

*On resuming at 4.28 p.m with Mr Speaker in the Chair*

**The Prime Minister:** Mr Speaker, Sir, let me start, first of all, by thanking you and the Deputy Speaker for presiding over the debates with your usual tact and dexterity.

Mr Speaker, Sir, this Budget, as were the four others preceding it - taken together with the other policies taken by my Government - represents yet another step towards the fulfillment of the pledges we made to the nation back in 2005. Our achievements over the past four years and a half speak for themselves, Mr Speaker, Sir. Any objective person would, without hesitation, I believe, qualify these as truly remarkable in the light of, let's not forget, the self avowed *état d'urgence économique* which was bequeathed to us in 2005, and also the multi-faceted and unprecedented challenges that came our way,

including the worst financial and economic crisis since the great depression.

Mr Speaker, Sir, as I speak, major economies - endowed, unlike us, with the natural resources and first class infrastructure - are still reeling from the impact of the tremors caused by the biggest macro-economic crisis to have hit the world since 1930's. Who would have thought, Mr Speaker, Sir, that the world would have witnessed such a downward spiral and failure of their financial systems right across the United States of America, Europe, Asia and Singapore? Who would have thought that one day we would see customers queuing to take their money out of the banks? Who would have thought that banks would be nationalised in the UK, Europe and the United States? Who would have thought, not so long ago, Mr Speaker, Sir, that General Motors, that icon of American Industry, would go bankrupt? And now, recently we have just witnessed and heard - who

would have thought that Dubai world, backed by the United Arab Emirates with huge oil reserves would request a moratorium on its debts? The recent experience of Dubai is a reminder - if we need a reminding - that recovery is fragile, and economic conditions remain difficult.

Since 2008, the world economy has deteriorated and the global financial system has been put under severe scrutiny. The promised green shoots in the major economies are taking longer to burgeon than initially expected.

All this, at a time when the price of commodities shot up, oil prices even more so - you saw what happened - the Multi-Fibre Agreement was being dismantled and we suffered the worst reduction in the price of sugar. Considering all this and the major economic crisis that we have faced over the past years - an earthquake with unending aftershocks, - we are still seeing the aftershocks,

Mr Speaker, Sir - an earthquake that has severely rocked even the most robust economies - it must require a lot of bad faith to criticise our performance.

Mr Speaker, Sir, even if our opponents may not admit it, they know that there are many countries that envy our performance. Be it in the European Union, the International Monetary Fund, the World Bank, they are all praising our recent achievements, our resilience, our sense of innovation and our capacity to steer safely through the storm.

The Vice-Prime Minister and Minister of Finance quoted Mrs Hillary Clinton, the US Secretary of States, in his speech. She singled out and praised Mauritius for its achievements, especially highlighting our capacity and, I quote –

“To attract investments by enacting reforms that protect investors and promote business” and our commitment to “create conditions where people feel

that their hard work will actually be rewarded” resulting in a fact that “the people of Mauritius have been the primary beneficiaries of these reforms”.

That is what we wanted to do, Mr Speaker, Sir. Although Mauritius was naturally affected - we all knew this would happen - our success in making our economy resilient is due to a combination of sound fundamentals and courageous reforms in spite of the criticisms. Our success is a result of our vision, our hard work, the understanding and support of the population; and also the result of the effectiveness of our economic diplomacy. But here in all humility, Mr Speaker, Sir, I must say that we also “stand on the shoulders of giants”. They laid the founding stones of this nation - our founding fathers who fought for independence and took up the challenges that this young nation of ours had to face. And these include all those who have one way or the way worked in the national interest, including Sir Anerood Jugnauth, Mr Speaker, Sir.

We have always said it - I heard hon. P. Jugnauth said that nobody talks of Sir Anerood Jugnauth. We may not agree with him, we have never always agreed with him, but he also has his contribution to make in this country. As Warren Buffet puts it, Mr Speaker, Sir -

“Someone is sitting in the shade today because someone planted a tree a long time ago.”

I believe, Mr Speaker, Sir, without indulging into any sense of triumphalism, that it is safe to say that we have successfully overcome most of the challenges which have come our way - and this is very important - in a spirit of a caring Government, true to the promise which we had made to the people when we fought and won the general elections of 2005. We have achieved what we promised in the circumstances of this great economic crisis that we had. We have, in spite of this unprecedented world recession, combined economic efficiency with social justice.

I would like here to thank the people of this country who in the large majority have shown an understanding and a grasp of the real issues which we have had to deal with. This is a clear sign of the growing maturity of our nation and an indication of the kind of strength and resilience which can be aroused even in the midst of great adversity, once we have put in place the kind leadership which resonates with aspiration and the hopes of the people.

We called for a change in the mindset of our people, Mr Speaker, Sir, because this is the key to any success. I am happy to see that this change although slowly, but it is surely happening.

Mr Speaker, Sir, when I looked through the speeches of some of the Members of the Opposition, I was stunned to see how some of them seemed to be stuck in time past, as if they are living in another era. I don't think that they realised that the world has changed, Mr Speaker, Sir. We

are not living in the same world, as if ten years ago. It seems that some still believe that if they come and regurgitate all kinds of demagogic and unreasonable arguments in the vain hope that people will follow them. We must act responsibly and tell the people what the realities are today because whatever happens, this country has to keep on going. More than ever, Mr Speaker, Sir, nobody owes us a living. I disagree with their kind of politics. As opposed to their kind of politics, I think we touch a basic chord within every true democrat who is not impressed with pseudo-scientific political gurus or sensationalism in some newspapers. One must never underestimate the collective intelligence of the people.

Mr Speaker, Sir, anyone who steps back and looks how far we have travelled since 2005 cannot deny the basic facts. And I have a few here from the Budget Speech itself. Just to show, Mr Speaker, Sir, because facts speak for themselves. No Government would say

that everything is perfect. It never can be perfect. We strive for perfection, but we can never be perfect. Look at the facts, Mr Speaker, Sir, between 2000 and 2005, 20,000 jobs were created and within four and a half years that we were in power 40,000 jobs were created. This cannot have happened by itself. Unemployment rate was 9.6%, it is now less than 8%.

We have created 19,000 jobs for women compared to 5,400. Female unemployment is still considered to be high. It is used to be 16.4%, it is now around 14%. I heard hon. Cuttaree talking about FDI and all this, but they got only Rs1 billion per year with no single large investment as we have. We have 8.4 billion per year, Mr Speaker, Sir and the Jin Fei Project, Rs25 billion over 8 years with 40,000 jobs are going to be created. Private investment has also gone up. Total investment has also gone up. The Net International Reserve from Rs56.3 billion to Rs100 billion, that is, roughly up by 80%. The

balance of payments similarly, Mr Speaker, Sir, we are 4.8% of GDP, whereas they were negative -2.6% of GDP. The Budget deficit is the same thing, Mr Speaker, Sir. We have a Budget deficit of 4.5% up to December of this year, they had a Budget deficit of 5.3% plus - I know they don't like me saying that - 2.8% of the skeletons which brings it to 8.1% of GDP, Mr Speaker, Sir.

Central Government debt which is now 49.7% was hovering around 60% of GDP. But the above figures only give a partial picture of our achievements so far. They are indicators of macro-economic performance, but they do not show the plethora of investment in human capital that my Government has pushed through since 2005.

I have always said, Mr Speaker, Sir, that macro-economics, growth, FDI and so on are necessary but not sufficient. We engage in politics in order to give a sense to these numbers.

M. le président, nous avons pu investir massivement dans le capital humain - l'éducation, l'entrepreneuriat, l'*empowerment*, la santé, la lutte contre la pauvreté, etc. - et cela a été rendu possible par les succès obtenus dans la relance de l'économie, dans l'établissement de nouveaux pôles de développement économique, dans la création d'emplois, dans la création d'un plus grand nombre d'opportunités pour chacun and dans l'amélioration des conditions de vie de tous. M. le président, tout développement économique repose sur le capital humain; et ceci est le fondement de l'action du Parti Travailleiste depuis toujours et il retrouve aujourd'hui une nouvelle dimension.

*(Interruptions)*

Mr Speaker, Sir, when I look at the stance taken by some Members of the Opposition, I can only suppose what has really happened is that they themselves don't know *sur quel pied danser*. On the one hand, I have heard

some Members said that we have not done well at all and then, in the same breath, they say: “now that the economy has turned around we should now dish out goodies left, right and centre.”

I suppose that, in fact, many were quite shocked that we did not play Father Christmas with this Budget, specially, since everyone’s hobby now has turned to speculating about the date of the general elections. But, I had decided that we had to tread the path of prudence and responsibility. What has happened in Dubai just now confirms that we have to be prudent. As a small-sized, open economy which is affected by what happens in the global markets, I believe that global markets are still too over-leveraged, under-capitalised for us to be bullish at large. This is why, even before the presentation of the Budget, I had said it that we have to have a Budget which is responsible, *un budget responsable*.

There are three facts, I think, that the Opposition does not seem to grasp, Mr Speaker, Sir. First of all, it is a fact and no one can deny this that the world has been hit by an unprecedented economic recession. This was not an economic recession that anyone predicted; it took us all by surprise. Even the big experts, the economists, all these people, nobody predicted this economic recession. This is a fact.

Secondly, we have had to deal with this new fact. Therefore, it meant that we had to re-look at our priorities. The Opposition does not seem to acknowledge that we have had to deal with this unprecedented economic recession. Therefore, we had to look at our priorities again. It was more important to make the country resilient, protect the jobs and the gains of the country so that we are in a better position to resist economic crisis.

Thirdly, the sooner the Opposition learns that there is no such thing as a free lunch the better, Mr Speaker, Sir.

We must inculcate in our people that effort will be rewarded.

Therefore, the principles underlying this Budget should now be clear. The first is to shape recovery.

- We are continuing with most of the Additional Stimulus Package to boost the economy in these difficult times. We looked at it, we discussed it, myself and the hon. vice-Prime Minister and Minister of Finance and we decided that it would be wrong at this point to stop all the Additional Stimulus Package.
- We are restructuring the funds to render them more effective, for example, food security, saving jobs, the MID Fund, Local Infrastructure Fund, etc.
- We are building modern infrastructure - a staggering amount of infrastructural work is taking place across the island. Every single region of this country is affected.

Secondly and critically, Mr Speaker, Sir, we aim to consolidate social progress by giving to every Mauritian the means to satisfy his or her ambition. To me, this means continuing this heavy investment in human capital. It should be clear that countries can only progress on the foundation of a solid human capital base. It is progress in human capital that fosters economic growth by bringing all components of the population, specially the marginalised in the mainstream of economic activities. Economic growth is impossible without people who have an opportunity to educate themselves, to be disease-free, to pursue their entrepreneurial spirit and so on. That is why with this Budget, once again, you see so much emphasis on education, on health care, on housing, on eradication of poverty, on SMEs, on enhanced social benefits and so on. We are also maintaining a very important and landmark policy of my Government, that is, free transport for students, old age pensioners and so on. And we have decided to give 3.5% additional salary

compensation which will be paid in January 2010 and we know what the rate of inflation is, Mr Speaker, Sir.

The third key principle behind this Budget is sustaining green Mauritius. I will speak more on this later, Mr Speaker, Sir, when I come to the subject of *Maurice Ile Durable*.

Mr Speaker, Sir, let me now turn on some specific issues which I would like to comment. First of all, let me speak on the democratisation of the cane sector. This dossier, Mr Speaker, Sir, I dedicated my personal attention to it, because it concerns the platform on which we had all campaigned, that is, the democratisation of our economy.

Two years ago, almost to the day, I concluded a landmark agreement with the sugar industry. The agreement embodies the spirit of economic democratisation and I consider this agreement to be one

of the major achievements of my Government and of the Labour Party,...

*(Interruptions)*

... in the interest of the whole nation. I heard what hon. Cuttaree said about this.

When I held a press conference on 27 October 2007, I then said that the sugar industry's contribution to GDP was down to about 3%. I recall that many thought that perhaps I had made a mistake. Some even then went foraging for data in order to prove that I didn't know what I was speaking about, only to find out that I was right, it is down to about 3%.

The agreement I concluded with the MSPA enables the rebirth of a moribund sugar sector facing major threats and challenges into an inclusive cane sector with a bright future and with the participation of all the stakeholders in the industry. We all remember what characterised the

sugar industry then, Mr Speaker, Sir: 36% of price reduction, concentrated ownership with many challenges on the horizon.

The industry had to be reinvented - not because of the size of its contribution to the economy, as I have just said it was about 3% - but because this industry provides jobs, occupies a large amount of land assets and the industry is also engrained in the psyche and life of many. It has molded the character of many generations of Mauritians as well as the culture of this country. It is part of our history and what is right about it or even what is wrong about it, but it is part of our history.

The restructuring of the industry was a golden opportunity to redress this, to turn threats into opportunities, to salvage it and to make it more inclusive than it ever was. That is why in 2007, I set out to seize this opportunity and I locked horns with the MSPA. I was determined to turn the tide of history. Many doubted me,

many doubted the motivations of the Government; many thought the trend of history could not be reversed; many thought that this battle was doomed even before it started.

But politics is about convictions and commitment, Mr Speaker, Sir.

*(Interruptions)*

In 2005, the population gave us a mandate to put the economy on the right path and to democratise it. Those who doubted our commitment in 2007 now come and congratulate me for the struggle because I managed to turn the tide of history. Many people refer glibly to defining moments. But, Mr Speaker, Sir, this was truly a defining moment in the history of this nation.

*(Interruptions)*

Let me remind the House that we managed to achieve all the objectives we set out to achieve. Firstly, concerning the EU funds, you will remember, Mr Speaker, Sir, how

almost on a daily basis, there was from many quarters, an unrelenting scaremongering campaign supported by daily editorials in l'Express - still it does - portraying me as irresponsible. They argued that I was being difficult, that my actions would jeopardize the EU funds for sugar reforms and thus the livelihood of thousands of workers and planters in the sugar sector. You see how the campaign was run, Mr Speaker, Sir, trying to put the workers and the planters, the people we have always defended in the history of the Labour Party, against the Government. They also argued that I was putting the livelihood of these workers and planters in the sugar sector at risk and bring the country to the brink of disaster because we would not get the UE funds the way I was doing. As you know, Mr Speaker, Sir, all these, if I may call them cassandras, have been proved utterly wrong as usual. Events have proved us right. We not only secured the EUR 127 m. but under the EU Vulnerability Flex, we

have also now been able to get an additional allocation of EUR 10.6 m. which will be disbursed soon.

Secondly, we enabled the transformation of the sector, moving from sugar to cane and paving the way to two refineries to produce white sugar which fetches a much higher price. Mr Speaker, Sir, we may in the future, see the day when we will import sugar to refine here whereas in the past we were sending our raw sugar to be refined in Europe. We have modernised the sector and thus moved up the value chain.

Third, we did not go for the six new power plants which the MAAS had called for because there were the implications on the import of a substantial amount of coal that was implied in this. It would also have resulted in an even greater concentration of the energy sector in the hands of a few. As a side note, let us not forget that when we talk of energy produced by bagasse, there is also a significant amount of coal involved in the process. In

fact, the coal to bagasse ratio stands at an average of 67% coal and 33% bagasse.

Fourth, we obtained 2000 *arpents* of land for social housing and agricultural projects and a commitment from more as and when necessary for infrastructural projects that we have always had. I think hon. Jugnauth was asking what happened to the 2,000 *arpents*. In fact, we are getting it. We took a commitment, Mr Speaker, Sir. The land is not to take and to give to people we know. The land is for projects that will be in the long-term sustainable and for the benefit of Mauritius. It takes a longer time, but we have used quite a bit of that already.

Fifth, we agreed that the price of bagasse being paid to the small planters had to be reviewed. Currently, the IPPs credit a mere Rs100 per ton of bagasse to the Bagasse Transfer Fund Price managed by the Sugar Syndicate and then there is an allocation to millers and planters based on a complicated and I think a messy

formula, in fact. We are confident that as a result of this review, this price will substantially increase to the benefit of the small planters in a more effective manner.

Sixth, as you know, Mr Speaker, Sir, *metayers* are the most vulnerable amongst the smaller planters. I did not want them to be left by the wayside in the reform process. A committee has reviewed the case and I am pleased to announce that there have been substantial breakthrough for *metayers*. Whether in terms of rental charges, possibility of land swap, *droit de metayage* and purchase of land by *metayers*; *metayers* have now acquired rights which they did not have previously, Mr Speaker, Sir. I don't need to go into the details of this agreement. I will just leave it behind.

Seventh, Mr Speaker, Sir, before this agreement, the small planters were receiving a fluctuating price for their molasses which is linked to the world market price. The Control Board has been able to successfully negotiate a

premium of US\$6.43 over and above that price. With regard to the local molasses market, the small planters are now guaranteed a minimum of Rs2,000 per ton as well as benefit from any upward fluctuation in the price. Currently the price they receive for molasses sold to the local distilleries stands at Rs3,500 per ton. This is, therefore, a quantum leap from the prevailing price before we came to power, Mr Speaker, Sir.

Eighth, as a result of my unflinching commitment and perseverance in the democratisation process, all planters, labourers and artisans in the sugar industry have been able to secure a 35% stake in the cane industry, all the way through the value chain, Mr Speaker, Sir. This is an important step in the democratisation process. In this Budget, we are setting up the Cane Democratization Fund which will hold the 35% shares of all companies engaged in the cane industry value chain starting from milling, refining, distillery, ethanol and all other activities related

to the production process and to the marketing of all the final products.

Shares in the Cane Democratisation Fund will be offered in priority to the planters, labourers and artisans so that they can participate and benefit fully from the success of the cane industry. The setting up of the CDF will thus serve as a catalyst to keep the cane industry vibrant and ensure the benefits accrue to all stakeholders in this new emerging industry.

Let me seize this opportunity, Mr Speaker, Sir, to enlighten hon. Cuttaree. I heard him from my office comparing what was done in 1994. I think he said that in 1994 when small planters bought the shares in SIT they only paid half the price of the shares, whereas with the CDF, the buyers of the shares will pay  $\frac{2}{3}$  of the price, if I understood him right. But there is a difference here, Mr Speaker, Sir. Perhaps he has overlooked. In 1994, the valuation which determined the price of the shares was

the then prevailing market price which was very high. With the CDF, the valuation which will determine the price of the shares will be pre-reform, that is, they would pay much less than the actual value of the shares. That is the difference. Let me assure him also that there will be no restrictions on the buyers, but current employees will be given priority as I just said, that is, former employees will not be barred from buying shares, but priority will be given to the current employees. This is just to answer what was being said, Mr Speaker, Sir.

The Cane Democratisation Fund will thus be *incontournable* in the cane industry - a significant player with a significant say representing all those who participate in the sector, but who did not have the opportunity to have a meaningful stake up to now. We will also ensure that the fund is managed efficiently for the benefit of stakeholders.

Ninth, Mr Speaker, Sir, is the review of the IPP contracts. The principle of opening up equity participation in the power generation sector was also, I must say, implicitly agreed in the negotiation of December 2007. But as we know, Government is of the view that the IPP contracts are unfair to the population; whilst on the other side, the owners of the IPP have steadfastly maintained the opposite. In December 2007, we could not resolve this difference because this was separate from the immediate *mesure d'accompagnement* that was needed. In a spirit of consensus to show our fairness, we agreed that an independent consultant be appointed to look into this matter.

After lengthy and arduous discussions, a Terms of Reference was agreed by both parties and was signed between Government and MSPA in June of last year. Following an invitation to bid, again, here I must say we had put forward three names, if I am not mistaken, and

they had put forward three names of consultants. Eventually, they did not quite agree with the names we have put forward. Again in a spirit of fairness we had agreed that the name of one of their consultants be taken on board. An independent US consultant was selected and appointed and we both agreed to this. That was at the beginning of this year.

An independent US consultant was selected and appointed and we both agreed to this. That was towards the beginning of this year. Again Mr Speaker, Sir, we did this to show that it was not our intention to get our way. We wanted to show that we were fair and we would agree to an independent consultant.

As per for the terms of reference both parties, the members of the public as well as other interested parties were given the opportunity to submit their views to the consultants. Then, still as per the terms of reference, the consultant prepared and submitted a draft report inviting

both parties, that is, Government and MSPA, to submit their comments within a given timeframe. Following receipt of comments and as per terms of reference, the consultants have now finalised the report and submitted it early last month.

Now the conclusion of the final report clearly validates our stands from the very beginning, clearly Mr Speaker, Sir, of course, the other side is not happy but there must be a process to everything. We accepted to the naming of a consultant on their list. We accepted to the whole process. I think we were given - once the consultant came up with a draft report - two weeks to respond. We asked for a bit more time because it was complicated, we did not understand some of the arguments that were put in there and we wanted to have expertise advice which we did. Now the report is final. From what I heard the other side, they are trying to bend the rules, they are trying to renege on their own

agreement to the joint process. They are seeking therefore to defend narrow interest again. My advice to them - and I said that to some of them already - is to think again. We have moved a long way, I think it will be really short sighted on their part to try to move the goal post again and put everything in question and sour this new atmosphere of real partnership with a win-win solution at hand. I think it will be a mistake. I was elected with a clear mandate and I intend to ensure that national interests prevail over the narrow interest of a few – so my appeal to them is play the game, you have rules in the game we have to play by the rules of the game. You will recall Mr Speaker, Sir, that under my first term as Prime Minister, mindful of the invaluable contribution of the small planter community to the development of the country, I increased the sugar proceeds of apportionment ratio from 76% to 78%.

I have no hesitation in saying Mr Speaker, Sir, that I take great pride in having achieved all of the above in the sugar cane sector. We must not forget that there are 200 years of history of political struggle in the background and to have achieved what we have in only four years of this mandate is no small feat. Let me say that I have every intention to continue on this track. There is unfinished business and we have to deal with it with an utmost resolve and determination. Only four and a half years ago democratisation was unjustly vilified as being racism, as a way to take away from the rich. It was looked upon with doubt and cynicism. Today everyone has now acknowledged that we were driven by a noble sense of purpose, a determination to break through the societal and institutional delimitations that prevented an even greater number of people to become wealth creators.

I firmly believe Mr Speaker, Sir, that the more entrepreneurs we have, the more wealth creators we have,

the better the country will be. Democratisation, as some Members of this side of the House have pointed out, is now on an irreversible path. Over and above what we have correctly achieved in the cane sector and elsewhere, we have embedded economic democracy in the psyche of the nation. That is very important. This in itself is an achievement and true to the founding principles of the Labour Party and we have yet again achieved a major legacy that we will proudly leave for the generations to come.

Before I conclude on this aspect of democratisation, let me say that for anyone whose political engagement is based on deep convictions, the struggle for freedom, human dignity and social justice, is an unending task. You never finish with it Mr Speaker, Sir. As you know the Labour Party was born out of a quest for dignity in the sugar cane fields; that is the start of the Labour Party. Therefore our actions in the sugar cane industry has a lot

of significance to us in this Labour Party. We bear within us, Mr Speaker, Sir, the collective memory of the days of Anquetil, of Pandit Sahadeo, of Ramnarain and others where the stalwarts' political engagement rested upon an unflinching courage to ensure that the workers in the Sugar Industry would have their dignity and their rights. Since then as a nation we have made great strides and I have to say without any false modesty that I am proud to be leading a party which has done so much to shape the destiny of our country.

Mr Speaker, Sir, I now want to talk on the project *Maurice Ile Durable*. As soon as I was sworn in as Prime Minister in 2005, I had to take a major decision from which I draw a lot of self-satisfaction. That was to order the immediate stop of the ignoble destruction of the Valley of Ferney. That would have been an unmitigated environmental disaster. Today when I hear some Members of the Opposition have a go at us on the

question of the protection of the environment, I am sorry to say they have no credibility because the arguments are based in their selective memory. Their memory may fail them, but coming generations will not forget the fact that the previous Government had actually started the destruction of one of the most bio-diverse region of our country, not to mention a 100% coal-fired power station which they agreed to put down in the south of the country. That is why I say that there is no credential, they are not credible.

Everyone knows the importance that I attach to sustainable development for Mauritius Mr Speaker, Sir. That is why, with the help of Professor Joel de Rosnay, I introduced the vision of *Maurice Ile Durable*. This Budget exercise reinforces our commitment in placing sustainability at the core of the development of Mauritius. In addition to the MID Fund and the different units that have since been created, I have set up with my Ministry, a

Steering Committee on *Maurice Ile Durable*, the committee has been assigned to the task of looking into this important project in a holistic manner. The MID Committee has met on several occasions to move forward with key initiatives including those in Renewable Energy and the Transportation Sector for Energy Efficiency and carbon footprint reducing initiatives. This Committee is also liaising with international lending and donor agencies such as *Agence Française de Développement*, the European Union Commission, the UNDP which are aligning their assistance towards a sustainable development objectives. I wish to express here my deep appreciation to the Government of France for the support to the MID initiative. We know that following my meeting with the then French President Mr Jacques Chirac, the AFD has set up office in Mauritius and he is financing several MID activities and the actual French President is also following the same line.

The MID Committee will assist in formulating a policy process for Maurice Ile Durable at mid 2010. A green paper will be produced and will be one that is multi-sectoral and reflect the realities and the principles of the Mauritian society. To end on this *Maurice Ile Durable* aspect I would like to reiterate through the *Maurice Ile Durable* vision. I want to mobilise all Mauritians private and public sector, NGO's, citizens of all class and especially the young around a common vision. We have played a crucial role at the Commonwealth Heads of Government meeting in the drafting in the Port of Spain, Climate Change Declaration. We intend to play similar role in Copenhagen in defence of the Small Islands, Developing States which remain vulnerable and are the most vulnerable.

Mr Speaker, Sir, worthy and meaningful lives are a crucial source of human dignity for citizens and the *Alliance Sociale* Government has always stood for human

dignity. Amongst some of the milestones institutions which we have spearheaded in this Parliament are examples of such as the Competition Commission, the Public Appeals Tribunal, the Equal Opportunity Act. These lay the basis for longer time deep changes in our society and now the institution which we have set up in the Truth and Justice Commission, as we had promised in our Government programme. My Government is not only alive to the issues of social justice, but is also alive to the need for active nation building. It is in line with this philosophy that the Truth and Justice Commission has become operational since March of this year. The Commission has been assigned with the responsibility of making an assessment of the consequences of slavery and indentured labour during the colonial period up to the present and, for that purpose, conduct as complete as possible an analysis on slavery and indentured labour. We will also carry out inquiries in relation to complaints made by persons aggrieved - we have seen this many

times in the papers - by a dispossession or prescription of land. The Commission is expected to come up with recommendations on measures to be taken following its assessments and its findings, with a view to achieving social justice and national unity. The Chairperson, I should say, Mr Speaker, Sir, initially designated to chair the Commission has, unfortunately, not been able to come to Mauritius to take up his post full time and, therefore, a new Chairperson has already been appointed. This setting up of this Commission will provide a structure for different sections of the Mauritian population to understand their relationship with the past, as well as their relationship with each other. The ultimate aim of this Commission would be to bring about a more peaceful society and strengthen national unity.

Mr Speaker, Sir, let me now turn to the subject of law and order. Going to the issue of law and order, I would like to state that - I think we all agree - it is the most basic

responsibility of any Government to keep the public safe. Law abiding citizens, their families and the wider community have a right to expect to be safe in their homes and on the streets. As a responsible Government, we have to ensure that our country is safe and secure. That is why, in the Government Programme of 2005-2010, we have made it clear that Government will take all necessary steps to consolidate law and order, and to ensure that law enforcement agencies are provided with the necessary modern equipment and properly trained human resources to be utilised in the fight against crime. We also stated that we will pursue these reforms, which we started, in fact, during my first mandate, in the field of police training and institutional build-up. Mr Speaker, Sir, prior to 1995-1996, the police were under funded and still used traditional policing methods. During my first mandate, I found that maintaining the *status quo* will not do was not an option. There was a need for a complete reorganisation of the Police Force in order to reinforce its

institutional and operational effectiveness. We are now investing into the 21<sup>st</sup> century intelligence capabilities and innovative technologies to enable the police to do their work effectively. We are providing the police with the necessary sources and strategic direction in its fight against crime. Our message is clear, Mr Speaker, to the criminals. We will deal firmly with the perpetrators of crime. At the same time, we understand that crimes that outrage the population are also a manifestation of wider social problems, which need to be tackled if we are to deal effectively with the problem of crime. We know that these problems arouse passions and concerns, and require multi sectoral approach. That is why we are addressing these social problems as well. These steps are all critical to keep our country safe, and illustrate our seriousness of purpose.

We are investing heavily in the Police Force, Mr Speaker, Sir, and the figures speak for themselves. The

budget of the Police Department has gone up from Rs3.1 billion in the financial year of 2004/2005 to Rs5.2 billion in the financial year of 2010, which represents an increase of Rs2.1 billion, that is, around 240%. Since 2005, we have spent Rs275 m. on acquisition of vehicles; Rs160 m. on equipment, and Rs185 m. on infrastructural products. We know we have often heard about complaints that, in the police stations, there is a lack of vehicles, etc. All these problems are being addressed, Mr Speaker, Sir. In addition, the other infrastructural projects amounting to Rs104 m. are in the pipeline.

In fact, Mr Speaker, Sir, during my first term in office, I started modernising the Police Force. We set up the Emergency Response Service; we set a properly equipped and staffed scene of crime service; we bought a modern automatic fingerprint recognition computer; we started the independent Forensic Science Lab, and we had passed the Human Rights Commission Act. We also

started a full training programme for new recruits, a Bsc for police studies for existing police officers, and a staff development programme for other police officers, so that they continuously upgrade their skills. We are continuing with the reforms of the Police Force, Mr Speaker, Sir. As part of that ongoing reform and in order to meet the emerging internal security challenges to deal effectively with crime, we have recently taken a series of evaluation measures. These include –

- The structure of the CCID and its mode of operation, which have been reviewed, to ensure effective crime investigation and detection, and we can see the results. As soon as we hear about a crime, very quickly we hear that people have been apprehended.
- Two new units have been created under the CCID, namely the Cybercrime Unit and the

Robbery Squad, to combat these respectively, Mr Speaker, Sir.

- The activities of the Scene of Crime Office have now been decentralised, and three units are now operational. This arrangement naturally provides for a better response to the scenes of crime. Formerly the SOCO, as we call it, was based at Rose Hill to cover the whole island. Now, we have decentralised, and we have three units.
- Field intelligence officers have been posted to various divisions of CIDs, with a view to gathering and disseminating information on crime in the respective region, as part of the intelligence-led policing strategy.
- As the House knows, a counter terrorism unit has been established in my office since August 2009, with the objective to act as a nodal agency of the Government in the prevention of, and combat

against, terrorism and related matters, both locally and internationally.

- The Traffic Branch is being reorganised and restructured with a view to increasing road safety intervention and evacuation process during major road accidents. In the context of a new highway patrol scheme, 49 motorcycles have been acquired this month. In fact, they have already been acquired. Furthermore, I have named and appointed a special Adviser in my Office on road safety matters. He will be responsible for the implementation of new rigorous measures, in order to improve safety on our roads. Safety on our roads is more wide ranging than some people think. It is not just concerned with what happens when an accident happens. It is much more than this.

- A National Coast Guard Commando Unit has been set up. It undertakes specific missions in the maritime environment.
- The Central Firearm Index Database has been operationalised to improve control of firearms.
- Modern techniques are now being used by the police, such as the *portrait robot*. This again was given by the French, on my demand, by the then Minister of the Interior, the actual President of France.
- We are also using video recording, new fingerprint, and body-fluids search tools have been provided to different units.

Mr Speaker, Sir, it is clear that we need to respond and adapt to an era of rapid technological change. The public expects us to make use of technology to protect them, and that is a clear priority for Government. To deal

with more sophisticated criminals, it is necessary for police authorities to also become smarter and better equipped. That is why we are providing new technologies and modern equipment, which are vital tools for the police to act against crime.

We have introduced the CCTV system at Flic en Flac in April of this year, and this is being extended to Grand' Baie and Port Louis, which will be operational, we hope, by May 2010. Another CCTV street surveillance project for the region of Quatre Bornes, covering the main road from St. Jean to Candos, is under way, and I am pleased to inform the House that, with the introduction of the CCTV system at Flic en Flac – I think that I have answered a Parliamentary Question on this – criminal offences in that area, which is covered by the cameras, have decreased dramatically in the region. In fact, at the very beginning, we got two cases. I think one case was hit and run, and the other one was rape; people who were actually got by the cameras.

We have acquired, Mr Speaker, Sir, a twin-engine Advanced Light Helicopter, through a grant from India, for Rs307 m. The newly acquired helicopter will significantly enhance the operational capabilities of the police in terms of search and rescue operations at sea, also maritime surveillance, deployment of commandos in anti-piracy operations and medical evacuation.

I think the House knows already that this twin-engine helicopter has a far longer reach than the helicopter we had before.

A Defender Fast Patrol Boat is being donated by the US Authorities. It will be available to the Police Force as from January or at the latest in February of the upcoming year. A new Digital Radio Police Communication System with more than 3,000 terminals is also being implemented and will be connected to all the units and the police stations of the Force. This will enhance naturally the communication and coordination of policing activities and special operations in the country. That

system, we believe, will be operational by May of next year.

A Coastal Surveillance Radar System is being implemented to help the National Coast Guard to enhance its surveillance capabilities of the Maritime Zones and our EEZ with radar installations at eight locations - five in the mainland of Mauritius and one each in Rodrigues, St. Brendon and Agalega. The system which is costing around Rs100 m. is being acquired through the one-time grant element of the Line of Credit provided by the Government of India. Again, this is going to be operational very soon.

We are in the process of acquiring an Offshore Patrol Vessel (OPV) under the Line of Credit offered by the Government of India. Let me say here, Mr Speaker, Sir, we all know that the need for an OPV is greatly felt to enhance our maritime safety and security in the region.

That OPV is going to be a much better OPV than the previous one we had.

We are also having greater recourse to DNA in investigations as it is one of the modern breakthroughs - we had a debate in this House. It is a powerful method of establishing either guilt or innocence and can make a huge contribution to solving crime. In fact, Mr Speaker, Sir, what we are doing is that we are putting emphasis on scientific evidence-led and not confession-led criminal investigation. In this regard, the Forensic Science Laboratory has been provided with the necessary resources in terms of equipment and personnel.

Mr Speaker, Sir, it is imperative for the Police to have the human resources it requires to deal with law and order effectively. Since July 2005, 970 Police constables were recruited. We are in the process of recruiting an additional 900 Police constables as part of our programme to improve security and reinforce law and order.

Mr Speaker, Sir, we are also placing great emphasis on human resource development. Our goal is to have a competent, committed, motivated and developed Police Force. This is what the country needs. Police officers must learn the latest technologies and master the new tools. Opportunities are therefore provided for continuous professional development to all members of the Police Force to upgrade their knowledge and skills so that they remain up to date with the latest developments and technology in the field. They must keep one step ahead of the criminals, Mr Speaker, Sir.

Since 2005, over 700 Police officers have followed specialised training courses abroad in a wide range of fields namely, investigative methods, combating drug trafficking, terrorism, fight against money laundering, ballistic, graphology and cybercrime. Here, I must thank the Governments of India, France, Egypt, UK and also of the United States in helping us to train our Police officers.

To combat criminality in general, we are continuously reviewing our legislative framework. I mentioned the Firearms Act in 2006, the Dangerous Drug (Amendment) Act in 2008, and the Judicial Provisions Act in 2008 as well.

Mr Speaker, Sir, with the assistance of the UNDP, the Police Department is in the process of formulating a National Policing Strategic Framework with the objective to reorganise resources within the organisation. It will give a new vision and direction to the Police for the next 5 to 7 years. The document is expected to be finalised by the end of this year. For the first time, we are also preparing a comprehensive National Security Strategy which will take into account new and emerging security challenges and the threats to our country.

The Police reforms undertaken by my Government are starting to yield positive results, Mr Speaker, Sir. We have noted with satisfaction that the overall crime rate has

declined from 5.4% in 2007 to 4.9% this year. I knew this was going to take time, but we are making progress, Mr Speaker, Sir. But we must not be complacent, I always say that one crime is one crime too many. We will ensure that this trend continues in the years to come. The maintenance of law and order and the suppression of crime is a daunting task, Mr Speaker, Sir, and I have always said and I maintain that we should not treat this as a partisan issue. The fight against crime and violence is our common struggle and it affects society at large.

Mr Speaker, Sir, existing prisons' infrastructure are being upgraded and the new facilities are being put up to improve the living conditions in the prisons. Since 2005, over Rs70 m. have been spent to improve the prison conditions and environment. An amount of Rs35 m. has been provided in the current Budget for improvement and upgrading of existing prisons' infrastructure. As part of the rehabilitation programmes, literacy and numeracy

courses are being provided to detainees with the assistance of non-governmental organisations. Other education and vocational training courses are also being provided to the detainees and they are encouraged to take IVTB examinations. Preventive and rehabilitation programmes are also being carried out to address the problems of substance abuse and the proliferation of HIV/AIDS in the prisons. These include detoxification, the HIV/AIDS care programme, offending behaviour courses which are being carried out again in collaboration with other governmental agencies and NGOs. 2,020 detainees so far with HIV/AIDS have been treated since July 2005.

Mr Speaker, Sir, Border Control is another important issue that I have to speak about. It is very important to ensure the security of our country. A new Immigration and Border Control Systems has been implemented in December 2008 at the SSR International Airport. Data of

incoming passengers are captured automatically as well as the genuineness of their travel documents. These are verified electronically and therefore this has reduced the time spent by passengers at the Immigration Centre. It is not complete yet, we are still improving the system.

The modernisation and expansion of our national airport remains a priority project for my Government. Our vision is to transform the SSR International Airport into one of the most modern airports in the region with first class world infrastructure. Let me underline that this stems from the vigorous economic diplomacy I spearheaded since 2005. It is in this context that when I went to the People's Republic of China in November 2006, I initiated discussions with the Chinese authorities and representatives of *Aéroports de Paris* with a view to securing a mode of financing for this major development project.

Consequently, AML entered into strategic partnership with *Aéroports de Paris* Management (ADPM) for the construction of a new modern passenger terminal. Funding for the project to the tune of USD 260 m. has been secured from EXIM Bank of China. Works are due to start by mid-December of this year and will last, I believe, for a period of 30 months. This new terminal building will have the state-of-the-art architecture, meeting international security norms. Particular emphasis will be placed on the protection of environment and comfort of passengers. I am told that they will also use photovoltaic cells for the protection of energy where possible and capture of rainwater and concrete measures in line with our philosophy for sustaining Green Mauritius.

Mr Speaker, Sir, let me say a few words about the National Aids Secretariat (NAS). Since its creation as a special unit in my office in May 2007, the National Aids

Secretariat has been responsible for the implementation of USD 472,000 Grant from the Institutional Development Fund (IDF) of the World Bank. The following activities under this Grant have been successfully completed -

- Institutional Strengthening;
- Training of Stakeholders in programme management;
- Monitoring and evaluation (M & E), and
- Resource Allocation and Expenditure Tracking for HIV/AIDS.

As a result of the advocacy carried out by Government, Mauritius was declared to be eligible to apply for the Global Fund to fight AIDS, Tuberculosis and Malaria. The NAS led the development of a proposal for a grant of €7,890,632. The proposal was approved by the Global Fund Board as Category 1.

The first phase of this Grant will span over two years with an amount of €3,622,069 and this will cover

activities by both Government and NGOs in this sector. This grant will fund activities within the National Strategic Framework which aims to prevent the new HIV infection and provide a continuum of care to people infected and affected by HIV. This Grant will help Mauritius to achieve the Millennium Development Goal 6, i.e. halting and reversing HIV/AIDS epidemic by 2015.

Another objective, Mr Speaker, Sir, is to prevent all new infections among the most at risk populations, such as Injecting Drug Users, Commercial Sex Workers, Prisoners as well as among the general population particularly women and the youth.

This will be achieved through:

1. A four-fold scaling up of existing services for injecting drug users, commercial sex workers and prisoners, and also
2. Strengthening prevention activities for women, youth and the poor segments of our population.

All HIV services are being decentralised, Mr Speaker, Sir, in order to meet the Universal Access target of 2010. Testing for HIV is already available in the 26 Area Health Centres of the country, as well as in the regional hospitals. Treatment and follow-up will soon be decentralised to the five health regions. Decentralisation of the HIV services will enhance the scaling up of the activities and increase the uptake for the HIV services.

A comprehensive harm reduction approach comprising Methadone substitution, needle exchange, prevention and treatment of sexually transmitted infections and voluntary counselling and testing will be offered to injecting drug users.

The health sector and the NGO response will be scaled up by four in 2-5 years. 25 methadone dispensaries will be equipped with computerised automatic dispensing machines. The NGOs would be supported to recruit

additional programme officers, so they can increase their outreach workforce and achieve total coverage of injecting drug users and the others. We want to contain this concentrated epidemic among these, that is, the drug users for injecting themselves, the commercial sex workers and the prisoners.

Intensive social mobilisation of the community and advocacy to leadership at village, district, municipal, regional and national levels to raise awareness, reduce stigma and create an enabling environment for service delivery will also be carried out.

Mr Speaker, Sir, let me also say that Rodrigues will be given greater attention in the implementation of all the above activities, beginning with the establishment of the Rodrigues AIDS Secretariat to coordinate the Rodrigues Island Multisectoral response.

The grant will also include prison-based interventions and promote the establishment of detoxification and maintenance treatment of heroin dependence with Opioid substitution therapy. Mr Speaker, Sir, I spoke lengthily on this because it is an important subject and we want to show not only in this country but what we are doing to combat this epidemic.

Mr Speaker, Sir, during this mandate, we have travelled a long way towards economic progress and social justice. We have undertaken major reforms in the face of lots of criticisms; we have opened up the economy, and made important strides in economic and social progress. All of this, as I mentioned earlier, in the midst of an unprecedented global economic tsunami – if I may call it that - which has had devastating effects on economies much stronger than ours. I said to the people of this country, Mr Speaker, Sir, that we must be bold and you cannot reap if you do not sow and nurture. And this

is what we have been doing since July 2005. That is what we had said and this is why it is so. This is not a give-away populist Budget but a responsible one. That is the difference between us and them, Mr Speaker, Sir.

They brought the last Budget earlier, without even having at the disposal all the figures and the statistics. You cannot have a Budget without all the figures and statistics, Mr Speaker, Sir.

It was a give-away Budget with what results; an unmitigated disaster because we always say, Mr Speaker, Sir: *Gouverner c'est prévoir*. Some of the threats - I heard hon. Cuttaree say, he mentioned the end of the Multi-Fibre Agreement, but we knew that the Multi-Fibre Agreement was coming to an end, we knew also that the end of the era of preferences with the end of the sugar protocol, will soon happen, but nothing was done to prepare the country for this, Mr Speaker, Sir.

The budget deficit, on the other hand, was rising; the public debt had reached the unpalatable level of nearly 70%, pushing up into the vicious circle of a debt trap. We were not at the edge - as some people say - of the precipice, Mr Speaker, Sir. We were actually sliding down that edge, irrevocably sliding down towards the bottom of the precipice. I said in my address to the nation in January 2006, our priority is to stop the slide and start the climb out of the precipice. Our objective has always been to turn the economy around and not to try to be popular.

We acknowledge, Mr Speaker, Sir, as we move in 2010 and beyond, that there is still a lot of unfinished business and I want to say this firmly, Mr Speaker, Sir, that I remain steadfast in my determination to deal with unfinished business, particularly in the sugar sector. Let there be no doubt in anyone's mind that I intend to

resolutely deal with it during the rest of this mandate as well as during our next mandate.

As we move in 2010 and beyond, we look forward to the resumption of stronger growth and further improvement, Mr Speaker, Sir.

M. le président, nous avons été élus pour réussir le changement économique et social. Nous avons été élus pour faire évoluer cette société vers plus d'ouverture. Nous avons été élus pour donner plus d'opportunités aux mauriciens. Nous avons été élus pour créer une société d'égalité de chances et d'épanouissement pour tous. Il n'y a aucun doute que nous avons en effet plus que jeté les bases pour le changement qualitatif de notre nation; pour que l'île Maurice de demain ne soit pas pour un petit groupe, mais une île Maurice pour tous, M. le président.

Mr Speaker, Sir, as Prime Minister, I have blended reason, responsibility and passion in my quest to shape a nation characterised by citizenship with dignity, that is,

Putting People First. Having been entrusted by the people to preside over the destiny of our great little country, my Government has reached for inclusive economic growth, and we have also been alive to the challenges that we had to face. So, while we acknowledge the progress we have made, we have to understand – as President Obama stated recently - *“that we still have a long way to go. That things are better, but still not good enough”*.

Mr Speaker, Sir, let me now conclude with the following lines from Tagore’s Gitanjali –

“Where the mind is without fear and the head is held high;

Where knowledge is free;

Where the World has not been broken into fragments  
by narrow domestic walls;

Where the words come out from the depth of truth;

Where tireless striving stretches its aims towards  
perfection;

Where the clear stream of reason has not lost its way  
into the dreary desert sand of dead habit;

Where the mind is led forward by thee into ever-  
widening thought and action –

Into that heaven of freedom... let my country awake.”

There is no doubt that under my Government, the  
whole country is awake to its potential; and that we are  
leaving no stones unturned to empower each and every  
citizen with the means to achieve their full potential.

I thank you, Mr Speaker, Sir.

