



**Monday 07 December 2009**

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

**Mr J. Cuttaree (Second Member for Stanley & Rose Hill):** Mr Speaker, Sir, for reasons beyond my control, I was away from the House for a few days, but I availed myself of the opportunity to read *in extenso* many speeches which have been made by Members on both sides of the House. I must say that I have been impressed, especially by Members of the Opposition who have, with facts and figures, and very concrete examples, demolished the economic and social pretensions of the Minister regarding the reform, the development and social justice in this country.

Indeed, Mr Speaker, Sir, the hon. Leader of the Opposition made a very thorough analysis of the economic problems of present day Mauritius, how we got there and the challenges which we have in front of us. Indeed, this makes my task much easier. My speech this afternoon is not going to be dealt essentially with the various sectors of the economy but, it is going to be a speech which is going to be more concerned with the philosophy behind the action taken by the hon. Minister of Finance.

Mr Speaker, Sir, I would fail in my duty if I did not come back on one point which the hon. Leader of the Opposition stressed upon strongly. I did so last year, but I have to come back to that again. This is the last Budget of this Government's mandate and I think we have to bring some clarity on what has happened on the basis on which this Government claims its so-called economic and social success, Mr Speaker, Sir.

There is the issue of growth and investment. Fair enough, there has been increase in investment in certain sectors, rather high levels of investment. But then, investment by itself does not exist in a vacuum. If I ask somebody: "Do you want to invest?" What will that person tell me: "Where"? You have to invest somewhere! If you look at the 'somewhere', from where investment has come in this country since these last general elections, where has it gone to? It has gone into the economic pillars which the previous Government had put up to give a new boost and a new orientation to the economy of this country. When we said, during the campaign of 2000, "*il faut redresser le pays*", it was an open slogan. In fact, we

said that we had to go and recreate a new economy. The economy which existed before and depending on preferences, textiles and tourism, sea and sand and what not, would not get us anywhere. So, this is why we came with a completely new philosophy of development. We tackled the issue of the reforms in the Sugar industry on which we face so much criticism. I remember the VRS, what was not said about the VRS, trying to paint us as *les valets* of a certain part of a section of the private sector! We were throwing people out of jobs, people who had suffered historically - and this is what our Government was doing when we were coming up with the reform of the Sugar sector! But, when I read the speech of hon. Faugoo - he is not here - you will be surprised as I was about the pleasure he took to explain how this Government brought about a revolution in the Sugar sector. How there were the IRS and the VRS and ultimately the number of workers came down from 25,000 to 6,000.

Mr Speaker, Sir, what was important was that we created new poles of development and I will quote a report of the BOI which is in a way the report of the Ministry of Finance. It is an old report and I will quote the figures for 2006 because the hon. Minister brought his first reform Budget in June 2006. Therefore, whatever happened in 2006 he cannot claim that he did it because his Budget came in June 2006. Now he starts getting nervous, never mind I am on good terms with him and I am not going to quarrel with him. Let us look at those figures, I quote here the report of the Board of Investment at page 13. This is what is said Mr Speaker, Sir. Already in 2006 IRS, hope they are not going to say that this was a creation of the *Alliance sociale*, IRS - 42% investment, ICT - 13%, Seafood - 11%, I am not talking about the hotels, I see my friend the Deputy Speaker, looking at me, he knows what I am talking about, the number of hotels which were coming up and the number of demonstrations there were around to prevent these hotels from being built during our mandate. It is these investments in the hotels which are now the basis for the boom in the tourism sector for which the present Government is claiming all the kudos.

These three sectors Mr Speaker, Sir, accounted for 66% of ...

*(Interruptions)*

You are going to get me nervous....

66%...

*(Interruptions)*

...66% of total investment. Mr Speaker, Sir, if you will allow me, I will read that report of the Board of Investment, where it is said: "in 2006, IRS was the major contributor to total investment into the country. However, there was a significant contribution from emerging sectors including seafood and ICT, which represented almost a quarter of total

investment in this country”. This is the ‘*foundations*’ of the growth because when the new Government came in investment had already started to come in and these sectors grew up and they brought investment in this country. I quote the report of the Board of Investment on 2007-2008 Mr Speaker Sir, IRS – look what they said, this is the report of 2007-2008.

“The Integrated Resort Scheme has given a real boost to investment and economic development in Mauritius. IRS projects are currently attracting high net worth individuals to Mauritius, an opportunity not to be missed for the development of the other sectors such as restaurants, commercial centres and shopping malls.

An ample opportunity exists for IRS buyers to invest in other sectors of the Mauritian economy. As from October 2008, total investment in IRS for the last three years amounted to Rs11.3 billion’.

We are not talking about the restaurants, commercial centres, shopping malls which he himself said have benefited from the IRS, Rs11.3 billion with a 99% share of FDI. I do not say that. This is the report of the Board of Investment of 2007-2008. Therefore, I do not mind they are benefiting from what we have done, but what I mind is intelligent people coming and talking in this House as if they are talking on a soap box. Saying that IRS, we have done all these things, sugar reform we have done all, it was the *Alliance sociale* which has brought in growth and investment in this country. The only single new pillar which has been mentioned all along these 4<sup>1/2</sup> years has been the Land Based Oceanic Industry. He mentioned it in 2006, 2007 and this year and it is going to start next year! *Qui vivra verra!*

*(Interruptions)*

Mr Speaker, Sir, having said that, I want to go back to an issue which is very important, namely this issue of Government, announcing projects all along and failing to deliver. Somebody mentioned that 70% of all those projects, which have been announced by this Government over the four and half years, have not been implemented. Indeed Mr Speaker, Sir, in the Budget of 2007-2008 the hon. Minister of Finance brought in the Programme-Based Budgeting. This was a good measure because it allows us to judge to what extent Government is result oriented, to what extent it has succeeded to bring in results rather than talking about projects. It is very interesting – you can do that for every Ministry but it will take too long. Let me take for example one Ministry, the Ministry of Housing.

In his Budget Speech June 2008, the hon. Minister allocated under the 2008-2009 Budget, Rs107 m. towards infrastructure for the construction of 174 *Firinga* houses on 10 sites. Result: nothing. Under the Programme-Based Budgeting for the Ministry of Housing,

mention is made of an award of a contract for the construction of 116 housing units, of Military and Penang Road Port Louis: result nothing. Publishing a list of beneficiaries of housing units in March: nothing. Housing and Land Strategic Plan reflecting all priority objectives developed and approved by April 2009, this is completely out. Now it is the CSR, the private sector, which is going to deal with that!

The second one is more revealing. It is the Ministry of Information Technology and Telecommunications. I take what was announced in the Budget speech June 2008, National E-inclusion foundation as a joint public private partnership, bringing together Government, State Informatics, Microsoft, etc, to do what? Donation of refurbished PCs to 20,000 poor families. Donation to NGOs of 10,000 PCs refurbished, operation of a NGOs IT Academy, amendments to the ICT Act, drafting of detailed terms of reference for an e-Government cell, drafting of a five-year high level plan for e-governance for all Ministries and Departments by June 2009, enhancing economies of scale and collaboration among institutions in the ICT sector through the setting up of National Information and Communication Technology Authority of Mauritius, Government Online Centre to be an ISO certified by March 2009, legislative changes on data protection etc, recommendations of the e-Health plan and e-Agricultural plan to be available in October 2008 and 2009, Information Security Assurance Framework for industry adherence to information security requirements by May 2009, contract deployment of integrated Hospital Management System at two regional hospitals awarded by May 2009. Nothing done! Zero! I have taken two ministries; I can do the same thing with all the other ministries to a lesser or to a greater extent. This is the reality. The reality is that you have a Government, which was handed over a stepping stone to take this country to a higher level. What they have done is to create a situation where they talk a lot; the MBC is here, obviously, to forward what they are saying, but when it comes to deliver, nothing! I am sure that even some Ministers who have listened to what I have just said regarding this Ministry of IT, must be shocked. Four and a half years for nothing.

Mr Speaker, Sir, there is another issue which is linked to that. It is that issue of institutions. I am sure he has read extensively the works of Rostow and Stiglitz concerning the role of institutions to ensure growth. In fact, I have been very interested to read what they have written on countries, which are coming out conflicts; therefore, these are countries which have no institutions, so to speak of, and countries which are coming out of one type of regime into another type of regime. They have especially been using examples of Vietnam, Cambodia; then, comparing to what is happening in China, with their new approach, India

and Singapore. The conclusion which they all come to is that if you don't have performing institutions, you are not going to deliver on your programmes, however, good these programmes are. This is a basic economic reality; this is a management reality. But, in Mauritius, we have institutions. It is not institutions which are lacking. We have competent people. It is not competent people that are lacking in this country. But why is it that we fail to deliver? The Minister announced his plans - I read the very interesting speech of hon. Bodha - about the various Funds which he had created. Why is it that the funds are not spent? Either the Funds are a bluff from the Minister, or the institutions, which are given the responsibility to implement the programme, cannot do it. If you look these Funds, Mr Speaker, Sir, they are: Saving Jobs and Recovery Fund, Rs3.5 billion; spent Rs399 m. only; Food Security Fund, Rs1.5 billion; spent Rs27 m.; Human Resource, Knowledge Fund, Rs1.5 billion; spent Rs74 m; Social Housing Fund, Rs1.2 billion; spent Rs400 m. These are the realities, Mr Speaker, Sir, of the programmes announced by the Minister, the funding he announced, and the results. We are now six months from the general election. To me, the main reason of the failure of this Government to deliver lies in the atmosphere which they themselves created after the election, which started with this issue of *leve paké allé* and, subsequently, the politicisation of institutions. We all know; every Government appoints political appointees. If you have institutions, very often you appoint people who are close to you as the Head, as Chairperson. This happens all over the world, and there is nothing particularly wrong with that. But, there are two things which are important. The first thing is that these people have to be competent. The second thing is that when these people go there, they have to go there to do the work, which is entrusted to them. I remember, when I was a Minister, I always told people who were appointed politically that they have an additional responsibility on their heads. Their responsibility is to do their jobs properly, but their responsibility is to make sure that the Minister who has appointed them doesn't lose face by the way they act. And it is the complete opposite, which has happened in this country, Mr Speaker, Sir. You can take a few examples, Mr Speaker, Sir. Look at the municipalities and the district councils; *manger, boire pas faire narien*. Is there an honest person who can look at what is happening in the district councils and the municipalities and say - especially if he belongs to l'*Alliance sociale* - that this is what they won the elections for? To have municipalities like this, to have people you put your trust in, to have people using your party label to do the things they are doing in these places? And having absolutely no political courage to tackle them because the elections are near? But, this has been going on for years, Mr Speaker, Sir. Look at all the other institutions. You have the port, and the saga of

Siddick Chady; you have Airports of Mauritius, and the saga of Maraye and Seetohul; you have the MBC, and the saga of Bijaye Madhou; you have the Bank of Mauritius, and the saga of who you know. To me, Air Mauritius is a whole symbol. There was a competent guy there. I am not related to him. Meg Pillay was there, and he was doing a very good job. He was thrown out. No reason at all! He doesn't do politics, and even now people know that he does not have a political colour. He was replaced by Veerasamy. Everyone knows the ability of this guy. This man was hounded out of Air Mauritius. I use the words: 'he was hounded out of Air Mauritius'. At the *complot* which we all heard on the radio, you find somebody - and everyone knows who she is and her credentials - asking: 'I did not know that he was a Labour Party person or not, whether he was *nou dimoune*'. This person who is at the Head of one of the most important institutions in this country, whose job is protected by the Constitution, sitting there and saying: 'I did not know that this was *nou dimoune*'. I am talking about Air Mauritius. Now it is not over: Nirvan Veerasamy has gone, a new one has come. Apparently, this new one would be thrown out also and another one is going to come. It is all politicising of an institution, *le fleuron de l'île Maurice*. When the Paille en Queue flies, every Mauritian is proud. This is what this Government has done to Air Mauritius.

Now you come to the NTC, the fate of Raj Dahlia in the NTC. You take the case of the Beach Resort Authority. There was one Mr Subash Seeruttun who was the Chairperson. There were lots of allegations of corruption against him; nothing happened. There was another one, Mr Sangoora, he was sacked because of allegedly casteist statements. At the MIE, every year you hear about incidents and scandals regarding exams. Even today, I read in the press - I am not saying I agree with it - that exams are being corrected in such a way as to favour people to find places in the best schools.

Now, let us take the State Trading Corporation. We all travel but can anyone of us imagine in a democratic country - we talk about Singapore, India - that an institution like this can exist after what they have done during these past four and a half years. The saga of rice, of flour - STC - Amul Milk, the purchase of petroleum products! No one knows how much we are purchasing petroleum products but people have to pay. Then finally, it seems we all like jewels now. The STC set up a company to do what? To import gold? If it was gold, the Director would have been sacked, the Minister would have made sure that he was sacked.

*(Interruptions)*

But diamonds! So, buy precious stones, diamonds. Who is the boss there? The treasurer of the Labour Party! Can you imagine! Look at SEHDA. SEHDA *veut dire* Ramgoolam *replaced* Boodhoo. He was a good cadre, Boodhoo was appointed in his place. And what happened? Boodhoo was thrown out again and Vijay Ramgoolam has come back. But have the problems been solved there? No! The problems are the same.

You take Enterprise Mauritius: the conflicts between Amedée Darga and Beeharry, everyone knows about it. All these institutions are there to serve the people. All these people that I have been mentioning are all political appointees, appointed by this Government. Therefore, if anybody is responsible, it is this Government, for having polluted our vital institutions in such a way. Of course, I could go on with the CEB and the CWA.

If we look at the Director of Audit Report, this has been going on for a long time. Questions have been asked in Parliament. I, as Chairperson of the Public Accounts Committee, did not ask questions. As Members of the Public Accounts Committee we don't ask questions on specific issues, because we are dealing with these issues. But there is a report from the Public Accounts Committee which is a by-partisan organisation with Parliamentarians of both sides of the House, where we explained that this business of wastage cannot go on like this. We explained that we are the eyes and ears of Parliament, which votes the funds to be spent by these institutions, by these Ministries, that it cannot go on like this. We even said that there are certain things which smell strongly of corruption. We came up with specific measures to ensure that there is some control on the way things happen in the public administration of finances in this country, Mr Speaker, Sir. Three years have passed, nothing has happened, no one cares and, at the same time, we go to the people and we tell them: '*serrer la ceinture*', we have to give you salary compensation which is less than the rate of inflation. At the last Budget, people who were getting Rs12,000, like attendants, were not paid their salary compensation. And this is what we do with people's money! This is the reality, Mr Speaker, Sir. But, who on this Government side is going to look at these realities and say: yes, there is something rotten in the State of Denmark and we have to do something about it, Mr Speaker, Sir.

Mr Speaker, Sir, I would now move to another issue. Time is going fast; I will try to go very fast. It is on this issue of textile. I am going to explain because I think it is important that it goes on record. Every time there is a debate in this House, I hear people talking about the number of jobs in the textile sector which were lost at the time we were in Government. Even today, five years later, the Minister of Finance is coming again with the same thing, 30,000 people out of jobs. Let me put the record straight. Mr Speaker, Sir, when we came in

Government in 2000, there were already dangers on the textile sector in Mauritius. We have to understand how we developed the textile sector. People from overseas, from Hong Kong, Taiwan, came to invest in Mauritius, because there was the Multi-Fibre Agreement which was hindering markets, market access in Europe and the United States. These people came because we had market access and everyone knew at that time that the day the Multi-Fibre Agreement was going to end these investors would leave. In 2000, Mr Speaker, Sir, people were not very sure whether this Multi-Fibre Agreement was going to end or whether it was going to be extended. But then, at the WTO Meeting in Doha in 2001, when China joined the WTO, everyone realised that the Multi-Fibre Agreement was ending in a few years and there was panic.

Indeed, Mr Speaker, Sir, the panic was not only in Mauritius. In fact, a study of the Directorate General for trade in the European Union came to the conclusion that the end of the Multi-Fibre Agreement would mean that only China and India would be able to benefit. This single move, that is, the pending end of the Multi-Fibre Agreement caused a crash in the textile industries of developing countries. As you are aware, Mr Speaker, Sir, Bangladesh lost one million jobs. Lesoto had 50 factories closed down, with a job loss of 50% of its number of jobs. In Africa, in one year, 250,000 jobs were lost and in Mauritius, we had to survive. The debate which was going on here was, instead of having a labour driven textile sector, we need to have a technology driven sector because this is the only way we can compete. As all the shareholders were aware, if you want to have a textile industry with 90,000 people, in a very short time, you will have no textile industry. The only way you can have a viable textile industry is to have an industry which is technologically driven and not labour driven. This is why there has been a shedding of jobs in the EPZ sector. On the one hand, the Hong Kong companies is left, on the other hand, there was a transformation of this industry into a technologically driven and Government came up with various funds in order to help this transformation. After the 2005 Government came in, this continued. If we have, today, a relatively – because there are other dangers coming – stable textile industry, it is because we lost the jobs which allowed these companies to become lean companies and be technologically driven. This is a situation which happens all over the place. I remember when I was in the Government of Sir Anerood Jugnauth, we went to the States to see President Georges Bush and discussed with him the issue of textile in Mauritius. President Bush said to the Prime Minister: “I would tell you one thing, if I were in your place, I would forget about textiles because textile chases cheap labour and you don’t want to be a country

where your people stay poor with cheap labour.” I remember very well that was said by President Bush to the former Prime Minister, Sir Anerood Jugnauth, in my presence.

Mr Speaker, Sir, this is not over. What is happening now? There are dangers, again, today at the level of the US congress. There is a Bill, now, they are discussing the reform of what they call preferences in order to give countries like Bangladesh and Cambodia the same duty-free and quota-free facilities that Africa has. There is a big hue and cry because these are the two very important producers of textile in Asia. This might mean the end of AGOA for the textile industries. On top of that, Senator Jim McDermott who is the father of AGOA - the Prime Minister met him, I know him very well - now, he is coming with another Bill to extend duty-free and quota-free facilities to all the products of all LDCs. Congressman McDermott is a very respected man, but if this happens, the US market for the products of Africa is going to be terribly threatened. These are the dangers which are on the horizon and about which I did not hear anybody in this House talk about. These two issues came up in congress in November of this year, that is, three weeks ago, Mr Speaker, Sir.

Mr Speaker, Sir, let me now come to an issue which has been at the heart of the campaign of the *l'Alliance sociale*, namely democratisation. There has been a commission *pour la démocratisation de l'économie* with a Chair and a Deputy Chair. I did not hear very much about *la démocratisation* during these debates. The only thing I note is that talking about the fund for canes, the word *démocratisation* has been uttered very intelligently by the Minister of Finance. At least, there is one word in the Budget about *démocratisation*. I read my friend, hon. Sayed-Hossen's speech. There was not a single word in his speech about *démocratisation*. It was a speech about Illovo, etc. The only thing is this Cane Democratisation Fund. I will deal with this issue of the Cane Democratisation Fund in a minute, Mr Speaker, Sir, but to all of us, what does democratisation of the economy mean? It means the SMEs being given a role to play in the economy, increasing their importance. Instead of having huge consortia, you have small and medium enterprises dominating the economy.

Mr Speaker, Sir, I don't need to talk about small and medium enterprises. I have with me, here, a memorandum which was submitted to the Government by the *Fédération des Small and Medium Enterprises* by one Mr Amar Deerpalsing, the president. I don't know this gentleman. He cannot be accused of being a member of the Central Committee of the MMM because I can assure you that we don't have any relationship with him.

Mr Speaker, Sir, if we look at this Memorandum. I am going to quote a few things which this gentleman says. He says –

“The situation is desperate for the SME sector as the promised lifeline is still at the stages of good intentions but tainted with bad faith.”

A few weeks back, Mr Deerpalsing submitted that -

“The schemes for SMEs under the MASMED Fund were discontinued immediately after the Budget Speech of 22 May 2009 although introduced for a period of three years. Those schemes were of great interest and were helpful to SMEs and were scrapped abruptly without any explanation. However, the scheme for the big enterprises under the MASMED Fund continued and was even re-advertised in September 2009.”

He goes on –

“The inaction is cruel towards the SMEs and the exigencies and committees responsible for the implementation of the measures contained in the last Budget are devoid of a declining vision or commonsense. We wonder if the Minister of Finance really realises the precariousness of state of affairs of the SMEs.”

He goes on to say –

“In the wake of the numerous economic hurricanes and typhoons, entrepreneurs are compelled to become hawkers, traders and importers. We fear a further reduction in domestic consumption, following job losses.”

And then he makes a list of the various projects of Government. Various schemes set up to implement the measures contained in the 2009 Budget were first, mechanism for transitional support to private sector for firms with a turnover below Rs5 m. - total failure; second, mentoring scheme - total failure; third, micro financing scheme for women - total failure.

*(Interruptions)*

I am not saying failure, he is saying failure!

Fourth, re-scheduling of loans at DBM – failure; fifth, renovation and refurbishment scheme for small hotel and restorations - total failure; sixth, Mauritius Business Grow Scheme - total failure; seventh, leasing equipment modernisation scheme – failure; eighth, mechanism for transitional support for private sector for firms with turnover higher than Rs5 billion - total failure; ninth, Emergency Export Credit Insurance Scheme - total failure; tenth, implementation of level playing field - total failure; eleventh, standard norms and standards for imported products - total failure; twelfth, genuine Mauritian handicapped level - total failure; thirteenth, work cum training scheme - total failure.

This is what the sector thinks of this Government, this is what the Small and Medium Enterprises think of the commitment of Government to the small entrepreneurs.

*(Interruptions)*

It is as if tomorrow morning the hon. Prime Minister makes his speech ...

*(Interruptions)*

He is the president of the whole thing. Mr Speaker, Sir!

I think this by itself is enough. *On ne peut pas être plus royaliste que le roi.* This is what the membership of the *fédération* thinks of the hon. Minister and of his actions for the small and medium enterprises.

Mr Speaker, Sir, let us come back to the issue of the Cane Democratisation Scheme. It is a good scheme, it is a good idea.

Concerning the 35% shareholding in the cane industry to planters, labourers and artisans, I can quote the Budget Speech, but they can all read it. There is something which I would like to highlight, Mr Speaker, Sir. If you look at the Speech in May at paragraphs 96 and 97 on the same issue, this is what the hon. Minister said –

“Planters and workers are joining the shareholding of all new ventures under the sugar sector reform plan up to a 35% shares.”

He said new ventures. In the Budget, he said, I quote –

“A 35% share in the cane industry has been secured for them through the value chain from milling to refining, distillery, ethanol and all activities engaging the conversion and marketing of cane into its final products”.

Which is which? Six months ago he was talking about new activities. What are these new activities? Production of sugar is no longer a new activity. There are only two left, ethanol and energy. The energy, apart from the Fuel project, nobody knows what is happening to that project. Concerning ethanol, I hope the hon. Minister will stand up and say that he can give the guarantee to the planters that this development of ethanol project is going to be a success and that the planters are going to make money out of it. This is what I want to highlight regarding this project. *Il y a des zones d'ombre très inquiétantes* around this project. A couple of years ago, in his Budget, he was priding himself about how he came up with the democratisation to the sugar industry in 1994. The Labour Party then shouted: *vieille ferraille!* Enough has been said about that!

Mr Speaker, Sir, at that time, the planters, the artisans and the labourers contributed only 50% to the cost under the MSM/MMM Government; we had just left Government at that time. Now with all this money which they were getting from the European Union for the

accompanying measures. Why is it that they make the planters and the artisans contribute 66.7% when the Minister himself in 1994 made them contribute 50% when there was no money? But now when there is *manna* from heaven they make them pay 66.7%. Of course, by doing that there will be a bit more money left to give to the big ones. I hope that this is not the reason why this is being done like this. On the other hand, if you look at it, the workers and the planters will have to contribute some Rs140 m. as their share of their investment apart from their loan because the Minister himself said that for the investment to be effected they have used that sum of Rs278 m. and Rs63 m., that is the sum of Rs341 m., for the purchase of these shares. The planter now will have to pay one-third, that is, Rs114 m. This is not clear. I have not heard anyone saying or going on the television and explaining to the planters that there is a reform. We don't know exactly what they are going to get out of this reform. But what we know is that they will have to pay Rs114 m. as their share of investment in spite of the fact that billions of rupees have been paid, is being paid to Government for the small planters through the reforms of the sugar industry. Why do they take that money from them? Give it to them free! The Minister is saying every time on TV that we have got so many billions from the EU. They want to democratise, give it to them! Maybe they do not even know that they are getting shares but, at least, don't make them pay for it!

Mr Speaker, Sir, there is another point. Under the Sugar Investment Trust, the shareholders have voting rights. Will these shareholders retain their rights and will they be able to accede to Board representation of the Sugar Companies? Another point I would like to make is that in 1994, the workers very soon after the deal with the MSPA was completed, they had their shares. Today, two years after the 2007 deal, nothing has happened, they are still waiting for the vehicle. When will the vehicle come, or as they say, when will they find their seat on the bus? Mr Speaker, Sir, we all know the issue of the VRS and the IRS. The schemes were there in order to make sure that the reform makes the industry more profitable. These workers who lost their jobs, they lost a job as a sacrifice in order to help the sugar industry becoming competitive. At that time, there were 25,000 workers - if I am not mistaken. Today there are between 5,000 and 6,000 workers in the sugar industry. Why are you restricting this scheme only to these 6000? All these workers, labourers and all those who have been serving this industry for such a long time, they had been given the chance to participate in a scheme, to leave their jobs. The hon. Minister himself in the campaign talked such a lot about these people, how much they are suffering as a result of losing their jobs in the sugar industry. How many of them have committed suicide! They have not been able to

send their children to school or to university! He has been saying all this during the campaign, but why don't he extend the scheme to them?

Mr Speaker, Sir, let me now move on to food security. Mr Speaker, Sir, in his Budget Speech of 2008/2009, the hon. Minister of Finance talked over 44 paragraphs about the issue. I congratulate him for that because he realises the importance of this issue and at paragraph 194 of that Budget, he says: "being given the imperative of building food security, I am providing Rs1 billion for the Food Security Fund. I just talked about what has happened to the Food Security Fund.

Mr Speaker, Sir, if one looks at this present Budget Speech, it is a really disappointing speech in as far as food security is concerned because the only thing of note which he says is that he is going to give Rs350 m. out of the Food Security Fund as benefits to projects for small farmers, breeders and fishermen. But what happened to his whole vision of 2008/2009? Mr Speaker, Sir, I quote that because I am in complete agreement with what the Minister said then - paragraph 194 of the Budget 2008/2009

'194. Mr Speaker, Sir, to make best use of opportunities in the region and to achieve our goal of food security, would require a well-structured organization that will promote investments by entrepreneurs local and foreign. To this end, a Regional Food Security Company will be set up to negotiate for land which would be vested with it and to lease land for cultivation. It would engage in discussions with the COMESA Clearing House to ensure that payments are effected smoothly; it would also help to provide infrastructural works by negotiating with development partners. The shareholding of the company would be open to Government entities, international and local financial institutions and individual and corporate investors including small and medium planters.'

Two years later, when this issue of food security is more than ever threatening the access of food by our population, there is nothing in this Budget only Rs350 m. for cow breeders and all that, but we all know the issue of food security is much more than that and I am going in a moment to explain how we, on this side of the House, we, in the MMM, see the issue of food security.

Mr Speaker, Sir, there is something which is called net import of food, that is, whatever you export and whatever you import. Mauritius is a net food importer. If you look at the deficit, that is, the net import of food. In 2001, it was Rs 6 billions 737 m. It has today reached – my latest figures are for 2007 – Rs13 billions350 m. essentially rice, flour, dairy

products and meat, Mr Speaker, Sir. If you look at our exports of sugar for the same year 2007, it is Rs9 billions, but we are spending Rs13 billions extra on food, therefore, we have a very, very big problem - hon. Boolell is there, hon. Bérenger is there and we are all there - we have all been trying to tackle this problem and the solution to this problem is not to be found in Mauritius, it is to be found outside Mauritius, Mr Speaker, Sir.

The main issue is the availability of land. Even if you look locally you find that for various historical reasons – economic and otherwise – the land here belongs to the large planters and the estate owners. And you cannot have a real policy to produce locally unless you tackle this issue of land.

Now, Mr Speaker, Sir, there are many ways of doing that, but the first one, which is more important than anything else, is the rational exploitation of the sugar cane lands. This is the key. I have said that before, no one even noticed when I said it. What we need to do is to use land meant for long season canes and introduce a longer period between two cane cycles for food crop. This will release three to five hectares every year for foodcrops. This can be done. There will be a loss in sugar, but then this can be compensated by new varieties. This is the objective. They have a possibility. I have been talking about that for the past two years. They have to look at this. This is a part solution to put at our disposal between three and five thousands hectares of land for food production, Mr Speaker, Sir.

But then the other issue is an agricultural problem. We have talked a lot about small planters, medium planters and rightly so, but what is the state of agriculture? If you want to have modern agriculture today, what are the main issues? First of all, the rising costs of inputs; secondly, the non availability and high cost of labour; thirdly, in most cases, mechanisation is essential;

Fourthly, modern facilities for storage and transportation are becoming essential to ensure quality of product. In fact, the Sugar Estates are doing it, for example Médine which is a pioneer in mechanisation is now a major producer of vegetables where each and every operation is mechanised. Many other companies which have mechanised cane production have land which is also suitable for vegetables after mechanisation. Therefore, although we support the traditional activities of small farmers we have to look beyond. We have, as a matter of policy, to make sure that the small farmers get involved into large scale commercial agriculture because it is there that the real profit comes and to do that, there is only one solution. What we need is a strategic partnership between the Sugar Estates and the Small Planter's Community. You do not achieve that by shouting around the corner all types of racist slogans. You do not make a '*crusade*' in your politics about trying to run down certain

people for some cheap political gains. These people have got the land, the money, the know-how, they can help and we need their help as patriots in order to create this partnership between the Sugar Estates and the small planting community. This is the plank of the MMM for the democratisation of the agricultural process in Mauritius. You can do this partnership through a National food crop Production Company where the planters will have their equity, the sugar companies will have their land and there will be participation from Government. The result will be that we will have a modern, commercial agricultural sector where the small planters and the Sugar Estates will be able to cooperate for the benefits of this country, Mr Speaker, Sir. But, as far as food crop is concerned, it will have to come from the region.

Mr Speaker, Sir, about the food crisis, you have to understand something, in the world markets, only 60% of the world wheat production is traded; 8% only of dairy production is traded and only 7% of rice production is traded. Generally there are only a few number of exporting countries which are in this trade. Hence, severe dramatic climatic conditions in one exporting country can disturb the market. Low level of stocks, price of energy affecting cost of production, activities of Investment Funds in derivative markets in commodities, restrictive trade practices in exporting countries, the reform of the EU Common Agricultural Policy, a successful DOHA round with its impact on the agricultural subsidies, all these will affect in the short term the availability of food for countries like Mauritius.

But, Mr Speaker, Sir, if we want to aspire to find the food we need, we will get it only from regional cooperation. In fact, when you look at the region, you have to look at the producers. There are four potential countries as producers: Mozambique where we already have a concession of 300,000 hectares, Madagascar where in spite of many efforts it has not actually taken off, Tanzania, which can be very interesting, as you know with CIEL is already present there in the Sugar industry, but they may be more interested to produce food for the East African Community and Zimbabwe which has got the potential to become the grain basket of the region, but still the politically unstable situation prevents us from looking at it as a viable alternative. Then, we have the supply side countries: Mauritius, Reunion, Comoros, and Seychelles. Mr Speaker, Sir, it is not that simple to have regional food production, the land is very often far from various centres. Many of the areas for production are devoid of proper infrastructure: roads, irrigation, storage and handling facilities, port facilities! The investment costs in infrastructure can be really prohibitive. This is why, Mr Speaker, Sir, again, when we talk about regional production of food crops, we have to talk of a joint venture. Not a joint venture between Madagascar and Mauritius as this is bilateral. I think what we need to have is a joint venture between the demand side countries, if I can use

that term: Mauritius, Reunion, Comoros, Seychelles and the supply side countries like Tanzania, Mozambique and Madagascar, to which can be added the UAR – United Arab Republic because, as we all know, the UAR have already indicated their ambition to ensure full food security and can bring in capital and the markets of the Gulf. Such a project would be in line with the approach of both the World Bank and the EU to achieve regional food security and I am sure that their support through investment funds and technical assistance will be guaranteed.

Mr Speaker, Sir, there was a time when decision makers were equating progress with economic growth. Later on, the notion of development, and ultimately social economic development came in and now everyone is talking about sustainable development. For a long time, the best known definition of sustainable development has been: ‘development that meets the needs of the present without compromising the ability of future generations to meet their own needs’, this is the classical definition. It is an environmental definition. Then the UN World Summit brought in a definition concerning economic, social and environmental concerns. I believe, Mr Speaker, Sir, that any development policy should be a policy based on sustainable development. But, when we talk of sustainable development, what do we mean? Here, Mr Speaker, Sir, we adopt the definition of Nobel Prize Winner Amartya Sen who argues that development should be viewed in terms of real freedoms that people can enjoy in terms of economic facilities and social opportunities. We, in the MMM, Sir, believe that what is needed today in the wake of the uncertainties regarding the world economic recovery, is the implementation of a recovery and adaptation plan which should, above all, address the human dimensions of our population through support for the vulnerable, including labour market policies, skills development, income support, effective safety nets, pensions, education enhanced training projects and opportunities for all in all fields of life.

Mr Speaker, Sir, this is my 25<sup>th</sup> speech on the Budget. As you know I have been in this House for the past 27 years, and I have already announced my intention not to seek re-election. I must say that during these 27 years, I have had an extraordinary experience of being a parliamentarian. I have learnt to learn, and I have also learnt to share. Above all, I always fought for my ideas with conviction and, sometimes, with passion. For me, what is most important is the way I have been able to live with my friend parliamentarians. I have many adversaries - who does not have! - but I do not have any enemies. I have never considered an adversary as an enemy. I hope that, as the years pass, I will look upon my career in this House, not only as a very pleasurable one, but also as a very fruitful one for my country.

Thank you.

*(Applause)*

**Mr Speaker:** At the last sitting of the House, your immediate neighbour on your left announced that he was also retiring from public life and, now, it is your turn. I think that I shall make no mistake in saying that, since I have known you personally, from 1983 onwards, as a Member of Parliament, and then as a Minister in Cabinet, I can say that you have been one of the best parliamentarians I have ever known. You have both contributed in the most important debates in the House during the last 27 years, and you have been one of the most respectful Members of Parliament. I thank you very much as Speaker of this House. I hope that we will, from time to time, hear you, although you will not be in active politics, and wish you well in your future endeavours.

Thank you very much.

*(Applause)*