Prime Minister has stated in this House, we were expending that there would be a full report on how much money MTC has to charge *SMS Pariaz* and other bookmakers, and then once we are given the report, from then the law can be amended or not. But without waiting for the report, without waiting for the holistic review of the terms and conditions, today we are asked to amend the law and to make it law, it is now the Board of the GRA which will fix the amount payable by *SMS Pariaz* to MTC. This is what we are asked to do, Madam Speaker. We are not asked to make laws, we are asked to resolve dispute between Mauritius Turf Club and *SMS Pariaz*. This is what we have been called to do, amending the law so that GRA will now determine what amount *SMS Pariaz* will pay to Mauritius Turf Club. Now, this is not our role and, we all know, where GRA is going to side.

Let us look closer, Madam Speaker, on what we are amending, what clause 33 subclause is telling us. Clause 33(2) provides that where the bookmaker has paid the fees fixed by the GRA, so once the GRA says that *SMS Pariaz* must pay ‘X’ amount to Mauritius Turf Club, the horse racing organiser cannot prevent the bookmaker from using the race cards and fixtures of the Mauritius Turf Club.

Now, this is very innocent. I am sure a lot of people, including myself, did not understand the reason for this amendment until I was enlightened by people in the field, people who are bookmakers and who know what is going on. This amendment, Madam Speaker, is anything but innocent. What this amendment says is once GRA tells MTC how

much money *SMS Pariaz* must pay to MTC, *SMS Pariaz* can use freely the fixtures of Mauritius Turf Club, freely in Mauritius and outside of Mauritius; he can take bets on that. In order to brush aside any doubt as to whether the GRA is able to do this, there is a specific amendment in this Act, clause 6 of the GRA Act is being amended to provide that one of the functions of the GRA is precisely to ensure that once a horse organiser like MTC has been paid its fees, it cannot prevent bookmakers from using its fixtures. So, that is the extent we are going today to help one particular operator, *SMS Pariaz* against Mauritius Turf Club. Why?

To understand this amendment, Madam Speaker, we have to travel back in time and look at what is happening, not in horse racing, but in football betting. There is a company which is called Sport Data Feed Ltd. This company Sport Data Feed Ltd claims that it has exclusivity to use fixtures of English Premier League Football. So, what has this company done? It has entered a series of cases in Court against the seize of bookmakers preventing them from using the fixtures of the Premier League, so that these competitors, the bookmakers cannot offer bet on the outcome of English Premier League. It won its injunction case in Court. Again, I do not know if it is coincidence or not, one of its lawyers was Mr Collendavelloo, who is not here.

So, in the case of football betting, we have judgments saying that it is the owner of the fixtures who will fix the price. We are talking about big money, Madam Speaker. I was actually very shocked about the type of money we are talking. For example, Sport Data Feed Ltd is claiming fees amounting 4% of the gross stakes on bets - 4% on all stakes that they receive. They use huge sums of money just to use the fixtures every week, information about which football team is playing against each football team, 4% stakes. So, when it comes to football betting, GRA does not intervene. Sport Data Feed can impose whatever things it wants, it can prevent whatever bookmaker from using the fixtures, it can prevent them from competing with him. There GRA finds no problem when it comes to football betting, but when exactly the same thing happens with horse betting, when the holder of the copyright in the fixture MTC is concerned, here no. GRA will not allow MTC to charge the fees that MTC wants. Why? Because GRA now is going to side with the operator, with *SMS Pariaz*! The shocking part of it all, Madam Speaker is that the same people, who are behind *SMS Pariaz*, are also behind this company Sport Data Feed Limited.

Voilà aujourd'hui le niveau de ce Parlement ! Voilà ce que ce gouvernement est en train de faire, sous l'égide des 150 pages du *Finance Bill*, on est en train d'amender la loi,

taillée sur mesure, pas pour les copains, copines, mais pour un opérateur, et la population a le droit de savoir de quel côté ce gouvernement est, avec qui il est.

Madam Speaker, the last point that I will talk about is the Commission of Inquiry Act, the proposed amendment to the Commission of Inquiry Act. I save the worst for last. Madam Speaker, I commend the Government - I think that probably the best decision that this Government has taken in the interest of one and all is to set up a Commission of Inquiry on drug trafficking. Every day when we read newspapers all of us are horrified by the extent, the tentacles of the drug traffickers, the extent of the involvement of the Police, of the involvement of the Prison Services, of the involvement of the lawyers, of the barristers who, by reading on the Press, act more like accomplices rather than as legal advisers. For the Commission of Inquiry to work, to be effective, it has to be able to get information, confidential information which otherwise they would not be allowed to get. And this is the purview of section 11 subsection (5). Section 11 subsection (5) provides that –

“Notwithstanding any other law in force in Mauritius, where a Commission requires, in relation to a matter of vital public importance specified in the Fourth Schedule, the full disclosure of the bank account or the bank deposit of a witness, including any account or deposit operated or made by that person in a fictitious name (...)”

So, not just his name but as a *prête-nom*,

“(...) or for or on behalf of any other person (...)”

Any other person, not just his account –

“(...) every bank which is required by the Commission to make the disclosure and which fails to do so shall commit an offence and shall, on conviction by the Intermediate Court, be liable to a fine not exceeding one million rupees.”

The Fourth Schedule, Madam Speaker, concerns unlawful possession or dealing of dangerous drugs, unlawful possession of or dealing in dangerous weapons, wealth and riches unlawfully accumulated by fraud and corruption. So, this specific provision of the law requiring banks to disclose information is only applicable in three circumstances where you have Commissions of Inquiry dealing with drug trafficking, with dangerous weapons or dealing with wealth accumulated by fraud. So, it does not concern, for example, the Commission of Inquiry on horse betting. So, it is very specific, very narrow.

What the law says is one of the sanctions, if you are a bank and you don't give me the information, you don't give the Commission of Inquiry the information requested, the bank can be prosecuted. The bank can be fined one million but, more importantly, under section 11 (5) (b) –

“The Intermediate Court may, in addition to the fine, order that the licence of the bank to be revoked.”

This is a very drastic measure, I agree. But, Madam Speaker, this is a drastic measure in exceptional circumstances. This is where you have a bank which is deliberately intruding, preventing the Commission of Inquiry from working! Such a bank does not deserve to have a banking licence. If such a bank is hiding the banking transaction of drug traffickers, of arm traffickers, of fraudsters, of course, they are not fit and proper persons to hold a banking licence. Of course, the Intermediate Court should be able to revoke their banking licence.

Yet, in this provision of the law the hon. Prime Minister is telling us to delete that, remove the power which the Intermediate Court has to sanction a bank which is not cooperating, to sanction the bank which is not providing information to the Commission of Inquiry and to justify this, this is what the hon. Prime Minister said -

“(...) technical amendment will be made to the Commission of Inquiry Act to align it with the Banking Act.”

But, this is not a technical amendment, Madam Speaker! The Banking Act is one thing. If you have breached the provisions of the Banking Act, the Central Bank can deal with you, can call you, can fine you and can revoke your licence. Here we are talking specifically if you are not providing information which you have to provide to the Commission of Inquiry and if you are not providing it, the Commission of Inquiry cannot do its work.

So, Madam Speaker, I am very troubled by the timing of bringing this amendment. We are bringing this amendment to curb the power of the Intermediate Court to sanction a bank which is not cooperating at a time when people of this Government have been criticising the Commission of Inquiry! People of this Government have been putting improper motives on the Commission of Inquiry, have been talking about the Commission of Inquiry doing a mudslinging exercise, have been talking about the Commission of Inquiry being biased and not calling certain lawyers because, apparently, they refer work for arbitration, which in my opinion amounts to contempt!

So, Madam Speaker, when we look at all this taken together, I will make an appeal to the Prime Minister not to delete this sanction which is to be used only in exceptional circumstances to revoke the banking licence of a bank which is not providing the information that it is required to provide to the Commission of Inquiry.

Madam Speaker, I started my intervention asking the question: why did the Minister of Finance lump amendments to not less than 56 Acts of Parliament and come before this House with a Certificate of Urgency? Now we know, Madam Speaker, Government does that so that it can tailor make laws to suit a selected few and hope that the amendments, *en catimini*, to quote the hon. Prime Minister, *en catimini*, would go unnoticed. And, each time they will try to do so, Madam Speaker, we, on this side of the House, will unmask them and show their true colours to the people out there so that the people can judge them by not what they are saying they are doing but what they are actually doing. This is our pledge to the nation.

Thank you.

Madam Speaker: I suspend the sitting for half an hour.

At 5.19 p.m., the sitting was suspended.

On resuming at 6.09 p.m. with Madam Speaker in the Chair

Madam Speaker: Please, be seated. Hon. Prime Minister!

The Prime Minister: Madam Speaker, let me start by thanking all the Members of the House who have participated in the debates on the Finance (Miscellaneous Provisions) Bill.

I would like first to respond to the concerns that have been expressed by Members of the House that too many enactments are being amended in this Bill. Let me say, first of all, that the number of amendments in a Finance Bill reflects the number of measures and policy changes in the Budget Speech.

(Interruptions)

It seems there is another debate outside. To limit the number of legislative amendments would have required that we also limit the policy changes and this is certainly not the way to go forward, when policy changes need to be supported by fundamental reforms: reforms of institutions, of business facilitation and of development policies. The implications for changes in the legal framework can be very broad; at times they can be very deep also and

far-reaching. That is why it has always been the case with the Finance Bill, which, in this case, reflects all these realities.

In fact, that is not the end; we are planning to come with a series of other legislation to implement measures announced in the Budget Speech. I must be very thankful to my colleague, the Attorney General, and his staff, members of the State Law Office, who have been working very hard indeed. We have pressed upon them and also the staff of my Ministry, the Ministry of Finance, because, today itself, we are coming up with a Bill in furtherance of the measures that have been announced in the Budget, including the Economic Development Board Bill which will be debated later on. And there will be more.

To respond to the point that was made by the Leader of the Opposition, it has been stated, I think, by the Attorney General, but let me repeat again because the Leader of the Opposition was Minister of Finance and he has presented a number of Budgets. He is complaining that there are too many provisions, too many pieces of legislation that are being enacted. The hon. Leader of the Opposition, in 2012, at that time he had to come with two pieces of legislation, but two pieces of legislation, we all know, came on the same day. They were circulated at the same time. The number of clauses when I add up for both pieces of legislation amounts to 64.

(Interruptions)

Bigger Budget!

(Interruptions)

There is more; so, no need to complain.

(Interruptions)

No! In 2013, hon. Leader of the Opposition did better!

(Interruptions)

Yes! But this one is more important and more far-reaching maybe!

In 2013, therefore, they were taken together, 79 clauses amended. And even before, I mean, I was in the previous Government also, it has been like that, Madam Speaker. We all know. That is why I must say that I do agree that last time, although it was circulated, it was not numbered, for the purpose of allowing Members, not only of the Opposition, but Members of this side of the House also to take early cognizance of the Bill. The hon. Leader

of the Opposition spoke to me to say that they needed more time to consider the different clauses and I agreed that there was a need, maybe, to look at all the clauses very carefully, the more so that they are numerous, and that in spite of the fact that we have circulated an annex to the Budget, which was voted, in spite of the fact that the National Assembly itself helps in providing us with all the pieces of legislation that are going to be amended and, in spite of the fact that I have circulated for the first time an Explanatory Memorandum to try to enlighten Members as far as we can, I agreed, therefore, that more time was needed and that is why we are debating the Bill today.

Madam Speaker, I heard something else which was not stated in this House, but let me respond to that also. Maybe, it was misquoted because I heard that we needed several days to debate on the Finance Bill. This has never been the case. I hope it has been misquoted because I saw that in the Press. So, let me also remind the House and the hon. Leader of the Opposition that, with regard to the number of amendments that have been made - because the point was made by hon. Shakeel Mohamed that there are a number of enactments that are really not connected - on 17 December 2013, when amendments to 72 enactments for the Second Reading debates were proposed, some of them did not relate directly to the Budget Speech. I just give a few examples: the Cadastral Survey Act, the Construction Industry Development Board Act, the Data Protection Act, Dental Council Act, Employment Rights Act, Medical Council Act, National Heritage Fund Act, Pharmacy Act, Radiation Protection Act, Sale by Auction Act. All these and others also had been amended. Hon. Shakeel Mohamed mentioned that amendments have been made, therefore, in this Finance Bill, which are totally not related to the Budget Speech and its Annex. I think he mentioned one case of Freeport. Let me respond to this one.

Madam Speaker, if you look at section C12 of the Annex, under the heading 'Miscellaneous', it says, and I quote -

“Some technical amendments will be brought to clarify, fine-tune, plug loopholes and harmonise various provisions in the revenue laws and other enactments.”

Madam Speaker, when this was debated - we are talking about the Appropriation Bill - as far as I can recall, I heard no one making any comment with regard to that clause. Secondly, this Appropriation Bill has already been voted by this National Assembly, but not only that, as it has already been proclaimed. The ascent of the President of the Republic of Mauritius has

been obtained on 30 June 2017. I can lay a copy on the Table of the House. It has already been gazetted on the same day, 30 June 2017 in the Legal Supplement No. 62.

Madam Speaker, in furtherance of that provision which has already been voted, which is already law today, I am perfectly entitled - just to respond to the point that has been made by hon. Shakeel Mohamed - to propose to this House, as I said, certain amendments with regard to Freeport. For National Heritage, in fact, there are certain proposals with regard to the Annex concerning a number of buildings that are going to be rehabilitated and others also. So, I hope that this replies to the point that has been made by a few Members.

Let me explain the changes that the Bill is bringing to the Public Debt Management Act. First of all, our country is facing a fundamental policy trade-off between increasing the public sector investment to boost the economic growth and also to adhering strictly to the Public Debt Management Act, that is, to bring down the net debt as a ratio of GDP to 50% by the end of 2018 and also if we do that, we face the risk of economic stagnation.

We have made, Madam Speaker, the pragmatic choice of raising public investment that would in turn stimulate private investment and create more jobs. It should be emphasised that at the same time, we are putting the debt ratio on a downward trend whilst aiming at a more realistic and appropriate timing for meeting our debt target.

Now, as regards the definition of public sector debt, by choosing to use gross debt instead of net debt, we are, in fact, adhering to the international and the IMF measure of public sector debt. I should also add here that we must understand the context in which the public sector debt target was set in 2008. Let me recall that the 50% debt target was actually set with the expectations that the reforms that were announced then in 2006 and the subsequent years will deliver real GDP growth of 5.5% and higher. There was, in fact, an expectation of rising private investment and, therefore, that public investment would have been reduced to a minimum with, of course, the private sector driving the growth.

I remember there was talk at that time of PPP investment in public infrastructure and all of this, unfortunately, for our country, did not materialise and led instead to Government having to run higher deficits and, therefore, accumulating more debt.

Now, the main aim of changing the definition from net debt to gross debt is to bring greater transparency in the computation and reporting of debt figures and, of course, also to align with what has been the request - well, not the request really but the recommendation of the IMF on several occasions and, therefore, to align with the international practice. For

instance, one of the convergence criteria for OECD countries to adopt Euro as their national currency was that gross debt should not exceed 60% of GDP.

The IMF in its concluding statement for 2015 Article IV Consultations on Mauritius had recommended, in fact –

“(...) extending the targets time frame by two to three years with a view to gradually reduce the net public debt to GDP ratio to about 50% by 2020/2021 or 2021/2022 while addressing crucial growth bottlenecks”.

Moreover, the IMF in its Article IV Report on Mauritius that was published in March 2016, confirmed its earlier recommendation and stated, and I quote –

“While the order of magnitude of the additional adjustment involved is feasible, it is important to frame it within a quantified medium-term debt reduction plan consistent with preserving growth”.

And this is precisely what we have done in this Budget exercise. The objective also has been seized to amend the law in order to extend the coverage of guarantee to include such Special Purpose Vehicles (SPVs) providing services to the public sector deemed to be in the public interest.

Madam Speaker, the hon. Leader of the Opposition has spoken against the amendment that is removing the word ‘freely’ relating to convertible currency in which the Bank of Mauritius can invest. I am informed, in fact, that this amendment is meant to broaden the possibility for the Bank of Mauritius to further diversify the investment of its foreign currency portfolio at a time when interest returns on hard currencies, in particular the Euro, USD, UK Pound and Yen have been and are still very low.

The return on the Euro has even been negative. The amendment will, in fact, allow the Bank of Mauritius to improve the risk return profile of its foreign currency investments by investing in the currencies that are actively traded on the international market, like the Renminbi, the more so that the Bank of China has opened a branch in Mauritius and that we want to develop Mauritius as a centre for Renminbi in that region of Africa.

I must say I was a bit surprised also, if I understand the Leader of the Opposition correctly, when he stated that with regard to the reserves of the Central Bank, I think, he said we should keep our reserves safe, the Bank should just keep the reserves as they are. I am surprised because if we look at the Bank of Mauritius Act - and we know it has not been the

case since now, it has been the case for years and when hon. Xavier-Luc Duval was also Minister of Finance, which is normal to me - for example, section 5 of the Bank of Mauritius Act, which stipulates one of the functions of the Bank, and I read -

“(1) The Bank shall have such functions as are necessary to achieve the attainment of its objects and, in particular, it shall -

(e) manage the foreign exchange reserves of Mauritius.”

When we look at section 46 with regard to official foreign reserves, again -

“(1) Subject to subsection (2), the Bank shall maintain and manage the official foreign exchange reserves of Mauritius consisting of all or any of the following.”

And it lists a number of things that the Bank can do, and subsection (2), which is the important of it for this argument, states -

“(2) The Bank shall determine the composition of the official foreign exchange reserves and it shall aim to achieve their security, liquidity and return.”

(Interruptions)

Well, the point he made is that we should be careful that the Bank of Mauritius is having huge reserve, that we boast ourselves every year that it is increasing and that it should as if, from what I understood, sit on the reserve and that's it. That cannot be! In fact, that should not be! As per the Bank of Mauritius Act, it must manage those reserves in such a way to try to get the best return and that is why in previous years, the Bank of Mauritius has been able to declare dividends and to give to Government an amount of money which has always been useful for every Minister of Finance to use for the Budget, but at times, as you know, it has not been able to do so because the return has been negative or there has been no surplus.

So, Madam Speaker, it is the duty of the Bank of Mauritius to try to maximise on the returns. Of course, the point that has been made also when I heard the hon. Leader of the Opposition saying that Argentina Pesos...

(Interruptions)

In that case, we can quote...

(Interruptions)

I do not want to mention the name of any country, or the countries which are part of our Continent, in Africa, where the money has practically no value. Of course, the Bank of Mauritius is not going to invest and buy those currencies. The Bank of Mauritius will have a duty, a responsibility to see to it that, in whatever they invest, whatever currency they purchase it does make sense.

Madam Speaker, we say that we want to consolidate our relationship with both China and India. It is the strategy of this Government to make Mauritius a centre for Renminbi for that part of Africa. We use also Indian Rupees with regard to our trading with India. Now, can you imagine what actually obtains for, let us say, any entrepreneur to be able to buy Renminbi or Indian Rupees? You have to buy either dollars or Euros or whatever and then these have to be exchanged against either rupees or Renminbi. So, in the course of doing that, you are paying twice commission which is, in fact, an increase in the price of purchasing this currency. It would be in the interest of one and all, especially in the interest of our businesses and Government also that if we hold, let's say, Indian Rupees or Renminbi, and when there is a need to purchase, well, at least, you are paying commission maybe only once, and not twice.

Let me come to the National Identity Card Act. Madam Speaker, I must say I am again surprised. My colleague, hon. Minister Sawmynaden has explained the purpose of the amendment, but I feel I need to take up what hon. Uteem and hon. Shakeel Mohamed have said. Madam Speaker, first of all, I must say a lot of incorrect statements have been made with regard to what hon. Uteem has said. Hon. Shakeel Mohamed has been more political because he said that yesterday we were against, now today we are – no, let me remind both of them, and both of them are lawyers, they would understand probably. Either they do understand or they pretend not to understand!

(Interruptions)

It could be one of these. At the time when there was the issue of the National Identity Card, in fact, we were together. MMM, I must say, has always been a *parti avant-gardiste*, but I took the initiative to enter a plaint with summons before the Supreme Court because I was against certain provisions with regard to the National Identity Card.

Now, fundamentally just to sum up, so that people will understand because this is the judgement, Madam Speaker. A case of plaint with summons, hon. Pravind Kumar Jugnauth against the State of Mauritius and others, and it sums up precisely the stand that I took before

the Supreme Court. And I have to read it to clarify all the incorrect information that has been given to this House today. The Court has summarised the case for the plaintiff, and let me quote, and has been made very clear that –

“(…) plaintiff, that the latter is not contesting what he calls the “verification” functionality, as opposed to the “identification functionality” of the new biometric card. The “verification” function involves a comparison of the submitted biometric characteristics - a live fingerprint - with one particular corresponding characteristic, namely the same fingerprint minutiae. Verification therefore involves a one to one comparison. On the other hand, the “identification” function involves the recognition of an individual by comparing the submitted biometric characteristics of one person with all previously submitted and stored biometric characteristics in a database through a search. This search is referred to as a “one to many comparison.”

Let me go on so that the population should understand -

“The plaintiff does not contest the taking of his fingerprints and the storing of the data within the biometric card itself. What he contests is the recourse to the identification functionality which will always need the existence of a database with the biometric data stored for comparison (...) it is contended that the “identification” system, (...)”

And here I do emphasise -

“(…) using the MNIC register as a database, does affect the plaintiff’s constitutional rights inasmuch as his biometric information and fingerprints will be in the possession of the defendants Nos. 1 and 2 and will be stored and retained in a database for which the defendant No. 2 is the “Data Controller.”

This is the point that I made before the Supreme Court. I have never been against storing that information on the National Identity Card. Why? It is because the card is in your possession. It is part of yourself. It is as if it is your finger and your face. And as long as it is in your possession, I have absolutely no problem, I have never had, and I do not have and I will never have any problem with that. And this is what is stated here. I would recommend, maybe he has forgotten, maybe they have forgotten, I think they should go and read this judgement that was delivered in my case.

Now, let me go further, I don’t want to go into the details, but what I also contested at that time, there was no law which had been enacted to provide for the storage of fingerprints and other biometric information. And maybe especially barristers would recall what did the

Government do at that time. I had entered an injunction case before the Judge in Chambers, and I had moved that there was no law with regard to that aspect of the process of the National Identity Card. When the case was heard before the Judge in Chambers, the Government then made a regulation and then came with such a law.

So, I think that says it all about how this has been done in the past. Now, there is the other issue in spite of the fact that I was contesting the storing of fingerprints and biometric photo on the database. There is the test of proportionality in a democratic country like ours. Was it justifiable to do so?

Madam Speaker, now I refer to the case which went to the Privy Council. It was the case of *Madhewoo* against the State.

Madam Speaker, in this case, to reply to the argument that has been made before this House, the Privy Council was very clear, very straightforward and the issue was that the appellant's challenge, just like what I did before the Supreme Court, was under section 9 (1) of the Constitution. In *Madhewoo* case, in fact, he contested everything. Not only the permanent storage of those characteristics on the register, on the database, but he contested the very fact that fingerprints and biometric photographs are being taken to store on the MNIC. Of course, the Court did not agree with those arguments, but then the issue was about section 9(1) of the Constitution, and I will read it for people to understand. It says -

“9 Protection for privacy of home and other property

- (1) Except with his own consent, no person shall be subjected to the search of his person or his property or the entry by others on his premises.”

The Privy Council agreed with the Supreme Court's finding that this discloses an interference with the appellant's rights that are guaranteed under section 9 (1). That is not the end of the matter. If you look at our Constitution, the Court had to consider whether that interference was justified under subsection (2) which provides as follows, and I read -

- “(2) Nothing contained in or done under the authority of any law shall be held to be inconsistent with or in contravention of this section to the extent that the law in question makes provision -

- (a) in the interests of (...), public order (...);
- (b) for the purpose of protecting the rights or freedoms of other persons; (...)

except so far as that provision or, as the case may be, the thing done under its authority is shown not to be reasonably justifiable in a democratic society.”

I think this probably must have been one of the rare cases where the Privy Council had to pronounce itself. The Privy Council, in fact, quoted what the Supreme Court has said -

“(...) taking and recording of fingerprints for the purposes of a national identity card were a permissible derogation under section 9(2) as the creation of the card was in the interests of public order and it had not been shown that the provisions were not reasonably justifiable in a democratic society.”

The Privy Council quoted again to the Supreme Court saying -

‘(...) storage and retention of the fingerprints were not reasonably justifiable in a democratic society under section 9(2).’

Storage, as I stated, in the database. Again to complete this part -

“It held that the storage of the data was not sufficiently secure because the safeguards of the Data Protection Act were not sufficient and the storage of the data was not subject to judicial scrutiny and control.”

It is very interesting, very pertinent, I must say, not because that it was in line with what I have stated before the Supreme Court, but I think it has made jurisprudence and the Privy Council, therefore, supported the finding of the Supreme Court.

Now hon. Uteem mentioned something with regard to other information that could, let's say, be contained in the National Identity Card. Madam Speaker, let me say something and that is also not contradictory with what I have stated with regard to the contest; with regard to the dispute that I had; with regard to the system that was being put previously. The population of Mauritius will realise that the Government of Dr. Navin Ramgoolam had spent some Rs1.2 billion for this project. Rs1.2 billion - I don't want to go into politics, whether this is justified or not, forget about that. We have lengthily commented on that. What would you expect this Government to do? Do we come and say: we scrap this National Identity Card, that is, a loss of Rs1.2 billion outright, or act in line with our thinking and our action before the Supreme Court which is that we are against the storing of those information permanently in a database. Because we have to be very careful, and I must say even the Privy Council has some views on that issue. Anyway, when we came to Government, the first thing that we did was to destroy this permanent database. Now, what is being done, clearly to me,

is perfectly legal. It is according to our Constitution, according to law. I maintain my stand, I maintain everything that I have said, not what is written in those newspapers reports quoted by hon. Uteem because what I was contesting was that they cannot store it in a permanent database for the previous Government when there was no security. When they say ICAC, well forget about ICAC and Police as we know what could have happened under the previous Government in those days. I said what could have happened - I am not accusing. This is the point that I was making and this is what I have stated in the Press conference. I hope that this has enlightened the House and, therefore, Madam Speaker, it is our duty, in fact, to see to it, how best we can use this National Identity Card today, for having cost more than Rs1.2 billion because we don't add up the ongoing expenses with regard to the setting up, the issue, the cards and so on and so forth. I trust I have dealt with this issue.

Let me now come to the National Heritage Act. Madam Speaker, I would like to shed some light with regard to the concerns about Government policy with regard to protection of historical and cultural heritage sites. In the Budget Speech, we have expressed our deep commitment to preserving and refurbishing such sites. In fact, we have earmarked more than half a billion rupees for the rehabilitation works on historical sites and buildings, including the renovation of the Plaza Theatre and Curepipe Town Hall. If we look at the Annex, there is a number of buildings, I think about 14 other historical and cultural heritage sites for rehabilitation and refurbishment. Amongst others there are Batterie de l'Harmonie, Martello Tower, Grand Port Battle Memorial, the French Battery at Pointe du Diable, but there may be certain buildings listed on the national heritage sites which, I must say, unfortunately, have reached such an advanced stage of deterioration that either they cannot be restored, or if they had to be resorted, we know how much it will cost Government. There was one building, I remember, where I had requested information on costing and it would have cost some Rs300 m. to Rs400 m.

Madam Speaker, if I am a responsible Minister of Finance, first of all, and Prime Minister, of course, of this Government, do you think I would be able to justify irrational spending? And, depending on what kind of building, I mean, we are not talking about Plaza and Curepipe Town Hall. These are buildings which we will do whatever we can and it is this Government which is going to rehabilitate those buildings. But then, we must be reasonable also because these buildings, some of them, in fact, do pose a safety risk whenever there is heavy rain or a cyclone or there are strong winds and I see one now being destroyed which is a heritage site, I believe. The Labour Party itself is a heritage party...

(Interruptions)

C'est un patrimoine, c'est peut-être un peu chiffonné mais bon, ça va ! Therefore, the amendment that is being proposed is, in fact, in line and we will do whatever we can, of course, to save a number of those buildings.

Let me also seize this opportunity to clarify again one particular issue which has already been clarified – it concerns what we call La School, ex-Royal College Port Louis at Edith Cavell Street. Madam Speaker, first of all, this building has never been on the list of national heritage sites and it was in a terrible state. In fact, if I am not mistaken, this site had already been vested with the Judiciary. It had been vested not under this Government. Hon. Duval must remember, he was in the Government when this building...

(Interruptions)

This is true, it was three years ago.

(Interruptions)

Madam Speaker, three years ago, we...

(Interruptions)

Madam Speaker: Do not interrupt! Hon. Leader of the Opposition, please, do not interrupt the hon. Prime Minister!

The Prime Minister: When he intervened...

(Interruptions)

Madam Speaker: No, but the hon. Prime Minister did not interrupt you when you were talking!

The Prime Minister: Madam Speaker, I am not saying something which is...

(Interruptions)

But I am not saying anything that is not true! They are facts, we can verify. That was vested...

(Interruptions)

But I am saying that, probably he was not aware maybe, but he was part of that Government!

(Interruptions)

Yes, but I am in line with what we are doing.

(Interruptions)

I am not contradicting myself! But...

(Interruptions)

Hon. Shakeel Mohamed, there is one thing, I must say. As he will realise, there have been a number of good things that he said, yes. There have been some bad and some ugly things also...

(Interruptions)

But I will come to the...

(Interruptions)

I will come to the good things that he said and he said that we don't listen! We listen. I listen carefully and when there is something that has to be corrected, we will do so. And then, hon. Shakeel Mohamed, I think he was elected in 2005 and he has been in Government in 2005, 2010...

(Interruptions)

He was not! 2005, he was not!

(Interruptions)

Madam Speaker: No cross talking, please!

(Interruptions)

In fact, I would ask the hon. Prime Minister to address the Chair and not hon. Shakeel Mohamed!

(Interruptions)

The Prime Minister: No, but he was...

(Interruptions)

Yes, he was elected!

(Interruptions)

They are contesting that he was not elected.

(Interruptions)

But he was elected; he was part of the Government.

(Interruptions)

Yes, backbencher, but still!

(Interruptions)

But, he is a very forceful backbencher.

(Interruptions)

And maybe he had better voice than the Ministers at that time! But, anyway!

Let me come to the Gambling Regulatory Authority. Of course, there have been lots of criticisms with regard to the amendments that are being made to the GRA. Let me say that, first of all, we should not lose sight of the main purpose of the amendments which is to combat a serious scourge that is undermining the very fabric of our society, that is, illegal betting, money laundering in fact, to whitewash proceeds of drug trafficking. We agree because I heard the hon. Leader of the Opposition has said that also.

So, these amendments relate to the banning of cash betting transactions, introduction of account-based betting and reporting suspicious transactions. I am aware, of course, that there have been representations that have been made against those amendments from some quarters and I wish to inform the House that those amendments will become effective by Proclamation. Consultations will be ongoing with the MTC and the MTC has issued a communiqué with other stakeholders so that there is a smooth implementation of those measures.

The hon. Leader of the Opposition and also hon. Shakeel Mohamed have spoken about the lack of expertise and experience at the GRA to regulate horse racing activities, but maybe I should remind the House that at that time, in those days, there was the Horse Racing Board and then the GRA was created and had taken over the functions of the Horse Racing Board because, in fact, we wanted it to be more efficient.

It has always been the case, Madam Speaker, that Government nominates a Chairperson and the Members, and I don't want to embark on any criticism, but I just want to remind hon. Members of what obtained under the previous Government, because there have been lots of criticisms against the present Chairperson of the Board. Well, under the previous

Government we all know who was chairing the GRA. And I must say, Madam Speaker, because there have been lots of criticisms, I don't want to give any information, but I was Minister of Finance at one time together with the Labour Party and we know who was Chairperson of the GRA and I encountered problems in trying to put some order. There was a number of decisions taken at that time.

I think hon. Shakeel Mohamed knows about it. I think! And that person did not have any expertise in horse racing similarly for all those people who have been nominated, even before, because that is the case when the Chairperson and the members are nominated. They do not necessarily need to be people from the horse racing industry and they do not have to be because there is going to be a direct conflict if they are involved also in horse racing and they are the authority.

In fact, this is the very problem and I will have to go through the law so that people know about the purpose of having set up the Gambling Regulatory Authority. So, Madam Speaker, it is important for me to remind the House and hon. Members that the aim of those amendments is to ensure fairness, transparency and integrity in the horse racing industry. The Mauritius Turf Club is the horse racing organiser. It is not the authority! I see there is a confusion as the MTC is not the authority. How can it be the authority? MTC in its communiqué says: "we are the sole recognised authority." I mean, in what kind of country are we living? They organise the horse races and then they are also the sole authority! They are going to regulate themselves! I do not think that can be. I was surprised too when I read the communiqué. They said that there is an international organisation which recognises them as the authority. I mean, we are a sovereign country. We know what kind of institutions we have to set up whenever there is a need for a regulator and, therefore, they cannot be the recognised horse racing authority. It is important for me to quote because there have been a lot of incorrect statements that have been made. Let me quote section 4 -

"The objects of the Authority shall be to -

- (b) regulate and monitor the organisation of horse racing;
- (c) promote public confidence in the integrity of the gambling industry and the horse racing industry;
- (d) ensure that gambling is conducted in a fair and transparent manner;"

And section 6, I quote -

“The Board shall have such functions as are necessary to further most effectively the objects of the Authority and in particular to -

- (a) ensure that a horse racing organiser effectively discharges its responsibilities regarding the organisation of horse racing in all its aspects, including safety, comfort and standards of hygiene, security, discipline and the prevention of fraud;
- (b) ensure that there is transparency and good governance in the conduct of gambling, lottery games, sweepstakes, lotteries and Government lotteries and in the organisation of horse racing;
- (d) initiate, develop and implement strategies conducive to the development of gambling, horse racing, lottery games, sweepstakes, lotteries or Government lotteries and the protection of the public in relation thereto;
- (e) coordinate with the *Police des Jeux* for the prevention of illegal gambling and other malpractices in any activity regulated under this Act and for the detection of fraud in gambling, horse racing, lottery games, sweepstakes, lotteries, or Government lotteries;”

Madam Speaker, these amendments that are being made, are, in fact, in line with the objects and the functions of the GRA. Now, with regard to fees, I must say this is what I have been informed, because I myself I do not know much about this horse racing, I have never been interested therein, but we have a duty to see to it that things are done properly and in the interest of punters, in the interest of the population. I am informed that on a number of occasions, the MTC has been acting arbitrarily against betting operators. There have been numerous complaints that have been registered by the GRA from betting operators, and this year, the same arbitrariness has prevailed at the beginning of the racing season. The MTC and one operator could not agree on the quantum of the royalties and the MTC has gone as far as preventing that operator, who is duly licensed by the GRA, from carrying out its business.

Now, the matter was brought before the Supreme Court and the Supreme Court has ruled that it is for the GRA to rule on this matter. This is where I disagree with hon. Shakeel Mohamed. He has been honest to quote, to mention, first of all, the judgement of *SMS Pariaz* against the Mauritius Turf Club and the Gambling Regulatory Authority. Now, what is the Order? The Order that has been given by the judge and I read only the relevant part, I quote –

“All the points raised in support of the application concern essentially contractual rights (*vide* Section 33(2) of the Gambling Regulatory Authority Act) which are still being negotiated and which are still the subject matter of proceedings before respondent No. 2 - that is, the GRA, and this the important part - which is vested with the statutory powers to regulate the issues raised by the applicant.”

Now, we have a judgment of the Court saying that it is - when they interpret and they read the law - within the purview of the GRA to regulate such matters and now we are being told, we are being criticised: why are we amending the law to make it clearer for the GRA, in fact, to regulate such matters? Therefore, Madam Speaker, as a result of this Court Order, the GRA has taken the decision, in fact, because it is not the Board, and they are not just going to have a look and decide on figures as has been stated before. In fact, they are going - if I am not mistaken, probably they have already taken the decision - to appoint a consultant to look into all the aspects of the royalty issue and to make appropriate recommendations thereon with a view to ensuring fairness towards all the parties involved, including the MTC. I do not understand - I mean, names have been mentioned. I have no agenda against whoever at the MTC, it is their business, they elect their members, they run the races, but they have to do it in a way that is transparent, that is fair and will not be conducive, I would call that, to certain *magouilles*. Because we know, we are seeing on so many occasions, Madam Speaker, they do this in an obvious manner.

When you see jockeys, bookmakers, wining and dining, going on catamaran, celebrating, can you imagine, Madam Speaker, people in that industry will know, there is a jockey who has ridden a horse and has lost the race, but has been celebrating with bookmakers and even on the Facebook, saying: ‘We are celebrating for the winning of another horse.’ Can you imagine that? So, what are they celebrating? Madam Speaker, I did not want to use that word, but it stinks. All these arrangements, everything that is being done really stinks, but that no one has said so, unfortunately. Good, you have criticised, you said we are doing this for whatever person or whatever it is, but, unfortunately, I would have expected Members of the Opposition to say the real truth, what is happening there! I am not speaking against lawyers, but there is a lawyer who is a member of MTC and this lawyer advises MTC on what sanction to take, the same lawyer forms part of the panel when there is an appeal from that jockey. How can you accept that? I did not want to go into all this today. I have other things to say, but there are things happening. There is one jockey who has been

caught having taken drugs. A sample of his blood was analysed and confirmed, and MTC has not done anything. He has been riding the horse.

Madam Speaker, I give examples of what is happening there. Though GRA points out that these are the things that are not correct, that should not be tolerated and so on, they fall on deaf ears. That is why, Madam Speaker, I would say it is necessary that we come with those amendments. There is a need I would call it, in a way, to clean the stables. I do not pretend that we can do it alone. In fact, what I am saying is that we need to get the cooperation and the support of the MTC. This cannot be done by just regulating and so on. We need to get people who are honest, who want to really make the horse racing industry an industry wherein people would have trust, and where races are not run as if in advance. I mean, some people would know exactly who is going to win. We are talking about people, very poor people who come and bet. They come, probably during weekdays, I am told, to watch the horses, their performance, how fast they run and so on, but, at the end of the day, this is not what counts, it is what some people have decided who is going to win. I do not want to mention the name of somebody whom we know very well, who decides on who is going to win. Maybe, I have gone a little bit more than what I should on this.

Madam Speaker, the MTC cannot be judge and party at the same time. That is the reasoning behind bringing, for example, the Appeal Committee under the purview of the GRA. This stems from this reasoning, the MTC cannot impose sanctions against jockeys and then appoint, at the same time, the Appeal Board Panel to review those same decisions, and in which there are same people who have been advising the MTC and who are sitting also on those panels.

Mention has been made of the report of the enquiry. The GRA is not going as far as what the British Commissioners have recommended in the report. These Commissioners have recommended that all regulating and licencing functions of the MTC be removed, including licencing of jockeys and trainers, and the stewards' function. Can you imagine, Madam Speaker, if we have had to go along with what have been recommended by those horse racing experts? We would have created a Horse Racing Authority and to remove all these functions from the MTC and allow the authority to do all that. Therefore, it should be clear that the aim of the amendment, as regards review of decisions taken by the MTC, is only to ensure that the horse racing organiser effectively discharges its responsibilities regarding the organisation of horse racing in all its aspects, including safety, comfort and standards of hygiene, security, discipline and the prevention of frauds in accordance with the law.

Now, the introduction of the Players Card System, in fact, aims at preventing corruption and money laundering through the horse racing industry. It is certainly not intended, as has been alleged, to favour one operator. The system, in fact, will be in place only when all betting operators are ready for implementation. Therefore, how can it be to favour one operator? I must also say that there has been the issue that this, in fact, will increase or favour illegal betting. Madam Speaker, illegal betting is something that we have to fight against all the time, whatever we do, whatever system we put in place, there are still some people who would want to avoid *pour contourner la loi, les règlements et pour faire du* illegal betting. But we have to fight that. I think that will, in fact, answer the issues that have been raised. Let me say also that the Independent Horse Racing Authority would be footing the bill for those people who have carried on with the much criticised doings under the caveat of independence, without the GRA having any power to take remedial actions. Again, how could we accept that? I must say, Madam Speaker, the amendments that we are voting today are also in line with what has been done in the UK. We are talking about the GRA fixing the fees, the licenses and so on. Well, I want to reassure the MTC that they are not going to be strangled, that they are not going not to have any funds. Of course, the whole point is to come with a fair system of those bookmakers and whoever it is to pay their fees and, of course, part of that money will be allocated to the MTC. So, I trust that this answers the queries that have been made by the Opposition.

Let me come to the Commission of Inquiry because certain comments have been made that we are reducing the powers of the Commission of Enquiry by removing its power to sanction banks which do not provide information to the Commission of Inquiry. Let me reassure the House. It is this Government which has set up a Commission of Enquiry with regard to drug trafficking. I do not need to say that, formerly, there were so many instances where, at that time, we had asked the previous Government to set up a Commission of Inquiry and, of course, the former Prime Minister never agreed. And I asked this question, and this is not about politics, but for any Member to reflect upon. Let me take one example. When you see somebody trying to bring into the country, for example, 135 kilos of heroin, the market value would be around, let's say Rs2.4 billion, Madam Speaker, do you know how much probably it must have cost? I am not saying one person, but those people. Probably some Rs200 m. or Rs300 m.! Now, do you know how this is being paid? They do not take Rs200 m. and pay. There is an amount of money which has already been handed over, let's say, to somebody from a different country, to 'X'. The rest will be paid when the drug will be

sold on the local market here and part of that drug will be exported to some other destinations. That is the part of the network. But, can you imagine if these people, for one transaction, they are able to gamble around Rs200 m. or Rs300 m., how much wealth, money have they accumulated and for how long it has taken them to accumulate those money! Would anyone of us, if we have to be honest, think that, within those two years, that those people have been accumulating those millions of rupees? It is so evident, so clear, Madam Speaker, that these people have been doing their business for a number of years. I must say, myself, I shiver when I look at the situation. It is so scary, the ramifications, the connections. I do want to go more into it, but I must say it is a very dangerous situation. In fact, those people - *et je pèse mes mots* - can topple a Government with the means that they have. Now we have set up a Commission of Inquiry. Government has chosen a former judge to preside over it, and we want maximum information to be given to that Commission. At the end of the day, when all witnesses and all information are gathered, recommendations will be made. But again let me say to the population, - and this is evident again - as this Government, as Prime Minister, we have taken a number of initiatives in order to combat drug trafficking and they are bringing results. They are bringing results for all of us in the interest of all us. Now we are being accused of *mettre les bâtons dans les roues de la Commission d'enquête*. Do you think we will do that? Do you think I will do that myself? That is why I say, we have to be honest.

Members have been mentioning about section 11(5)(a) of the Commission of Inquiry for banks, but I have not heard anyone saying - or maybe somebody has been saying but has not put emphasis on that - we are reinforcing the provisions of the Banking Act at clause 4(c) of the Bill, to ensure that all banks submit information to the Commission of Inquiry without being in conflict with the confidentiality provision of the Banking Act. Previously, there was a conflict because the Commission of Inquiry was not mentioned in that section of the Banking Act.

Now we are amending and that is why, already, the Commission is getting some information. But now with this, there is, I mean, no excuse. A bank, a Commercial Bank, a Financial Institution will not be able to say that 'there is the issue of confidentiality we are not going to give'; they will have to give. I will say why we are amending with regard to the powers of the Intermediate Court - but if they don't give there is the Central Bank, the Bank of Mauritius and the Bank of Mauritius will act. They have the powers.

Therefore, Madam Speaker, this issue of failing to provide relevant information where they will be liable to a fine - in fact, they will be liable to a fine not exceeding Rs1 m. As regards the revocation of a banking licence under section 11(5)(b) of the Commission of Inquiry Act, it should be noted that the aforesaid Act was enacted in 1944 when the Central Bank was not yet in existence. Therefore, again I say, now that we have a Bank of Mauritius Act, now that we have a Central Bank it is the function of the Central Bank to regulate the banking institutions and it is for the Central Bank - the sole prerogative of the Central Bank as a regulator – therefore, to take action if need be.

Let me quickly come - this has been raised elsewhere and I take this opportunity to clarify - to the proposed amendments which I have mentioned with regard to the Civil Service Family Protection Act relating to payment of pension where there are more than one religiously married surviving spouses. This amendment will provide now for equal apportionment of pension to surviving spouses.

With regard to the comments that have been made to the introduction of the negative income tax, again it has not been said here, but questions have been asked when it is going to come into force. I agree that I had announced in the Budget that it would be effective as from 01 January 2018 and the first payment would be made in August 2018. Madam Speaker, I must say, I am working on the possibility to make the measure effective earlier and the first payment much earlier than August 2018. That is why I am proposing at Committee Stage for the commencement date of the measure to be made by Proclamation. We are trying our best at the level of the Ministry and together with the MRA, of course, to see to it how we set up this network and the proper mechanism so that it can be in force as quickly as possible. But I can reassure the House that it will be much earlier than August 2018.

Let me come to the issue with regard to tax agent. I have listened carefully to the views that have been expressed by hon. Shakeel Mohamed, hon. Uteem and others. Again this shows that we listen because there are valid points that have been made and I am moving for some amendments at Committee Stage as follows -

First, a taxpayer will be allowed to appoint his own tax agent whether he is registered or not;

Second, those persons who wish to be in the business of tax agent will be required to register with the MRA;

Third, an accountant or a lawyer will be deemed to be registered as a tax agent, there is no need to register, one can hold a brief as lawyer, as accountant for any client;

Fourth, for those who are not accountants or lawyers, they will need to have, at least, two years of experience as employee of an accountant or a lawyer or they have worked in the field of finance, and

Fifth, we do realise also that there are people who hold a degree in the field of taxation, accountancy, economics, business management or any related field that would entitle them to be registered as tax agent. The fact that these people are qualified, they would not need to have two years' experience. These people can register.

The point was also made that it is not for the MRA to decide on who is going to be the tax agent. We will have a committee, a different one, not at the MRA so that there is no perception that if there is somebody whom the MRA does not like, he can be victimised. So, we will see to it that this also does not happen.

Madam Speaker, I think we have replied to a number of issues. I think, everything. So, let me conclude, Madam Speaker. I wish, once again, to thank all the hon. Members who have contributed to the debates. I am confident that the Finance Bill together with the amendments that I propose to bring at Committee Stage will enable us to effectively implement the measures and policies announced in the Budget Speech.

I thank you.

Question put and agreed to.

Bill read a second time and committed.

COMMITTEE STAGE

(Madam Speaker in the Chair)

THE FINANCE (MISCELLANEOUS PROVISIONS)

BILL (No. X of 2017)

Clauses 1 to 7 ordered to stand part of the Bill.

Clause 8 (Civil Service Family Protection Scheme Act amended)

Motion made and question proposed: "that the clause stand part of the Bill"

The Prime Minister: I move for the following amendments in clause 8 -

- “(i) in paragraph (b), in the proposed new section 11(1), by deleting the words “not later than 3 months”;
- (ii) in paragraph (c) –
 - (A) in subparagraph (i), in the proposed paragraph (b) –
 - (I) by deleting the words “the pension referred to in paragraph (c)” and replacing them by the words “a pension to be known as a children’s pension”;
 - (II) by deleting the word “and”;
 - (B) by deleting subparagraph (ii) and replacing it by the following subparagraph –
 - (ii) by adding the following new paragraphs –
 - (c) where the contributor leaves not more than one surviving spouse, grant to the surviving spouse a pension to be known as a surviving spouse’s pension; and
 - (d) where the contributor leaves more than one surviving spouse, grant, for their benefit, the pension referred to in paragraph (c) which shall be apportioned equally between each surviving spouse.”

Amendments agreed to.

Clause 8, as amended, ordered to stand part of the Bill.

Clauses 9 to 22 ordered to stand part of the Bill.

Clause 23 (Gambling Regulatory Authority Act amended)

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

The Prime Minister: I move for the following amendments in clause 23 -

- “(i) in paragraph (n)(ii), in the proposed paragraph (ca), by deleting the word “unless” and replacing it by the word “where”;

- (ii) in paragraph (v), in the proposed new section 108C, by deleting the word “Authority” and replacing it by the word “FIU”;

Amendments agreed to.

Clause 23, as amended, ordered to stand part of the Bill.

Clauses 24 and 25 ordered to stand part of the Bill.

Clause 26 (Income Tax Act amended)

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

The Prime Minister: I move for the following amendment in clause 26 (g) -

“by deleting subparagraph (ii) and replacing it by the following subparagraph -

- (ii) in subsection (4), by deleting the words “or Category F” and “Category E” and replacing them by the words “, Category E or Category G” and “Category F”, respectively;”

Amendment agreed to.

Clause 26, as amended, ordered to stand part of the Bill.

Clauses 27-33 ordered to stand part of the Bill.

Clause 34 (Mauritius Revenue Authority Act amended)

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

The Prime Minister: I move for the following amendments in clause 34 (c) -

- “(i) in the proposed new section 17C, by deleting the words “or a registered nominee of a tax agent” and replacing them by the words “, a registered nominee of a tax agent or a person nominated in writing by a tax payer”;
- (ii) in the proposed new section 17D(1), by deleting the words “such officers of the Authority as the Director-General may determine” and replacing them by the words “such persons as the Minister may appoint”;
- (iii) in the proposed new section 17E –
 - (A) in subclause (1)(a), in subparagraph (iv) –

- (I) in subsubparagraph (A) –
 - (AA) by deleting the figure “10” and replacing it by the figure “2”;
 - (AB) by deleting the word “and” and replacing it by the word “or”;
- (II) by deleting subsubparagraph (B) and replacing it by the following subsubparagraph –
 - (B) a person holding a degree in the field of taxation, accountancy, economics, business management or any other related field; and
- (B) in subclause (2) –
 - (I) in paragraph (a), by inserting, after the word “person”, the words “referred to in subsection (1)(a)(iv)”;
 - (II) by inserting, after paragraph (a), the following new paragraph –
 - (aa) Any person referred to in subsection (1)(a)(ii) and (iii) shall be deemed to be registered as tax agent under subsection (4)(b)(i).
 - (III) by deleting paragraph (c);
- (C) by deleting subclause (7);”

Amendments agreed to.

Clause 34, as amended, ordered to stand part of the Bill.

Clauses 35 and 36 ordered to stand part of the Bill.

Clause 37 (National Identity Card Act amended)

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

The Prime Minister: I move for the following amendment in clause 37 (d) –

“in the proposed subsection (3)(f), by deleting the words “fingerprint images and”.”

Amendment agreed to.

Clause 37, as amended, ordered to stand part of the Bill.

Clauses 38-60 ordered to stand part of the Bill.

Clause 61 (Commencement)

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

The Prime Minister: I move for the following amendments in clause 61-

“(i) by inserting, after subsection (3), the following new subsection –

(3A) Sections 14, 23(a) to (z), (zb), (zd) and (ze), 26(w), (zk) and (zr), 28, 34(c), 36, 37 and 57(l) shall come into operation on a date to be fixed by Proclamation.

(ii) by deleting subsection (7);

(iii) in subsection (12), by deleting the words “, (zk) and (zr)”.”

Amendments agreed to.

Clause 61, as amended, ordered to stand part of the Bill.

First to Eleventh Schedules ordered to stand part of the Bill.

The title and enacting clause were agreed to.

The Bill, as amended, was agreed to.

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

Third Reading

On motion made and seconded, the Finance (Miscellaneous Provisions) Bill (No. X of 2017) was read the third time and passed.

Second Reading

THE ECONOMIC DEVELOPMENT BOARD BILL

(No. XI of 2017)

Order for Second Reading read.

The Prime Minister: Madam Speaker, I move that the Economic Development Board Bill (No. XI of 2017) be read a second time.

Madam Speaker, the House will recall that, at paragraph 22 of the 2017-2018 Budget Speech, I announced the setting up of an Economic Development Board (EDB) to support Government's efforts to foster higher economic growth for more and better jobs.

The core theme of Budget 2017/18 was to Rise to the Challenge of our Ambitions, namely to achieve the status of a high income economy by the year 2023 and, in the process, to lift up the standard of living and quality of life for all our citizens.

There are various factors that would be decisive to ensure our success in attaining those ambitions, a most prominent one being an appropriate, strong and effective institutional framework.

Thus the main purposes of the Bill are to create an institution with a three-fold mission -

- i. Firstly, provide strong support for strategic economic planning and ensure greater coherence and effectiveness in economic policy formulation.
- ii. Secondly, promote Mauritius as an attractive investment and business centre, a competitive export platform as well as an international financial centre.
- iii. And thirdly, facilitate both inward and outward investment and ensure a conducive business environment.

With hindsight, we know that the public sector institutions and organisations that our country has set up over the past decades to support government policies have been crucial to our progress from a low income to an upper middle income country.

However, in a global context that has changed significantly, where competition for markets is increasingly tighter, where there is significant uncertainty and where we know that adverse shocks can happen much more frequently than in the past, it is imperative that we strengthen and adapt the institutions and organisations that support government policies.

In such a world, we need to have the capacity for quick policy responses – good expert capacity to analyse economic issues, assess the economic and social impact of global

events, such as Brexit and the resurgence of protectionism on our economy and to formulate and implement solutions.

We also need to have the capacity for holistic and coherent strategic economic planning be it at the macro and sectoral levels. Our economy has become more integrated, for example -

- The ICT sector pervades all aspects of life.
- Innovation has become a must to move up from an upper middle income to a high income country.
- And the demographic trend which our country is experiencing will impact on the education sector, on pension, on health care, on the labour market and various other aspects of life in our country.

Madam Speaker, these are but a few examples that bear out the absolute need for greater coherence and for taking a holistic approach in the formulation of economic strategies and policies.

Moreover, we cannot anymore have a fragmented approach to the promotion of our country abroad, be it to promote our exports or inward and outward investments. The present approach is fast becoming inefficient and cannot be relied upon to deliver on the kind of outcomes we need to take Mauritius on its new development lap.

The entire economic model needs to be reviewed and these, Madam Speaker, are some of the main reasons why the Economic Development Board Bill has been brought to this House.

Clause 4 delineates the main objects of the Bill. The Bill also provides for a governance structure that will enable the EDB to function in the most efficient and effective manner. For this purpose, the functions and responsibilities of the EDB are well defined at Clause 5 of the Bill.

It is clear at Clause 5 (1) (a) that the EDB will be there to provide high-level strategic and policy advice to Government on policy formulation. Clause 5 (1) (d) specifies the areas in which the EDB will advise Government, namely socio-economic development, trade development, export and investment promotion, infrastructure development, labour market improvement and business facilitation.

The EDB will also have the important function of monitoring and evaluation of outcomes of policies and projects. This is defined at Clause 5 (1) (f).

The EDB's function will also include identifying opportunities in new economic sectors and engaging with international partners to develop strategic alliances to create the appropriate ecosystem for these sectors.

Other subsections of Clause 5 (1) define clearly the powers and functions of the EDB with regard to -

- Improving the business environment
- Spearheading outward investment and assisting in developing joint ventures and partnership agreements
- acting as the single interface with all investors and liaise with relevant authorities
- facilitation of issues of licences and permits, or the granting of authorisations or clearances
- managing the various investment schemes, including the Film Rebate Scheme, the Integrated Resort Scheme, the Investment Hotel Scheme, the Mauritian Diaspora Scheme, the Property Development Scheme, the Real Estate Development Scheme or such other Scheme as the Minister may approve.

Clause 5 (2) (a), (b), and (c) empower the Board to set up directorates; sub committees, technical committees, advisory council as may be necessary and to set up, or to hold shares in special purpose vehicles.

Madam Speaker, the way the Economic Development Board is itself structured will be crucial to its credibility, repute and effectiveness. That is why the Bill provides for a strong governance structure while, at the same time, giving enough flexibility to the Board and Management to adapt and respond quickly to changing situations.

The Bill provides for a governance structure that ensures accountability, transparency and efficiency.

Thus, Clause 6 of the Bill provides for a Board comprising -

- a. a Chairperson to be appointed by the President on the advice of the Prime Minister, after consultation with the Leader of the Opposition;

- b. a Vice-Chairperson to be appointed by the Prime Minister, and
- c. between 6 and 8 other members to be appointed by the Prime Minister, who are of high integrity among business, public sector and civil society from a broad spectrum of areas. The members of the Board should not be actively engaged in any political activity.

Clause 10 provides for the appointment of the Chief Executive Officer by the Board, with the approval of the Prime Minister.

Clauses 11 and 12 are about other administration provisions for the effective governance of the Economic Development Board.

Clauses 13 to 27 make provision for business facilitation, registration of investors and issue of certificates and licenses.

Clauses 28 and 29 deal with financial provisions.

Clauses 30 to 40 deal with miscellaneous provisions, including declaration of assets, annual reports, confidentiality and offences.

Clause 41 repeals the provision relating to the Financial Services Promotion Agency in the Financial Services Act. It also repeals the Investment Promotion Act.

In the context of replacing the Board of Investment and Enterprise Mauritius by the EDB, Clause 42 makes consequential amendments to the following enactments -

- The Customs Act;
- Environment Protection Act;
- Fashion and Design Institute Act;
- Fisheries and Marine Resources Act;
- Freeport Act;
- Immigration Act;
- Income Tax Act;
- Jewellery Act;
- Land (Duties and Taxes) Act;
- Maritime Zones Act;

- Morcellement Act;
- Non-Citizens (Employment Restriction) Act;
- Non-Citizens (Property Restriction) Act;
- Planning and Development Act;
- Public Procurement Act;
- Registration Duty Act;
- Small and Medium Enterprises Development Authority Act;
- The Stamp Duty Act;
- Statutory Bodies (Accounts and Audit) Act;
- Sugar Industry Efficiency Act;
- Transcription and Mortgage Act, and
- The Value Added Act

PROTECTING THE RIGHTS OF EMPLOYEES

Madam Speaker, the integration of the BOI, FSPA and Enterprise Mauritius should not pose any threat to employees of these organisations. Transitional Provisions are made at Clause 43 to provide for -

- every person who, at the commencement of this Act, is employed on the permanent and pensionable establishment or on contract by the BOI, EML and FSPA to be entitled to be transferred to the Economic Development Board on terms and conditions which shall be not less favourable than those of his previous employment, and
- the period of service and pension rights of permanent and pensionable employees to be fully protected.

Any person employed on the permanent and pensionable establishment of the BOI, EML and FSPA who, within 28 days of the commencement of this Act, does not accept to be transferred to the Economic Development Board may –

- at his request, be redeployed, so far as is practicable, to a Ministry, a Government Department or another statutory body, where vacancies in similar positions are available, or
- opt for retirement on the ground of abolition of office and be paid his pension benefits in accordance with the Pensions Act or the Statutory Bodies Pension Funds Act and regulations made thereunder, as the case may be.

ENSURING SMOOTH TRANSITION

The Bill also ensures a smooth transition.

Any disciplinary inquiry, investigation or proceedings which are pending will continue.

The assets and funds of the BOI, EML and FSPA shall, at the commencement of this Act, vest in the Economic Development Board.

All rights, obligations and liabilities subsisting in favour of or against the BOI, EML and FSPA shall, at the commencement of this Act, continue to exist under the same terms and conditions in favour of or against the Economic Development Board.

Any licence, certificate, permit or authorisation issued, registration made or application granted by the BOI, EML and FSPA, as the case may be, which is valid and in force at the commencement of this Act, shall be deemed to have been issued, made or granted by the Economic Development Board.

And where this Act does not make provision for any transition, the Minister may make such regulations as may be necessary for such transition.

I wish also to clarify that in Clause 2, in the definition of “investor” in paragraph (c), reference should in fact be made to the repealed - I repeat – to the repealed Small Enterprises and Handicraft Development Authority Act because this is missing in the law and I understand that this can be corrected as it is more semantical than anything else.

The Act will come into operation on a date to be fixed by Proclamation and different dates may be fixed for the coming into operation of different provisions of this Act.

Madam Speaker, before concluding I would like to express again my gratitude to the Attorney General and his dedicated staff for having worked intensively and relentlessly during a relatively short period of time to finalise this Bill.

Madam Speaker, I am fully confident that this Bill will bring about a fundamental reform in the formulation of economic policies and investment promotion – a reform that reflects the new spirit with which we need to engage the future – to be more adaptive and more proactive – so that we can join the league of highly competitive countries and to be among the highly performing nations of the world.

I now commend the Bill to the House.

Mr Lutchmeenaraidoo rose and seconded.

(Interruptions)

Madam Speaker: I now suspend the sitting for one hour.

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

On resuming at 9.16 p.m. with Madam Speaker in the Chair

Madam Speaker: Hon. Baboo!

Mr S. Baboo (Second Member for Vacoas & Floreal): Madam Speaker, we are today debating the Economic Development Board Bill (No. XI of 2017) put before the House; an Economic Development Bill for the establishment of the Economic Development Board with the aim to revamp the business sector and investment promotion for the island.

I will go directly to the object of the Bill presented to us which defines the role of this Economic Development Board -

- (a) provide strong institutional support for strategic economic planning and ensure greater coherence and effectiveness in economic policy formulation;
- (b) promote Mauritius as an attractive investment and business centre, a competitive export platform as well as an international financial centre;
- (c) act as the main institution responsible for country branding for investment promotion, and
- (d) facilitate both inward and outward investment and ensure a conducive business environment.

Madam Speaker, all these roles have until now been mainly the mandate of the Board of Investment. The Board of Investment is described as the national investment promotion agency of the Government of Mauritius to promote and facilitate investment in the country. It is described as the first point of contact for investors exploring business opportunities in

Mauritius and the region, and also assists investors in the growth, nurturing and diversification of their business.

As per this Bill, Madam Speaker, all the services provided by the BOI like the granting of occupation permits, Sandbox Licences, the Invest Hotel Scheme, Property Development Scheme, Smart City Scheme, Freeport Certificate and so on as well as the services mandated by Enterprise Mauritius, Financial Services Promotion Agency will be transferred under this new Economic Development Board. What can we see with this Bill Madam Speaker is that the Government is merely adding another layer, another national first point of contact for investors but now to be called as the Economic Development Board.

Madam Speaker, on this side of the House, we would have welcomed this Bill if it was to serve the right purpose. However, if we take the correct stands of the country's economic business environment and the positioning of this new Board, according to the 1st quarter 2017 publications for Export-Oriented Enterprises by Statistics Mauritius, that is, relating to companies operating under registration certificates issued by the Board of Investment, exports have decreased by 16.1% compared to the 4th quarter of 2016. Exports have been stuck below Rs60 m. for some time now and are very concentrated on textile with 41%, fish with 18% and sugar with 10%. These are bad news in case any of those product lines experience a hindrance. We should also take into account that the three largest textile companies reporting locally, which are Ciel Textile, CMT and Esquel, run their major operations outside Mauritius. These surely are conveying signs showing the state of our comparative advantages, which put to question our ability to attract and retain investors to invest and operate in Mauritius.

The IRS scheme, Madam Speaker, which was introduced in 2002, was beneficial for the economy and had attracted around 45% of our foreign investment between 2006 and 2015. However, this scheme and the similar RES and PDS schemes have had their time and are considered to be non-productive unsustainable investment for our economic stability. Hence, Madam Speaker, development is a primordial part of our economy. We are unlike African countries which are blessed with natural resources, cheap labour and immense territory of fertile land. As such, we are bound to be very judicious as well as creative with our economic model. We should, therefore, analyse deeply the risk of juggling with the unknown strategies and development which may fall preponderantly on the future generation.

Coming now to the Financial Services, Madam Speaker, since the revision of tax treaty between India and Mauritius, the global business sector is seeing a slowdown with a decrease in the growth rate in the sector from 2% in 2015 to 1.8% in 2016. This year, according to the Financial Services Commission, we are expecting the growth rate to slow down further to more than 1.5%. The sector is at a critical point and the business model setup, 25 years ago, is phasing out.

The country is facing multiple challenges and with the significant pressure from the Organisation for Economic Co-operation and Development (OECD) to produce a clear business model for the transition from a treaty-based centre to a diversified international financial jurisdiction. We, therefore, look forward to the blueprint as announced in the Budget 2017/2018 to see the Government's quick strategies and actions to revise this sector.

Madam Speaker, coming back to this Economic Development Board, even with a few positive provisions in this Bill, like the disclosure of interest clause and the review of some of the financial criteria covering the occupation and residence permit requirements. We, however, cannot see in this Bill the extra mile the Board will go to attract investment and the rebranding of Mauritius. We have seen the several mergers of the Public Sector Reform Programme promised by this Government since the Budget 2016/2017. We can also recall the two Bills presented by this Government for the establishment of new Boards such as the Utility Regulatory Board and the Land Drainage Authority.

We are made to understand, Madam Speaker, that with the formation of these mergers, the Government will be creating the second economic miracle. But, Madam Speaker, if we consider an example of a concretised merger of this Government like the fast track Landscape Mauritius, the three-headed organisation merged within two months and with a Chairman having none of the necessary qualifications or expertise in urban planning, urban regeneration or land and real estate development. The same Chairman is also chairing the Board of Investment and the Financial Services Promotion Agency. A merger, from where we stand, we cannot see any transparency within its functioning. Where does the project stand, we have no clue, Madam Speaker. We could have then evaluated the bearing of such measures. Unfortunately, it is mainly being known for its nepotism recruitment procedures. And even *famille so famille* being appointed at managerial level of that institution.

Madam Speaker, instead of putting in place this Economic Development Board, this Government should instead try to maximise and boost the sector with the available tools and institutions already at its disposal by reforming what they already have at hand -

- (i) by highlighting on research and development;
- (ii) by recruiting on the basis of meritocracy,
- (iii) choosing from the best qualified available talented pool of graduates and experienced people which can also help in stopping brain drain;
- (iv) also by developing a culture of integrity, of effective policies and good governance by proper monitoring tools with respect to staff efficiency, and lastly
- (v) by having proper training dispensed to staff and to decrease the tick- box policy with the optimum utilisation of the services and collaboration of the Ministry of Civil Service.

Regarding this Economic Development Board, Madam Speaker, we need to know who will be the blue-eyed boy who will be chairing and will be at the directorate level of the Board.

(Interruptions)

Madam Speaker, will we be having another sequence of musical chair of this Government to cram the click of family members, boyfriends and girlfriends as this Government in its two and a half years of tenure have mainly shown that recruitment is mostly based on account of cronyism, nepotism and clientelism rather than recognised competence?

(Interruptions)

Pas faire narien!

(Interruptions)

Nous tout famille! As I outlined earlier, we need to know who will be heading this Board. Will it be again these people who have no notion of their role in transparency and accountability, but whose main objective and vision is to loot hastily with the mismanagement before the next election?

Madam Speaker, if we take the current political Government arena, we have a Prime Minister who is a Minister of Home Affairs, External Communications and National Development Unit and who is also the Minister of Finance and Economic Development. A

Prime Minister surrounded by a brigade of Senior Advisers and Advisers. We apprehend this Economic Development Board Bill because if we look at its clause 6 on the administration and management of the Board, we note that it shall consist as follows -

- “(a) a Chairperson, to be appointed by the President on the advice of the Prime Minister after consultation with the Leader of the Opposition;
- (b) a Vice-chairperson, to be appointed by the Prime Minister; and
- (c) not less than 6 and not more than 8 other members, to be appointed by the Prime Minister.”

But we fail to notice here any delegation of powers, instead more of a trend of centralised and secularised power and authority which defines the notion of good governance and, therefore, not in public interest, Madam Speaker.

With this Economic Development Board, we note that the main decision maker and all the trump cards stay in the hands of the Prime Minister. We do not find the advice of the Cabinet being sought for the mentioned appointments. For a Board which is supposed to refrain the business outlook of Mauritius, we did not see in this Bill the involvement of the different Ministries of the Government like the Ministry of Finance, the Ministry of Small Enterprises, the Ministry of Industry, Commerce and Consumer Protection, the Ministry of Financial Services Good Governance and Institutional Reforms, the Ministry of Tourism or even the Ministry of External Affairs which should be the key participative players of this Board, when it is known that the Board of Investment and the Financial Services Promotion Agency fall under the aegis of the Ministry of Finance. This centralised authority may be wrongly interpreted as a leeway strategy to avoid bottlenecks in the entry of those business people who do not meet the fit and the proper requirements as per the Financial Services Act 2007 and who may affect the good reputation of Mauritius, like the controversial Alvaro Sobrinho. As for the members to be appointed by the Board, we note, Madam Speaker, as per Clause 6 of the Bill, and I quote -

- “(3) (a) Every member appointed under subsection (2) shall be a fit and proper person –
- (i) of high integrity from among the business sector, public sector or civil society, with expertise and experience in, but not limited to, banking and finance, agribusiness, the energy sector, regional development, information technology, medical

research, industry development, higher education and academia, science, innovation, engineering, urban planning and renewal of public policy; and

(ii) who is not actively engaged in any political activity.”

Madam Speaker, however, taking the current context into account, it is a fact that the notion of fit and proper is not in the almanac of this Government and, therefore, in full contradiction with Clause 6(3) of this Bill. Madam Speaker, referring to the same Clause 6, clarification is also required on subsection (ii). We need clarification on what is meant by “not actively engaged in any political activity.”

What about favouritism, partisanship, can we obtain confirmation that the recruitment exercise would be based purely on meritocracy? Madam Speaker, another issue which needs to be pointed out, and which is of public interest, relates to Clause 33 of the Bill, Protection from Liability, and I quote –

“No liability, civil or criminal, shall be incurred by the Economic Development Board, a member, an employee, the Chief Executive Officer or a member of any subcommittee, advisory council or technical committee in respect of any act done or omitted in good faith in the discharge of its or his functions or exercise of powers under this Act.”

Public officials paid out of public funds should be held accountable for their doings, for any bad decisions and there should be no hindrance from a Minister or any political interference in these. Madam Speaker, in the Government’s drive to upgrade our business sector and the island competitive image, how can we protect those people who take decisions, sometimes politically motivated, not to be held accountable by any Court of Justice?

We cannot forget the episode of Betamax which will burden heavily our taxpayers. We note, again, that the notion of ethics and good governance is not being taken into account. Madam Speaker, fair enough, if the Government is emulating Singapore’s success story in establishing this Economic Development Board. Do it well then, instead of just putting in place a Board that will serve no purpose other than bring in along additional, inappropriate wastage of funds.

If we take a look at the Singapore Economic Board, which falls under the aegis of the Ministry of Trade and Industry of Singapore, it is described as being the lead Singapore Government agency that plans and executes economic strategies to enhance the country’s position as a global hub for business investment and talent. If we look at the website of the

Board and the Singapore Economic Board Act, we will find that the Board caters for industries, ranging from manufacturing, chemical, infrastructural, marine, offshore engineering to professional services and tourism as well as supporting its small medium business enterprises.

Its mission and core values are to create sustainable economic growth with a vibrant business and good job opportunities, to build long-term business relationships; so, trust and integrity. The Singapore Economic Development Board even goes further in promoting integrity and ethics in its endeavour to sustain economic growth for Singapore. The public can report any case where an EDB Officer fails in respecting the core values of the EDB in performing its duties.

Madam Speaker, I would venture to say that we should be practical and understand the type of business environment, political culture that we have. With all the political interference, we cannot expect innovation and the boosting of economic growth with such mind-set. Madam Speaker, referring back to the Bill, another Clause which, may be, requires clarification is Clause 13. We find it odd the emphasis being made at Clause 13(5), that medical type businesses, and I quote –

- “(a) private hospital under the Private Health Institutions Act;
- (b) a nursing home under the Private Health Institutions Act;
- (c) a residential care home under the Residential Care Home Act, and
- (d) a food processing plant.”

When all these mentioned business opportunities are already being catered for by the Board of Investment, we hope there is no hidden agenda here. Referring to Clause 5 (2) (c) of the Bill, and I quote –

“Notwithstanding section 3A of the Statutory Bodies (Accounts and Audit) Act, to set up, or to hold shares or other interests in a special purpose vehicles, including Mauritius Africa Fund Ltd or such company as the Board may determine.”

We would here, Madam Speaker, appreciate that Government makes public the degree of transparency in which these acquisitions of interest will be made, considering that neither the State Bank of Mauritius nor the SPVs in the pipeline is subject to accountability to the Parliament or to the National Audit Office. There are lots to talk about but, before ending, Madam Speaker, I would say and, as I outlined before, instead of establishing a new

Economic Development Board which is only the rebranding of the Board of Investment with the recruitment of additional people, Government should have instead reformed the Board of Investment, empowered it and given it its true identity of the main stop shop interface for Business Integration, Investment Promotion and deprived it from any political influence.

Madam Speaker, this Economic Development Board Bill does not provide a roadmap of new and consistent business model for our business environment and challenges. Government should rather consider exploring the African plethora of opportunities in making Mauritius a processing Centre of excellence for African products like cocoa beans, coffee beans, mineral resources, timber and so on. We should scrutinise the African market and establish partnerships that are in for the long haul and can help us deliver the best return on investment. Again, Madam Speaker, with this no substance Economic Development Board, I venture to say that this Government is running out of steam. We can see its shortfall or lack of innovative business strategy in putting another layer above the parastatals which are underperforming with their shortcomings, outdated paradigm and inefficiency with all defects hidden under one umbrella which will result in additional operational costs and weighing heavy on the taxpayers.

Madam Speaker, we wish to understand what this Government is trying to do. On one hand, recently amending the Investment Protection Act as proposed in the recent Business Facilitation Provision Bill and repealing it completely in this Economic Development Board Bill which has been brought before the House today. On the other hand, the same Government in March 2016 launched the Mauritius International Financial Centre under the Financial Services Promotion Agency for the development and promotion of Mauritius as an international financial centre of excellence and as a platform for structuring cross-border investment in key markets, and now, after just one year, putting the FSPA under the Economic Development Board. All this fanfare for nothing and only proving mainly amateurism!

Madam Speaker, we have also heard so much from this Government about Mauritius being the *passerelle* between Asia and Africa for Asian investment going to Africa. Unfortunately, the reality is that China already has its foot imprinted in Africa more than us, while we have been living in a miscalculated and an overestimation of our role of the unavoidable middle man or bridge between Asia and Africa. On this side of the House, we see that this Government does not have the calibre for innovative and bold decision-making to steer up the economy, but which is more concerned about short-term gains.

Madam Speaker, I believe this Government should take a leaf from Paul Kagame, the President of Rwanda...

(Interruptions)

Soodhun pé peur là! And its endeavour to become the African gorilla in the 21st century, whose main focus is the economic transformation and development and with his business savvy strategies and vision to lure private investment and to build a globally competitive economy for Rwanda, a landlocked country lacking in natural resources!

Madam Speaker, with Mauritius ranking 49th in the Doing Business for the Year 2017 Report of the World Bank, and falling from the 32nd place, it is imperative to revive the Government machinery which is lagging behind, or else we may shortly find our first position in Africa being taken over by Rwanda.

I would end by quoting Shri Narendra Modi in its novel strategies to develop India as a landmark, and I quote –

“We must there build an agenda for speedy yet sustainable economic growth that is inclusive of all, respectful of individuals, responsive to innovation and responsible towards the future generations.”

With this, I thank you, Madam Speaker.

Madam Speaker: Hon. Gungah!

(9.47 p.m.)

The Minister of Industry, Commerce and Consumer Protection (Mr A. Gungah):

Thank you, Madam Speaker, for giving me the opportunity to comment and share my views on the Economic Development Board Bill. I have listened very carefully to my good friend, hon. Baboo, and I think the last words he uttered concerning what Shri Narendra Modi said resume everything because his speech was quite erratic, in a way it is a very bold decision that we have taken to *relance l'économie*, in another way, it is not a bold decision.

Another point was raised about who is going to be the Chairman, the CEO or the members of the Board, and speaking about cronies and all - I think, without forgetting those who were the real cronies between the years 2005 and 2014. Sometimes, I say to myself: “The world is changing rapidly, but some Members within six months changed too rapidly, so rapidly that the world can’t follow.”

(Interruptions)

Anybody wants to eat a pizza? I will invite you!

(Interruptions)

I can come to Grand Gaube and eat a pizza with you, if you invite me, of course.

(Interruptions)

Madam Speaker, I have listened carefully and I hope hon. Members will listen to me. Hon. Baboo spoke about members of the Board. In fact, my intention was not to go into details of the Bill because I want to express my views on this Economic Development Board. It is clearly written here; he read it himself that every member appointed under subsection (2) shall be a fit and proper person of high integrity from among the business sector, public sector or civil society with all the details in that and who is not actively engaged. Now, if we go to section 33 –

“Protection from liability

No liability, civil or criminal, shall be incurred by the Economic Development Board, a member, an employee, the Chief Executive Officer or a member of any subcommittee, advisory council or technical committee in respect of any act done or omitted in good faith in the discharge of its or his functions or exercise of powers under this Act.”

It is a standard approach. Another point which may be raised later during the debates from another hon. Member of the Opposition is that, last year, it was announced in the Budget that there would be a merger between Enterprise Mauritius, SMEDA and the National Women Entrepreneur Council. But I just said, Madam Speaker, *le monde évolue très rapidement*. What the hon. Minister of Finance stated in last year’s Budget was studied between all parties concerned, but the pace at which things have been moving internationally, however, has shown that that merger would not have been appropriate for the country. That is why in this year’s Budget one of the major measures that has been announced was the setting up of this Board and with the main objective to strengthen institutional capacity to support our growth objectives. The Budget, indeed, enumerated solutions to challenges facing the country and paves the way for a modern and economically sustainable Mauritius.

Madame la présidente, les mesures évoquées ne constituent pas qu’un effet d’annonce et ne resteront pas lettres mortes, nous allons les implémenter et les concrétiser. Et

aujourd'hui nous initions l'action et déclenchons le processus pour la mise en place d'une importante réforme; la refonte de plusieurs institutions et leur regroupement en une organisation mieux structurée à relancer les défis actuels.

Three major institutions, namely Enterprise Mauritius, the Board of Investment and the Financial Services Promotion Agency will be brought under the fold of the Economic Development Board. This fundamental change will bring greater synergy and coherence in respect of export promotion, investment promotion and business facilitation.

Presently, Madam Speaker, Enterprise Mauritius, the Board of Investment and the Financial Services Promotion Agency are undertaking promotion campaigns independently. In fact, this does not reconcile with a holistic approach to promotion and we must admit that it is neither effective nor efficient for three separate organisations to have the same primary objectives. This is not a conducive environment to achieving our stated economic goals.

The setting up of the EDB is in line with the need to have an eco-system that can usher in the development of new pillars of growth. The proposed structure of the Board will promote Mauritius as a friendly-investment destination and a competitive sourcing destination for our goods and services. A more conducive business environment will certainly lead to more effective investment and export promotion.

Allow me, Madam Speaker, to share my personal experience as Minister on this issue. I chaired the sub-committee on Manufacturing, Exports and Film Industry which was set up to oversee implementation of measures in Budget 2016-2017. There was duplication in regard to implementation of several schemes. I will mention but a few.

1. The Film Rebate Scheme was managed by both the Board of Investment and the Mauritius Film Development Corporation.
2. The Financial Services Promotion Agency and the Board of Investment were both involved in the implementation of the MINDEX.
3. The setting up of the Pharmaceutical Village required the expertise of my Ministry, the Ministry of Health and Quality of Life, the Enterprise Mauritius and the Board of Investment, among others.

I must say that the overlapping of procedures and processes has impinged on the smooth implementation of these projects.

Madam Speaker, someone rightly said if you want to go fast, go alone, but if you want to go far, go together. Unfortunately, we are moving slowly due to administrative procedures and we cannot go far because the main institutions are working separately.

So, Madam Speaker, the setting up of the EDB will eliminate overlapping activities and centralise many activities namely economic planning, export promotion, investment promotion and e-licensing. In the wake of this fundamental change, innovative practices will be put in place to ease the way of doing business. For example, investors will deal with a single organisation and there will be no need to contact different institutions to complete administrative procedures.

Madam Speaker, the Bill provides for a Business Facilitation One-Stop Shop to act as a single authority in respect of registration and grant of licences and clearances. The E-licensing that will be put in place under the One-Stop Shop will thus eliminate cumbersome procedures faced by the entrepreneur and this will be complementary to the single window platform.

Madam Speaker, the setup of the Board will also imply better allocation of human and financial resources. The merger of institutions mentioned in the Bill will certainly usher into great operational efficiency and lead to faster decision-making process and, at the end of the day, it is the country as a whole that is going to benefit.

In fact, Madam Speaker, we are bridging the gap with countries which have chosen the path of institutional synergy. I have in mind a country like Singapore which has an effective Board to propel economic development. The Board is the lead government agency for planning and executing strategies to enhance Singapore's position as a global business. Singapore has adopted a unified approach in attracting investment, promoting a conducive business environment and fostering innovation, branding, research and development among others.

There are many other countries which have adopted institutional alignment as a key factor of competitiveness. The New Zealand Trade and Enterprise is a government institution involved in provision of assistance for export and investment promotion among key functions.

The Department for International Trade in the United Kingdom is another example we can mention as it has been recently set up to cover activities such as development and

coordination of national trade policy as well as responsibility for investment, export, innovation and skills development.

This Government, Madam Speaker, is, therefore, placing Mauritius among the league of nations that harness their institutions for economic cohesion and advancement.

Madam Speaker, as far as export is concerned, there is need to accentuate efforts to address a harsher international context. As the Prime Minister rightly said, we can recall one unexpected challenge, the Brexit, which has taken its toll on our economy. The House is aware that Brexit has created new testing times for our exports. Appreciation of the Mauritian Rupee against the Pound Sterling has reduced competitiveness of our products. Much uncertainty has emerged in the aftermath of the Brexit which has definitely impacted negatively on our exports.

We must also anticipate the emergence of other challenges which can plague our export sector and our economy. I am firmly convinced that the Board will come up with proposals to better confront challenges and stand as a strong watchdog to anticipate events on the international scene. It is only then that we can better achieve resilience in the export markets. I believe that we will have a better grip on our export performance.

Madam Speaker, a major function of the Board is to advise on trade development. This is crucial as we have to better address challenges in the global arena.

Unfortunately, it is a fact that our competitive edge has been eroded over time. We have reached a crossroad where we have to compete with emerging economic giants such as China and India. Other countries such as Vietnam, Bangladesh and Indonesia, bestowed with vast resources, are competing with us. We are no longer among the few which have preferential access to Europe. We cannot remain complacent also when our traditional markets are being shaken.

There is no doubt that the Board will be effective and efficient in supporting the business community in enhancing its competitiveness in the regional and global markets.

Madam Speaker, another key function of the Board is to advise Government on economic policy formulation. This is vital to identify new economic pillars and activities that can bring positive changes. Indeed, the emergence of new economic sectors is critical at this juncture. We cannot continue to rely only on textiles, the backbone of manufacturing, as a major generator of foreign exchange and employment opportunities.

We have to promote development of high-value technology and skill intensive sectors that can provide meaningful and high-waged employment opportunities. This is highly opportune as the profile of our labour force has changed over the years and we have to cater also for our graduates coming on the market.

Madam Speaker, strategic economic plan will be one of the key functions of the new organisation. This is a positive and innovative change. A country that has set high growth as a major objective can do so by consolidating, expanding and diversifying its economic sectors. This process of development cannot be done haphazardly. It requires careful planning for the short to the long-term. It is only then that we can better mobilise technical and financial assistance from donor agencies. We will be in a better position to align development of skills with growth of sectors, be it traditional or emerging ones. Strategic planning will be crucial to move to a high-income modernised and diversified economy.

Madame la présidente, je suis convaincu que nous pourrions envisager l'avenir économique de notre pays avec davantage de sérénité et d'optimisme. Nous n'avons pas le choix si nous voulons avancer économiquement. Nous sommes tous conscients que ce n'était plus acceptable que trois institutions ayant les mêmes objectifs puissent opérer séparément. Si nous voulons que notre pays progresse il nous faut une culture d'efficience. La mise en place du "*Economic Development Board*" corrigera cette manque pour que nous puissions attirer plus d'investissements étrangers et relancer nos exportations.

Madame la présidente, tout changement crée toujours des appréhensions mais des appréhensions qui sont dissipées lorsque les résultats positifs émergent. Ici, je peux dire: "*either we adapt or we perish*".

I said it in the beginning of my speech, Madam Speaker, the world is moving rapidly. I can say that being in the private manufacturing sector myself for years, I have never witnessed such a change. Today buyers are waiting for the last moment to order.

Here, I should thank the hon. Prime Minister and Minister of Finance and Economic Development for having come up with the Speed to Market scheme. The Speed to Market scheme which is giving a big boost to our manufacturing sector and I can say that I have been through the figures recently, there has been an increase in our volume of export and even value of export.

But, imagine buyers from UK, France and Germany waiting for the last moment to order from Mauritius! The distance that we are separated from these countries, how long

would it have taken to export our products by ship? Today, with this facility that has been offered by the Government, these manufacturing companies have the chance to export by air at a reduced cost. This is, indeed, helping our export sector.

Another measure that has been announced, the Corporate Tax that has been reduced from 15 per cent to 3 per cent, Madam Speaker, this is also contributing to boost up our export.

Indeed, Madam Speaker, I should say that this Board sera un tremplin important pour que nous puissions gravir les étapes du développement. Notre seul but est de bâtir une Ile Maurice prospère et inclusive avec la création d'emplois et le développement social. Ce gouvernement est convaincu que c'est le pays qui en sortira gagnant à la fin. Et je salue très bas la décision du Premier ministre et ministre des Finances, l'honorable Pravind Jugnauth, pour avoir pris des mesures courageuses.

Indeed, Madam Speaker, I must say that Government is embarking itself in something exciting. In fact, this Board will illustrate that vision with action can bring far-reaching positive outcomes.

I will end, Madam Speaker, by quoting Steve Jobs.

(Interruptions)

Yes, on the job. I quote, Madam Speaker -

“If you are working on something exciting that you really care about, you don’t have to be pushed. The vision pulls you.”

Thank you, Madam Speaker.

Madam Speaker: Hon. Uteem!

(10.10 p.m.)

Mr R. Uteem (First Member for Port Louis South & Port Louis Central): Madam Speaker, we are called upon today to approve the setting up of an Economic Development Board, a gargantuan body which will take over the functions of the Board of Investment, the Enterprise Mauritius, the Mauritius Financial Services Promotion Agency, which will manage the Film Rebate Scheme, the Integrated Resort Scheme, the Investment Hotel Scheme, the Mauritian Diaspora Scheme, the Property Development Scheme, the Real Estate

Development Scheme, which will manage the Mauritian African Fund and which will also be responsible for the issue of licences, clearances and managing our e-platform.

And, as if this was not sufficient work, Madam Speaker, the Economic Development Board will also be advising the Government on economic policy, on socio-economic development strategies and on economic planning. Madam Speaker, the Economic Development Board very much looks like a parallel Government, like a parallel Ministry of Finance and Economic Development controlled and managed by political appointees!

And, it serves absolutely no purpose as has been rightly pointed out by my good friend, hon. Baboo. It serves no purpose providing in section 6(3)(a)(ii) that members appointed on the Economic Development Board should not be actively engaged in any political activity because we all know, Madam Speaker, the people this Government has so far appointed on various Boards and positions of responsibility. I am talking about the likes of Ms Choomka, Ms Sumputh and Mr Gulbul. So, I don't expect, Madam Speaker, the trend to be reversed when it comes to the appointment of the CEO or the Board Members of the Economic Development Board. It is only going to be jobs for the boys and for the girls!

Madam Speaker, when deciding whether to vote this Board, we have to ask ourselves the fundamental question: do we need an Economic Development Board to advise the Government on economic policies, strategies and planning when we already have a Ministry of Economic Development? Why are we creating this new Economic Development Board? Does the hon. Prime Minister have no faith in the economists and other competent civil servants manning the Ministry of Economic Development? By creating this Economic Development Board, are not we duplicating work? Are not we wasting public funds? Unfortunately, Madam Speaker, it is not the first time that this Government is setting up parallel entities for advising it on economic development and planning. Hon. Members will recall that on 22 August 2015, the Rt. hon. Sir Anerood Jugnauth, then Prime Minister and Minister of Finance, launched the High-Powered Committee on achieving The Second Economic Miracle And Vision 2030, two years ago. He stated, and I quote –

“The High-Powered Committee under my Chairmanship will oversee the preparation of a Blueprint for Vision 2030. The Committee will meet as often as needed to further enhance business facilitation and deliver on our investment targets. If we need to burn the midnight oil to attain our objectives, we are prepared to go that far.”

Music to our ears - 'if we need to burn the midnight oil, we will do that'. Two years down the road, what happened to the High-Powered Committee? Is it still around? What happened to the Blueprint for Vision 2030? When will that come out? In 2030? Who will now come up with economic planning and strategy? This is the fundamental question. Will it be the Ministry of Finance and Economic Development? Will it be the High-Powered Committee - if it still exists! Will it be the new Economic Development Board? Or will all of these 3 entities now be responsible for devising economic planning and strategy for this Government? And in case all three are responsible, then what a waste of fund! Would it not be better for this Government to set up a department within the Ministry of Finance which will be totally dedicated for economic planning or have a full-fledged Ministry of Economic Planning as we used to have it under previous Governments?

Madam Speaker, I have listened carefully to hon. Ashit Gungah. His Ministry is directly concerned because one of the functions of the Economic Development Board is to take over the export promotion activities which used to be carried out by Enterprise Mauritius. In last year's Budget, this is what the hon. Minister of Finance stated about Enterprise Mauritius, at paragraph 352 –

“352. First, the supporting institutions in the SME sector, namely, SMEDA, Enterprise Mauritius and National Women Entrepreneur Council will be merged into one organisation for greater coherence, more efficiency and effectiveness.”

Last year, in the Budget, the hon. Minister of Finance announced that Enterprise Mauritius would be merging with SMEDA; this, of course, did not happen. This year, the same hon. Minister of Finance, who, in the meantime, has become the Prime Minister, stated in his Budget Speech –

“Eleventh, we need a fundamental institutional reform to better support the SMEs and as recommended in the 10-year Master Plan for the SME Sector, ‘SME Mauritius’ will be set up to replace SMEDA.”

This year, there is no longer any merger between Enterprise Mauritius and SMEDA. This year, SMEDA is being rebranded into SME Mauritius and instead Enterprise Mauritius will go on the Economic Development Board.

The question I am asking myself, Madam Speaker, is, last year, before the then hon. Minister of Finance announced the merger of Enterprise Mauritius and SMEDA, did it not

trigger the thinking process? Was not there any study carried out to find out whether these two institutions can merge, whether it makes sense for export promotion agency to merge with the small and medium enterprises? I certainly do not buy the explanation of hon. Minister Gungah, who wants us to believe that *le monde évolue très rapidement* because of the pace in international circumstances. Even within one year, we had to change our policy as regards to Enterprise Mauritius and remove it from the SME to put it on the Economic Development Board. The truth of the matter, Madam Speaker, is that anyone who is involved in the SME sector knows that most SMEs are not involved in export; most SMEs are involved in domestic market. It makes absolutely no sense to have SMEDA merged with Enterprise Mauritius. If anyone has given any thought about the proposed merger last year, this is the advice they would have given to the hon. Prime Minister.

The problem with this Government, Madam Speaker, is they know everything, people learn about policies, watching the TV, watching the Budget Speech and then they are before a *fait accompli*. Then this Government had to do U-turn, had to unwind whatever they had stated. This is exactly what we are doing today as well. I am saying that, Madam Speaker, because, before preparing my speech, I had consultation with people from the Board of Investment, from Enterprise Mauritius, from the Financial Services, from the Export Promotion Agency to find out how they feel about being put under this new Economic Development Board. All of them told me that they learned about the merger when watching the Budget. They did not know; there was no consultation, no one knew about it. Even after the announcement was made in the Budget Speech, I am told - I do not know how far it is true - that there has been only one meeting between the Financial Secretary and representatives of these authorities where a draft Bill was circulated to them for comments. They had many comments about the Bill. For example, it was announced in the Budget that there were going to be three directorates. Now, in this Bill, they have got rid of these three directorates. Now, in the Bill, there is only a power to create directorates. Why? Because when the Bill was prepared, there was no consultation.

Madam Speaker, when we come to Enterprise Mauritius, the staff are worried. They are worried not only about what will happen to their job but they are worried also on how there would be the interaction between an agency which is dedicated for export promotion and an agency which is dedicated to investment promotion. We are not re-inventing the wheel here, Madam Speaker. Let us not forget that in the 90s we used to have the Mauritius Export Development and Investment Authority. We used to have MEDIA. We used to have

only one umbrella authority doing both export promotion and investment promotion. Why did we get rid of MEDIA? Has anyone given it some thought? Has anyone consulted the elders and found out what went wrong in MEDIA? Why was MEDIA split? Why was the investment function taken over ultimately by the Board of Investment whereas the function taken over by Enterprise Mauritius? No one triggered the process? No one asked the former employees.

Madam Speaker, when I first read the Economic Development Board Bill, I was really under the impression that what we were trying to do was to emulate Singapore. I have worked in Singapore and I know Singapore very well. I found it very odd because in Singapore, we have a very efficient Economic Development Board, but that Economic Development Board is not responsible for export promotions. It is not responsible for trade promotion. In Singapore, we have an institution known as the International Enterprise Singapore which is a Government agency dedicated to promoting international trade and partnering Singapore companies in going global. That International Enterprise Singapore is completely separate and distinct from the Economic Development Board of Singapore.

When we drafted this Bill, has there been any consultation with our counterparts in Singapore to find out why in Singapore, which is supposed to be an economic model for us, the Economic Development Board, is separate from the International Enterprise in Singapore? Why in Singapore it works to have two separate agencies, one for trade promotion and one for investment promotion? Why this model will not work in Mauritius? Why in Mauritius we have to put everything under one roof? Did we trigger the thought process? Did we carry out a survey? Did we ask questions? Or did you just come here and someone got an idea and thought that because Singapore is doing something, we have to do it better than them?

Madam Speaker, the decision to merge Enterprise Mauritius under the Economic Development Board comes at a time when we desperately need to give a new boost to our export sector. The latest figures published by Statistics Mauritius only last month, in June 2017, are damning. Damning! Compared to a year earlier, export had decreased by 10.7% when compared to the first quarter of 2016, decreases were observed for our export to United Kingdom down by 22.4%, our export to the USA down by 25.4%, our export to South Africa down by 24.8%, our export to Italy down by 28.5%, our export of articles and apparel, textile, clothing down by 21.6% and our export in fish and fish preparation down by 20.7%. All the figures are in the red when it comes to the export sector in Mauritius.

We desperately need, Madam Speaker, a new vision. We desperately need market diversification. We desperately need product diversification. We need to optimise our export to countries of SADC, of COMESA and other destinations where we have Preferential Trade Agreements. We all know, Madam Speaker, that we are currently negotiating a comprehensive economic cooperation and partnership agreement with India. When this partnership agreement would be signed, there would be tremendous opportunities for Mauritius companies to go and tap into the Indian market.

Madam Speaker, now is not the time for trial and experiment. Now is not the time to play with our export promotion agency, now is not the time to demotivate the staff of Enterprise Mauritius, and certainly, now is not the time to play with the Financial Services Promotion Agency as well. Madam Speaker, I really do not understand this Government. How can they announce something, do something, and then just change what they have done, just undo whatever they have done? I have just explained for Enterprise Mauritius, how they announced they are going to merge with SMEDA and then did a U-turn.

In the case of the Financial Services Promotion Agency, it is worse. It is worse! Initially, in the 90s and early 2000, we used to have a dedicated agency for the promotion and training of financial services sector known as the Financial Services Promotion Agency. The then Government, the Labour Government - I think after 2005 - decided to scrap that FSPA and move the promotion of financial services under the aegis of the Board of Investment. At that point, there were a lot of criticisms from the financial sector about moving the Financial Services Promotion Agency to BOI. So, when this Government took office in 2015, one of the first measures they announced in the Budget was the creation of a new Financial Services Promotion Agency dedicated to the promotion of financial services. In his Budget Speech, the then Minister of Finance, hon. Lutchmeenaraidoo, had this to say –

“The Financial Services Promotion Agency will be reactivated for more effective promotion campaigns, especially to diversify our Global Business activities in Africa.”

The decision was unanimously welcomed by the Financial Services sector. We all know because we ask PQs in this House how the Financial Services Promotion Agency was launched in a grand fashion and even the Lord Mayor of London, Alderman Jeffrey Mountevans was invited.

So, once this FSPA was set up, it started doing promotion campaigns promoting the Financial Services sector and it was doing well. After going through all the troubles and expenses and the branding exercises, after going through all problems of setting up a Financial Services Promotion Agency, only one and a half years later, what are we being told to do? Unwind everything! Go back to how it used to be before this Government came to power! Take it away! Scrap the Financial Services Agency Promotion Agency! Take it and put it back under the aegis of the Economic Development Board like it used to be under the Board of Investment! So, again, Madam Speaker, does anyone think in this Government before they take a decision, before they engulf millions of rupees in creating an institution only to do a U-turn? Each time they come, they will tell you: we are doing this, this is good! And everybody in the Government will say: 'Yes, it is good. We are doing the Financial Services Promotion Agency, very good!' Today, we are scrapping the Financial Services Commission, same people, same Minister of Finance, same Government and same people will say: 'Yes, it is very good; we are getting rid of the Financial Services Promotion Agency.' We have to be serious, Madam Speaker. Like hon. Gayan always says, there is only one Government. Ministers can change, but there is only one Government. There is collective responsibility. There is Cabinet decision. You cannot go on changing things and do trial and error because the Financial Services sector, Madam Speaker, is going through tough time, even tougher times than the export sector.

We have been badly hit following the renegotiation of the treaty between Mauritius and India, which is much to our detriment. We are already feeling the direct effect of that. There is a definite slowdown in enterprises using Mauritius to invest into India. They prefer to go directly now to India because it does that make economic sense, tax-wise to use Mauritius.

Worse, earlier this month, as the hon. Attorney General reminded us in his Budget Speech, the Government has signed the multilateral convention to implement tax treaty related measures to prevent base erosion and profit shifting, commonly known as multilateral instrument or MLI. This is to please the OECD. This is to ensure that we are not blacklisted. We had to give this commitment, but when we give this commitment, we know also that that would be the end of the tax privileges that we have. We will no longer be able to discriminate between onshore and offshore works. We will no longer be able to give preferential tax treatment to non-residents. We know it! We will have to reinvent ourselves. This strapping of the Financial Services Promotion Agency is happening at a time that will need strong

leadership in the Financial Services Sector. Yet, we are demotivating the staff of the Financial Services Promotion Agency by telling them that, henceforth, they will have to report to the Economic Development Board when they do not even know how it would be. They do not even know who would be the CEO. They do not even know what would be the work environment that they would be involved.

Madam Speaker, this brings me to the third agency that is being moved under the Economic Development Board, namely the Board of Investment. Madam Speaker, I cannot understand the logic of creating a new Economic Development Board to do exactly what the Board of Investment is already doing. All the schemes that are currently being operated by the Board of Investment will now be operated by the Economic Development Board.

According to hon. Gungah, the reason for creating that Board is to ensure a better coordination between the various authorities when doing promotion. Yes, I agree. I agree that it is not normal that one week you will have someone from Enterprise Mauritius going to South Africa, the next week you will have someone from the FSPA going to South Africa and the third week someone from the Board of Investment going to South Africa. I agree. Is the hon. Minister aware of section 6(f) of the Investment Promotion Act. It provides that the Board of Investment has a responsibility to –

‘(f) coordinate multi-sectoral promotion activities and be the focal point for all investment-related promotional and marketing activities for Mauritius.’

The Board of Investment already has that ability to act as a coordinating body. It is very simple. Whenever someone wants to go to a country, all he needs to do is exchange email - copy FSPA, copy Board of Investment and then he can go meet together and coordinate the activities. There is no need to strap the three bodies - Enterprise Mauritius, FSPA and Board of Investment just to ensure coordination. There is no need to create a whole new Economic Development Board just to ensure coordination when promotion activities are done. It simply does not that make sense, Madam Speaker. I have gone section by section of the proposed Bill. It is almost taken verbatim from the Investment Promotion Act. Same thing that the Board of Investment was doing under the Investment Promotion Act, now it will be done by the Economic Development Board under this new Bill.

Madam Speaker, one of the major differences between the Board of Investment and the Economic Development Board is that the Board of Investment is answerable to the Minister of Finance, whereas the Economic Development Board will now fall under the

purview of the Prime Minister. I do not know what is the rational. I mean, I can understand that, as long as the Prime Minister is the Minister of Finance, there would not be a great difference. While going forward, we will have promotion agencies which would be answerable to the Prime Minister instead of the Minister of Finance. I don't know if this is deliberate or not, Madam Speaker, but one of the consequences of a change in the responsible Minister is that it will, henceforth, be for the hon. Prime Minister to enter into investment promotion and protection agreement.

This is the effect of section 27 of the Bill. Previously, of course, as it is done in every country in the world; it is the Minister of Finance who negotiated signed and ratified investment promotion and protection agreements, but now it will be the Prime Minister. Looking at the Act, I do not know what will happen to our overseas trade mission which has now been open by the Board of Investment. Will it fall under the Economic Development Board or will it go under the Ministry of Foreign Affairs? When intervening during the Budget Speech, hon. Lutchmeenaraidoo seems to be very keen on having economic mission fall under his responsibility and having the economic diplomacy revamped under the Ministry of Foreign Affairs.

Madam Speaker, I would conclude by drawing the attention of the House to what, for me, is the most disturbing aspect of creating an Economic Development Board, and that is the effect on the staff. Staff of Enterprise Mauritius, staff of the Financial Services Promotion Agency, Staff of the Board of Investment - the moving of those staff to the Economic Development Board will be a painful exercise. Make no mistake about it because each agency has its own Staff Organigram. Under the transition and saving provision in section 43 of this Act, we are saying that the staff will be transferred on terms which are not less favourable. Fair enough, those who are in contract will be given a new contract under the new body. This is all good in theory but what will happen in practice? Today, for example, Enterprise Mauritius, FSPA, Board of Investment - each one has its own Human Resource Manager. Are we going to have three Human Resource Managers now for the Economic Development Board? Today, each one has its own administrative staff, has its own internal controller, its own accountants. Are we going to transfer all these staff? Are we going to triplicate all the staffing under the Economic Development Board?

What about the CEO? Today, Enterprise Mauritius has a CEO. The Board of Investment has a CEO. The FSPA has a CEO although he has just been promoted to FSC but, technically, there is supposed to be a CEO. Under the Economic Development Board, there

will be only one CEO. We are sure that, at least, one of the two CEOs will no longer be a CEO. Maybe both of them won't be. Maybe a third, like we heard, you know cronies like hon. Baboo mentioned, that will be a very covetable position, the CEO of this you know new gigantic organisation. So, what will happen to the existing CEOs? Surely, these CEOs, who are now answerable to the Board, would not be expected to be answerable to a new CEO. That would be a demotion that would lead to constructive dismissal. That would mean compensation either in terms of a golden shake hand or in terms of unfair punitive - severance allowances for punitive dismissal. Who is going to pay for that? The people! Government changes its mind, who foots the Bill? Taxpayers!

Madam Speaker, when we take all this into consideration, we have to ask ourselves the question, is it all worth it? Is it all worth the trouble the rebranding exercise, coping with disgruntled and demotivated staff? The uncertainty and teething problems which will inevitably be involved, at least, in the early days of this new Economic Development Board, is it worth setting up this Board? Isn't it better to use our existing resources to revamp these three agencies; to give them proper staffing, proper training; to increase their budget; to give them more tools to promote Mauritius?

Madam Speaker, looking back on the event that led up to the proposed setting up of this Economic Development Board that explains what happened to Enterprise Mauritius, what happened to the FSPA, what is now going to happen to Board of Investment, the U-turns, the zigzagging I was minded to qualify this Government as a Government of trial and error. They try and they fail. But, unfortunately, Madam Speaker, they are worse than that. They are a Government of error and error. They don't learn from their mistakes. They keep doing the same mistake over and over again because they don't consult people before they take a decision. They don't trigger the thought process and once they have announced a measure, they have to face the consequences.

Madam Speaker, I really, really hope that I am wrong because if I am not wrong, it would mean that our export sector, our financial services sector and our investment promotion agencies would have suffered badly as a result of the incompetence of this Government.

Thank you.

Madam Speaker: Hon. Rughoobur!

(10.44 p.m.)

Mr S. Rughoobur (Second Member for Grand’Baie & Poudre d’Or): Thank you, Madam Speaker, for giving me the opportunity to say a few words on the Bill. Madam Speaker, I have listened carefully to my hon. friends on the other side of the House and I must say that I am really upset with the comments I have heard, especially from hon. Uteem.

Madam Speaker, I will come to a few comments made by hon. Uteem in a few minutes, but I have three important issues from the Bill which I wanted to raise today. First, the challenges facing our nation today. Second, Madam Speaker, is the setting up of this Economic Development Board and the priorities that we expect based on its objectives, the functions that have been elaborated on the Bill, the priorities that it will have to address, and finally, Madam Speaker, the structure and functioning of that EDB which is not there yet, but which is going to come in the weeks to come.

Madam Speaker, as I have been saying in my previous speeches, the first quality of a good leader is to understand priorities. When we listened to the speech of the hon. Prime Minister on the Bill, he has started by elaborating on the challenges facing our nation and this is extremely important, Madam Speaker. In the light of those challenges that our nation is facing today, he has mentioned the ageing population. Can you imagine, Madam Speaker, facing these challenges; we have to ensure that we have a structure. We need to have institutional support to our Government. We have to put in place structures that can enable to fight, to meet those challenges that our country is about to face and is already facing. And what are those challenges, Madam Speaker? Ageing population is one. The Prime Minister has just mentioned. Can you imagine today we have got five workers for a retiree! In 2013, this figure is going to fall to 2.5 for 1 retiree and in 2051, 1.75 for 1 retiree. Madam Speaker, today the budget for the Ministry of Social Security is almost Rs22 billion, just imagine how we are going to sustain such a budget in the coming years. I have been talking about 2031, 2051. Ageing population! The hon. Prime Minister has been right at the very outset when mentioning the challenges that our nation is going to face. That is the business of a leader.

Secondly, Madam Speaker, productivity - hon. Baboo has been mentioning about the World Economic Forum Report on the competitiveness of our country that has fallen from 39 to 46. We should not do politics on this, Madam Speaker. We agree on this. This is the reason why we are taking concrete actions, to ensure that we need to improve on productivity, Madam Speaker.

The third challenge, Madam Speaker, is, of course, the whole macroeconomic environment and the issue of global competitiveness. In the Budget Speech, since this Government has taken power, we have been putting emphasis on this. We understand the challenges of Brexit, Madam Speaker. We understand the new world order and its challenges. We were speaking of fall in exports. Yes, Madam Speaker, but everybody is aware. We have been talking about the fall in economic growth and we have been mentioning, commenting regularly on how trade has been slow during the recent years and it is gradually picking up.

Madam Speaker, we have also this issue of fall in exports, we agree and this is a challenge for our nation. But the other challenge, Madam Speaker, is our public sector. Let me refer to a very interesting quote by Thomas Friedman in his famous book the ‘The World Is Flat’, and I quote -

“In the globalised system, one of the most important and enduring competitive advantages that a country can have today is a lean, effective, honest public sector.”

Unfortunately, Madam Speaker, we have a lot to do even at this level. Let me tell you, Madam Speaker, that we have got honest, sincere and dedicated public servants. But unfortunately, Madam Speaker, very often, when we are calling in an office at 9 a.m. or 9.15 a.m., we need to wait till 9.30 a.m., and if we look for a public servant at 3.30 in the afternoon, most of the time you don’t get them on the other side of the line. So, Madam Speaker, in this competitive world where we are living, all these challenges have to be addressed.

Madam Speaker, there are other issues as well, the issue of trained manpower. I was listening to the Minister of Finance of India, Arun Jaitley, very recently, and he declared, Madam Speaker, that India is doing its maximum to ensure that its IT engineers stay in India and work for their country. Every country is trying hard to ensure that it has the required resources, especially the manpower. In Mauritius, Madam Speaker, to meet the challenges of our services sector, we need to have trained people and this is another challenge for our country, in light of the all these challenges, challenges relating to gender equality, the role of women. Madam Speaker, I am not going to elaborate all these issues.

The hon. Prime Minister mentioned the need for the creation of a culture of innovation and scientific research in our country. All these are challenges facing our country. Madam Speaker, what upsets me in the light of all these challenges is what I hear from hon.

Uteem, that instead of putting the Economic Development Board, why don't we put only a small department in the Ministry of Finance? Madam Speaker, I am really upset.

Madam Speaker, I have been talking about the challenges facing our Nation. This Economic Development Board, when we go to its functions and objectives that have been defined, the functions and the priorities defined clearly act as a support, give a direction to that new structure that we are going to create to ensure that it meets the priorities of our Nation. Madam Speaker, what are those priorities? They are twofold, Madam Speaker. There are a series of sectors that have always been the strength of our Nation. We should not forget, Madam Speaker, that we were very strong in manufacturing. Thanks to the diversification strategy undertaken in the years 2000-2005, where, Madam Speaker, sectors like the ICT which is contributing today almost 7% to our economy, sectors like the Financial Services and Global Business which are contributing almost 5.5%, IT sectors which were launched during that time, gradually made its way, and today, we have got more than 30,000 or 40,000 people who are working in that sector. But the priority of that new structure, the EDB that we are putting in place, Madam Speaker, when you look at its function, the objective that has been defined for this Government the Economic Development Board - later on, we will come to the structure and functioning - it will have as a priority to advise the Government. As an institutional support, Madam Speaker, it will have to support the Government in ensuring that we meet our targets in sectors where we are strong, for example, the tourism sector.

Madam Speaker, I was listening to hon. Gayan last time, and he is absolutely right. We have the capability, Madam Speaker, to become number one in this sector and then we would not be calling it the tourism sector, we will be calling it the Wellness Hub. We can become the Wellness Hub on this region, Madam Speaker. What does the tourism sector encapsulate today, Madam Speaker? We have the capabilities; we have the potential to become a Wellness Hub, Madam Speaker. We have got the best hotels in the world, the warmth of our nation, the growing green tourism Sector. All these, Madam Speaker, contributed together, can make of this Tourism industry a Wellness Hub and this is where we want the EDB, that new structure that we are creating to contribute, to ensure that we grow, we diversify, if not, we grow on existing sectors and become strong, Madam Speaker.

But again, Madam Speaker, we need this particular structure also to ensure that sectors that I have just mentioned like the ICT, the Financial Services and Global Business Sectors, and probably we have to agree that there has to be some more initiatives that have to

be taken when we talk of Freeport and Logistics, but where we have got issues where we have got problems also and this is where we want that structure to intervene.

Today, we are fully aware, Madam Speaker, that the problem that we are getting with the manufacturing sector, there has been a drastic fall from 5% to 2% contribution to our economy in this manufacturing sector but, Madam Speaker, we are not going to do politics in this.

Everybody is aware; we have been talking about Singapore, the Economic Development Board of Singapore where hon. Uteem mentioned that the role of the Singapore is not promoting the manufacturing sector. But one of the main objectives of the Economic Development Board of Singapore was to make it an International Business Centre, and when you have this objective, you have the vision of making Singapore an international business centre, what we have in mind, Madam Speaker, is promoting exports as well.

Madam Speaker, coming back to this issue of manufacturing, the issue that we have today with this sector is not an issue that is only for Mauritius. We have got a serious issue around the world. Countries like Singapore have the same problem. Regarding emerging economies, Madam Speaker, if we look at the statistics, we will see how slow trade has been during the recent years. Madam Speaker, in light of the new world order, for me, this structure that we are putting in place will, of course, contribute extensively. Well, we hope that the structure that we are going to put in place will help the Government in ensuring that we meet these priorities but, I said the priorities are twofold. What is the issue of sectors where we have always been strong? We need to consolidate these sectors. We have to do everything to promote them and to ensure that they remain strong and they bring the contribution that we are getting, at least, what they have been contributing in the recent years, we need to consolidate and ensure that they go on improving.

Second priority, Madam Speaker, is the issue of economic diversification. I agree we need also to promote regional integration. So, on the one hand, Madam Speaker, we consolidate on our strength but, at the same time, in parallel we need to ensure also that we prepare our economy for the future, exactly as we did in 2000-2005. This is why, today, we are reaping benefits of the ICT, of the Financial Services and Global Business Sector. Just imagine if that Government at that time did not have the vision to diversify the economy, what would have happened today, Madam Speaker? Just look at the contribution of the

manufacturing sector today! Fortunately, we have got the other sectors that are contributing to mitigate those consequences falling from the drop in the manufacturing exports.

Madam Speaker, I have been talking about these new sectors. Madam Speaker, there has been a lot of critics when we talk of the Ocean Economy, as if overnight the structure would be there, it would start generating 10,000/15,000 employments. This is not possible, Madam Speaker! It is going to take some time. There are new sectors like the Ocean Economy, the Education Hub, Madam Speaker. We, Members in this House, should have noted that these few months, Madam Speaker, there has been investment by the private sector in the educational field and this Government is going to encourage this. Look at what Medine is doing! I have heard also that Beau Plan is investing. We have the potential to make our country an Education Hub, Madam Speaker. I have just talked about the Wellness Hub. We have also, Madam Speaker, talked about the film industry, but all these new sectors that are there to ensure that in the coming months, in the coming years, with the contribution of this Economic Development Board, we are sure that apart from consolidating and strengthening the existing economic sectors, we will have a structure that is going to help our economy to cater for these new sectors. That is going to, Madam Speaker, ensure that we are prepared to face the challenges that I have mentioned earlier.

Madam Speaker, as I stated earlier in my intervention, I had to enumerate the challenges facing our nation but, at the same time, what are the priorities that we need to address. To address these priorities, we need to have a structure; we need to have an institution like the Economic Development Board that will act, as I said, an institutional support to the Government to allow it to meet the vision, the objectives.

Now, apart from this, Madam Speaker, the third issue that I wanted to address is the issue of structure and functioning of this particular institution that we are going to put in place, the Economic Development Board and this is why I agree we will have to be careful, Madam Speaker. This Government will ensure that there is leadership at the level of the Economic Development Board. We should not forget that it is not easy today, Madam Speaker, to get the required human resources and that is the reason why I have been talking about the challenges of the services sector.

It is extremely difficult, Madam Speaker, today to get the qualified human resources to fill the boxes of those structures that you put in place in organisations like this. Not easy at all, Madam Speaker! And that would be another challenge for this Government. But I know

that there has been a lot of criticisms on probably that this Government is going to appoint - it is more jobs for the boys. But, Madam Speaker, this Government is fully aware of its responsibilities and the commitments that it has taken towards the population. The structure and functioning that we are going to put in place through the EDB in the months to come, I am sure, would enable Government to meet the objectives for which this structure has been set up.

Madam Speaker, I am going to have a few proposals as well, a few recommendations, Madam Speaker. There have been some criticisms on the merger between the BOI, the Financial Services Promotion Agency and Enterprise Mauritius. It is true, Madam Speaker, that it is not a question of only strategic fit but it also is a question of cultural fit. In situations like this, I agree that very often you get what we call the clash of cultures because you have an organisation culture at the BOI, you have an organisation culture of the Financial Services Promotion Agency and an organisation culture of probably the Enterprise Mauritius where, Madam Speaker, the way of functioning, the values are different. When you merge these institutions together, I agree that you need also to address not only the strategic fit but also the cultural fit.

Madam Speaker, we need to ask ourselves the alternative that we have. Hon. Uteem proposed that we reengineer these institutions where they are, the BOI, the Financial Services Promotion Agency and the Enterprise Mauritius. He was proposing that we better engineer them where they are. This Government is not of that view, Madam Speaker. But what we have to do, I agree that we have to ensure that when this merger takes place, we also take into consideration the problem of cultural fit. It is extremely important.

The second issue also is one of accountability. I was asking myself, Madam Speaker, because if there is a fall in exports, there was Enterprise Mauritius under the Ministry of Industry and in terms of accountability when there is a fall in exports, who is going to be answerable and accountable, because the Enterprise Mauritius is no longer with the Ministry of Industry, whether accountability would be for the EDB or for the Ministry of Industry.

Similarly, for the financial services, we have to ensure that the Ministry of Financial Services, Good Governance and Institutional Reforms this time does not come and say: "look, we no longer have a promotion agency, so, we are not answerable and we are not accountable for any fall in the performance of the Ministry of Financial Services. So, these two issues - we have the issue of accountability and we have the issue of cultural fit - I

believe, will have to be addressed when we are moving forward gradually into setting up of the EDB.

Madam Speaker, before I conclude there is one thing that I missed completely and I would like to mention it. We hope that this new structure is going to give the support that we require. The issue that I forgot is the issue of regional integration, Madam Speaker. I spoke about the need to diversify. But, Madam Speaker, I have been looking at the statistics. Regional integration is an important component of the development of our economy in the weeks and months to come. I think it was hon. Uteem who rightly pointed out the need for us to capture furthermore the COMESA market because, Madam Speaker, there has been an increase of 225 per cent in exports in the region during the last 15 years. But still, we are at only 3 per cent of that market of Rs300 billion in Africa, Madam Speaker! Only 3 per cent! The potential is huge.

Today, countries like Kenya and Egypt are about 17 per cent. Just imagine a market of almost Rs300 billion and we are only at 3 per cent! And this is where we hope that the institution like the EDB that we are setting up, would help in promoting, Madam Speaker.

There is also a need for the private sector to review its strategy to see how it can work in close collaboration with the Government to ensure that we capture this regional market *qui est notre survie, Madame la présidente*. I believe that *l'intégration régionale est notre survie*. This is why I believe the Government also is doing maximum to ensure that, at least in Africa, we intervene at the maximum to ensure that we can capture maximum of the opportunities that we see these days there, Madam Speaker.

Madam Speaker, this Economic Development Board, whether it is in Singapore, whether it is in Bahrain, whether it is in Australia, in all these countries the Economic Development Board has been playing a prominent role in promoting investment. but also promoting exports, and I hope that with the structure, and I know that the hon. Prime Minister is going to monitor closely, is going to ensure that whoever are being appointed in the structures are those who are going to deliver at their optimum and that, Madam Speaker, that structure is going to function in a way that it is going to bring the expected results in the interest of the nation.

Thank you, Madam Speaker.

Madam Speaker: Hon. Ramful!

(11.10 p.m.)

Mr D. Ramful (Third Member for Mahebourg & Plaine Magnien): Madam Speaker, I am not going to be very long. A lot has already been said about this very important Bill and I know it is very late. However, I wish to make a few points before I leave the floor to the hon. Prime Minister for his summing-up.

I have listened very carefully to my friend, hon. Rughoobur and it would seem to me that the debate on the Budget is not over yet. He has been talking about wellness centre, about education hub, but we are here dealing with a specific Bill. We are dealing here with specific institutions with specific functions and the debate should be oriented towards whether or not the fusion, the merger of these three important institutions is conducive to our economic development. This is the debate that we should talk about.

Now, I have listened to the various orators from both sides of the House, especially the forceful intervention of hon. Uteem. At present, Madam Speaker, these three institutions, although they have different functions; investment promotion, trade promotion and promotion in the financial sector, but they do meet at one point. They share a common objective. They share a common goal, that of boosting our economic development, that of making Mauritius a regional business centre. This is why, personally, I am for this idea of bringing together those three institutions under the same umbrella because I am of the view that bringing those institutions under the same umbrella will bring in a synergy, will allow for a better sharing of information, of expertise and of knowledge. At present, we have the Enterprise Mauritius, they are mainly geared towards trade promotion, and they do have important information on potential investors. We have the BOI dealing mainly with investment. They also have potential information about investment. Both, institutions are keeping those information and those relevant policies for themselves. This is why I believe that bringing these institutions together will allow for a better sharing of information, expertise and knowledge, and that would bring about a coherent and effective economic policy.

However, hon. Uteem is very right. There is going to be staff problems. This reminds me when we brought together the Income Tax Department, the VAT Department and the Registrar General. There were frustrations among the staff. There were judicial review applications before the Courts. That took a long time. Definitely, we are bound to have these frustrations among the staff. I suggest that we have to appoint a consultant to come up with suggestions so that this merger is done smoothly and there is no frustration. We have to reduce the frustration among the staff.

There is one important point. Everybody has been talking about Singapore. The Economic Development Board in Singapore has been set up since 1961. I am talking here about the post of CEO. We have to be very careful because this institution will be called upon to play a very important role as far as our economic development policies are concerned. We have to be very careful. Madam Speaker, when the EDB was set up in Singapore, they had appointed a high retired public official who had a wide experience in investment and trade to lead the organisation. They brought an expert from Israel to be the Chairman of that organisation. Why Israel? Because Israel, at that time, also had a similar Board and they were successful in terms of economic development. So, they brought experts from Germany to advise them, and this is what made the success of the Economic Development Board in Singapore.

I am going to refer to a book, 'Strategic Pragmatism: The Culture of Singapore's Economic Development Board' and this is what they said about the main reasons that attracted investment in Singapore. They talked about the one-stop service that allows the investor to deal with only one person in the Government in the event of a problem. They talked about political stability and absence of corruption in the Government. They talked about clarity of Singapore's rules and the fact that the Government keeps its promises, a commitment to solving whatever problems come up in a timely and efficient manner reflecting efficient internal communications. They talked about the pro-business attitude of the Government and the professionalism of the EDB project officers. They talked about the high quality of the labour pool in terms of both technical aptitudes and work motivation. So, Madam Speaker, setting up an institution, merging those different institutions will not be enough if we want to achieve success. We have to look at all these criteria that I have just listed.

Madam Speaker, I am glad also to see one important provision about the fact that members of the Board should not be active in politics. However, it looks good on paper and I hope that when we are going to appoint the members of the Board, we have to walk the talk, otherwise we will be sending the wrong message.

Madam Speaker, however much changes we bring to the structure, we shall not succeed if the policy makers do not come up with the right measures. It is unfortunate that we see, every year in the Budgets, attractive measures taken to boost up investments. I am not just blaming this Government. When we look at the statistics over the years, the only conclusion that we reach is that we have failed in our strategy as far as promotion of

investment is concerned; as far as promotion of trade is concerned. Let's look at the figures very briefly. When we look at the last report of the World Bank, Ease of Doing Business, although we have remained first in Africa, we have lost 5 places on the international level. We were 43rd in 2016, and now we are 49th. So, we have lost 5 places as far as ease of doing business is concerned.

It is also noteworthy that there has been a considerable decline in FDI since 2014. If we look at the figures, we also note that there has been a considerable decline as far as long-term investment is concerned, especially in manufacturing. Hon. Baboo has made reference to the report that has just come out by Statistics Mauritius with regard to export-oriented enterprise. It shows that export has decreased by negative 16.1%. So, all these indicators, Madam Speaker, show clearly that we have failed as far as our strategy, our policies in relation to economic development is concerned.

Now, one point that I wish to make is that we have to be very cautious, Madam Speaker. For too long we have been promoting short-term investments, selling away our real estates to foreigners, creating gated communities in certain regions and caging our lagoons with hon. Koonjoo aquaculture farms. We have to be very careful. These are short-term gains. We have to think about more sustainable investments, especially in manufacturing, that would bring in long-term investments that are labour incentive. Here, when you talk about Enterprise Mauritius, Enterprise Mauritius has been promoting Mauritius as a pickle destination. This has been the role of Enterprise Mauritius.

(Interruptions)

Well, this is another issue! But when you go on the website of the Singapore EDB, they are providing opportunities in robotics, aerospace engineering, chemicals and even space. They do not have the natural resources there, but they are providing the opportunities because they have the skilled labour. They have skilled their labour and we have to start doing this.

(Interruptions)

Madam Speaker: Please!

Mr Ramful: I have said that this Government has taken a few measures with regard to promotion of investment and trade. However, there is a problem when it comes to the implementation process. It is either slow or in some cases it is nil. Let me just give some examples. In 2015/2016 Budget, to increase investment this is what was proposed, the creation of special economic zones in Madagascar, in Ghana and in Senegal. I heard recently

that the special economic zone with Senegal has been finalised. But then, what I have also heard is that Mauritian investors are not interested to go there to invest. So, there is a problem.

We have to be very clear about our policy. Suggestions were made in that Budget for the setting up of a regional shipping line to expand trade. What has happened to that regional shipping line? Posting of eight Trade and Investment Managers in strategic cities like Beijing, Geneva, Pretoria, London, Moscow, Mumbai, New York and Paris! Have they been appointed? They have advertised, but they have not been appointed yet. This measure has been proposed in the 2015/2016 Budget and we are talking about increasing investment and promoting Mauritius as a business destination. Three years, they have not been appointed yet! In 2016/2017 Budget, mobile oil refinery at Albion, then there was a change in policy.

(Interruptions)

Yes, change! Opening our country to gold industry, manufacture of bicycles and motorcycles, pharmaceutical village at Rose Belle!

(Interruptions)

Yes! Initially, they suggested eight Trade and Investment Managers and then in the next Budget they proposed seven councillors on economic matters. With regard to the implementation process, there is a problem. Setting up institutions will not be sufficient. We have to equip them with relevant tools for them to be able to deliver.

So, these are a few points that I wanted to make, Madam Speaker. As I have said, I am for this merger of those institutions, but, however, the point that I have made is that Government should come up with serious measures as far as our economic development is concerned.

Thank you, Madam Speaker.

(11.30 p.m.)

The Prime Minister: Madam Speaker, let me thank all the hon. Members who have participated in this debate and more particularly hon. Ramful to whom I must show my appreciation for certain remarks which he has made with regard to the setting up of the Economic Development Board.

Let me say that the setting up of the EDB is in line with our broader policy to reform the public sector institutions; a reform that was started in the 2016/2017 Budget, when we announced fundamental and far-reaching reforms of parastatal bodies.

The setting up of the EDB is, in fact, not the only institutional reform that has been announced in this Budget. We have also decided to set up the Mauritius Research and Innovation Council, the Mauritius National Investment Authority, and SME Mauritius. The setting up of the EDB is, therefore, not a stand-alone project and should be seen in the general context of the public sector institutional reforms, which I must say are crucial for paving the way for a high-income economy.

I wish to reassure the House and the population in general that policy decisions will, of course, remain the prerogative of Government. The EDB will advise, formulate economic policies, promote exports and investment, and oversee business facilitation.

In fact, with the EDB, we are creating a significant institutional support to the formulation of economic policies and for medium-term strategic economic planning. This has, for many years now, Madam Speaker, been a conspicuous gap in policy formulation. I do not wish to dwell on this particular function of the EDB for I have already articulated same in my speech on the Bill.

There is also concern expressed in some quarters that the governance structure of the EDB is too heavy. Let me say that such an institution exists in several countries, namely Singapore, as has been mentioned. The very purpose of setting up the EDB is to bring about greater coherence in the promotion of exports and investment. Presently, as had been stated, these functions are being carried out in a fragmented way and, therefore, either in certain ways, inefficient or sub-optimal in terms of its impact. Far from being a mere merger of institutions, the EDB is set to be the holistic planning tool that will transcend short-term visions, international socio-economic alignment institution. The EDB will adopt a broader mindset and develop far-reaching vision when defining its institutional objectives and goals.

Now, the purpose of Government in creating the EDB should not be viewed as a simple rebranding exercise, as has been said by the Opposition, or merely just as a superficial relocation of existing marketing and promotion institutions under one roof. The EDB will require new definitions of its national mission and development of innovative strategies to fulfil a much broader mandate of national economic development in the context of constantly evolving business climate.

The World Economic Forum calls this era of innovation the fourth industrial revolution. In fact, innovation is no more a possibility, but a reality. Innovation and creativity will be at the centre of this new institution. EDB will become an innovation-friendly institution where new ideas as can thrive, move around, meet other ideas and eventually evolve into new economic possibilities.

Now, let me address a few issues that have been raised by hon. Members of the Opposition. Hon. Baboo has expressed concern that we are creating another layer of institution. Let it be clear that with the EDB, BOI, Enterprise Mauritius and FSPA will cease to exist. There can be, therefore, no issue of creating another layer of institution. If I can summarise a number of his criticisms, *il nous a fait un procès d'intention, Madame la présidente*, saying, amongst others, that EDB will not work, it is already a failure, in nominating the Chairperson, members of the Board, we are going to give jobs for the boys. In fact, I want to respond to this issue of jobs for the boys, I have heard this from both sides. When the PMSD was in Government, people who were nominated like Roshan Seetohul, Robert Desvaux, and so many others, I do not know whether they were boys! Or who were they?

(Interruptions)

What is this issue about jobs for the boys all the time?

(Interruptions)

To respond also to the MMM, because hon. Uteem has repeatedly been saying jobs for the boys! We were together from 2000-2005! First of all, let me say - because that has been stated much earlier, not in this debate - the Speaker whom we nominated then, what was his name? Mr Ramnah! Mr Ramnah has been a former politician and had been nominated Speaker. Now, the hon. Member is talking about...

(Interruptions)

What candidate? He was in active politics!

(Interruptions)

He was in active politics! He was a candidate before!

(Interruptions)

Madam Speaker: Hon. Baloomoody!

(Interruptions)

Hon. Baloomoody! You are attacking the Chair now.

(Interruptions)

I think you are attacking the Chair!

The Prime Minister: They are talking about institutions! BOI! Whom did we nominate at the BOI? Dr. Prem Nababsing! Where was he? Was he not a member of the MMM? Was he in active politics? So, what was he? A purple-eyed boy?

(Interruptions)

There are so many others. So, they make as if we have been nominating people on our side and only this Government has been doing so, and - we were in Government - when they have been in Government and the PSMD in the Government, no, they have been nominating people who are totally unconnected with them! Totally unconnected!

(Interruptions)

Madam Speaker: Hon. Jahangeer!

(Interruptions)

Sorry! Hon. Jahangeer, please, cool down. Not now!

(Interruptions)

Please!

(Interruptions)

Please! Hon. Uteem!

(Interruptions)

Hon. Members, it is already late. I think it is high time that we conclude the debates.

(Interruptions)

The Prime Minister: Let me also - and I have said it - reassure this House that policy decisions will, of course, remain...

(Interruptions)

Cool down! Cool down!

Madam Speaker: Hon. Jahangeer, please!

The Prime Minister: Madam Speaker, I think it is quite late. Let us try to finish the debate. At this time, we should be tired and we should not be...

(Interruptions)

So, let me say that the EDB will advise, formulate economic policies, promote exports and investment and oversee business facilitation.

Madam Speaker, while I was responding to some of the issues that have been raised by hon. Members, hon. Uteem said: is there no one to advise Government on economic development, especially in the Ministry of Finance? Well, we all know what happened. Previously, there was a Ministry for Economic Development and Planning. There was a merger. I must say, through experience, through time, we have seen that this, I would say, directorate which was supposed to be advising Government on planning and economic development, in fact, I would not say it has not worked at all, but has not delivered up to the level that Government had wished. And that is why we are creating a directorate with regard to planning and economic development. We have not mentioned the three directorates in the Bill for the simple reason that we are going to create three directorates, but if in time to come, there is need to create another directorate, we will do so. That is why we cannot only be limited to three directorates.

With regard to media, well, we know the past. I must say that all these institutions - we are talking about media and others - have contributed to what Mauritius is today, but they have outlived their time. There has been the necessity of reform, and just like we have done in the past, this is what we are doing. I agree and I am not ashamed to say. Look, if we have announced a measure in one Budget and, after reflecting carefully, we have thought that it would be better to come up with another institution or another organisation, well, it is only fools that remain stubborn and will say, 'Once we have announced something, let us just move ahead and let us do it!' Fair enough! But only time will tell! Only time! And I say this to hon. Baboo. With regard to what he said, fair enough! I do not have the answer to tell you concretely whether it is going to work, but only time will tell. And then we will see; we will assess whether we have taken the right decision and whether we have moved ahead in the right way.

Now, somebody said that this is not the way they have done in Singapore. Hon. Uteem said so. I do not know where he has read that. What I have read is something different.

I got it from, in fact, the history of the EDB in Singapore. I do not want to quote lengthily, but when the EDB was initiated, it sought -

“(...) to facilitate and support both local and foreign investors in manufacturing and services sectors to develop and expand new business opportunities, especially capital-intensive, knowledge-intensive and innovation-intensive activities.”

In fact, the EDB was responsible for investment promotion. This is exactly one of the functions of the EDB here and the continued economic success of Singapore. It worked closely with the Ministry of Trade and Industry to provide long-term planning. In fact, one of the directorates is about long-term planning and strategic directions to Singapore's industrialisation programme in terms of specific industrial trends and target industrial sectors. Its vision was to promote Singapore as a compelling global hub for business and investment. So, that was the reason why the EDB was set up in Singapore.

Now, I heard something also. Hon. Uteem said that businesses are using Mauritius less and less for investment to India. This is not so! Look at the figures! Madam Speaker, with the Double Taxation Treaty, we are now number one. We have overtaken Singapore by far. We are number one now as the preferred route for investment to India.

(Interruptions)

Now, the hon. Member is talking about the employees to be transferred to EDB. At least, I grant – hon. Ramful has made the point where he said we should be careful. Fair enough! But I am surprised coming from hon. Uteem because *j'allais dire ça mais l'honorable Ramful l'a cité comme exemple*, the MRA. I have been in the Government, in fact, I was Minister of Finance in the Government MSM-MMM. This is the same campaign that was held at that time when we were going to set up the MRA; when we were going to have Customs, the VAT, large taxpayers and other departments like income tax to regroup them into one institution, the campaign that was on, the demagogy, I must say, that was on. What is the result today? Today, you know how many countries in Africa send their delegations here to Mauritius to try to see to it how MRA has been set up; how it is functioning, and also ask for assistance in order to set up such institutions in Africa? So, that will answer the query of hon. Uteem.

Now, hon. Ramful, I agree with you on one issue also - on so many issues, but another issue - when you said 'implementation'. You are right! And I have said it, we have said it here; we can announce a number of measures in the Budget, for example, and setting

up institutions, but by themselves, they will not contribute to higher growth unless we are able to implement all those measures. And that is what has been a major problem in the past. So, this time, we are trying to learn from our experience and we will see to it, and I think it is a good start today itself when the Budget has been approved; the Finance Bill has been voted; the setting up of the EDB has been announced in the Budget. And, again, I thank the hon. Attorney General because with his support, and his staff's help, we have been able now to come up with this Bill which is going to be voted. So, once it is voted, I can assure you. You have mentioned about a consultant. We are going to have a committee. That committee will need a consultant; we will see for the smooth implementation, for the employees also. We are very concerned about employees. That is why we have put provisions in the law to see to it that they are not employed on less favourable terms. But that is not enough, I agree. It is about how, where, in which capacity they are going to function and reporting also.

Therefore, the key for success would be implementation. Hon. Ramful has mentioned a number of measures which, according to him, we are supposed not to have been able to implement. I will not go into all of them, but I can say a number of them have been implemented. Some of them have not because there has been a change in policy. For example, at Albion, as he mentioned – how do you call it?

(Interruptions)

Near shore has gone offshore! So, it is no more! But there are a few projects which Government has decided we are not going ahead with, but I can assure you that many more have been implemented. With regard to counsellors, for example, I can only recall that there has been a selection. Now, whether they have been informed that the recruitment is done and so on, but it is in the pipeline.

I will end maybe on this note. Hon. Uteem has said that we are not a Government of trial and error, we are a Government of error and error; we will see. It is for the people to judge. At the end of this mandate, it will be for the people to judge whether we have been a Government of error and error. But let me remind him that he has been in a party of failure and failure.

(Interruptions)

I cannot forecast, I cannot foresee what is going to happen in the future, but I can take note of what has happened so far and each time, because they have the brains; they have the

knowledge; they have the competency; they have the capacity, but yet they failed. So, time will tell whether we will be successful or not.

So, Madam Speaker, let me say that when the time calls for bold measures and policies, this responsible Government has to be bold, and we are being bold by setting up the EDB.

Thank you.

Question put and agreed to.

Bill read a second time and committed.

COMMITTEE STAGE

(Madam Speaker in the Chair)

The Economic Development Board Bill (No. XI of 2017) was considered and agreed to.

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

Third Reading

On motion made and seconded, the Economic Development Board Bill (No. XI of 2017) was read a third time and passed.

ADJOURNMENT

The Prime Minister: Madam Speaker, I beg to move that this Assembly do now adjourn to Tuesday 24 October 2017 at 11.30 a.m.

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

Question put and agreed to.

Madam Speaker: The House stands adjourned.

At 11.57 p.m., the Assembly was, on its rising, adjourned to Tuesday 24 October 2017 at 11.30 a.m.