

Budget Speech 2020-2021

Our New Normal: The Economy of Life

Mr Speaker, Sir,

1. I move that the Appropriation 2020-2021 Bill No. 3 of 2020 be read a second time.
2. Mr Speaker, Sir, I am presenting the National Budget at a time of unprecedented crisis.
3. Without any doubt, one of the worst in modern history.
4. Yet, just a few months ago no one would have imagined that we would be faced with such a calamity.
5. That nearly half of the population worldwide would be confined in their homes.
6. That airplanes would be grounded, that schools would be closed, that Work from Home would become the norm, that the doors to places of worship and entertainment would be closed.
7. That our daily life would be put on hold.
8. It is premature to predict if ever the world will be back to what we once knew, and considered as normal.

Mr Speaker, Sir,

9. A deep contraction, globally and locally, is unfolding before our eyes.
10. This is what international and local institutions are predicting.
11. But none of them are able to forecast today, with confidence, the depth and the duration of this contraction.
12. As at today, the IMF is forecasting that the world GDP, in its best-case scenario, would contract by around 3 percent in 2020.
13. According to the ILO, the impact on the global world of work will be far-reaching, pushing millions of people into unemployment.
14. Mauritius has not been spared.
15. The fallout on our economy is without comparison.
16. Latest forecasts point to a GDP contraction of up to 11 percent this year, the worst GDP contraction ever for our country.

Mr Speaker, Sir,

17. In these unknown unknowns, what remains constant is the commitment of this Government towards its people.
18. Today, I will unveil before this House our strategy.
19. The challenge is daunting, but, our response is nothing but historical.
20. We will, as a nation, rise up together to this New Normal.

21. Our “New Normal” will be the Economy of Life. That is why this Budget is focusing on the following tryptic:

- A. Rolling out the ‘Plan de Relance de l’investissement et de l’économie’.
- B. Engaging in Major Structural Reforms.
- C. Securing Sustainable and Inclusive Development.

A. ROLLING OUT OUR PLAN DE RELANCE DE L’INVESTISSEMENT ET DE L’ECONOMIE

Mr Speaker, Sir,

22. We must protect the jobs of thousands of men and women.

23. We must secure the means of livelihood for thousands of small businesses.

24. We have earmarked more than Rs 100 Billion in this Budget for our **Plan de Relance de L’Investissement et de l’Economie**. This will enable us to -

- (a) give a boost to the construction sector;
- (b) go back to basics with investment in smart agriculture;
- (c) rebuild our local manufacturing fabric;
- (d) support our tourism industry;
- (e) consolidate our financial services sector;
- (f) stimulate the development of data economy;
- (g) diversify and deepen the blue economy value-chain;

- (h) build a strong biomedical and pharmaceutical industry;
- (i) reinforce our regional partnerships; and
- (j) foster entrepreneurship and protect the livelihood of SMEs.

Reviving our Traditional Sectors

Mr Speaker, Sir,

25. In our economic recovery plan, we will start by reviving our traditional sectors.

Construction Sector

26. The construction industry will be the engine of our recovery.

27. First, we are providing Rs 12 billion for the construction of 12,000 social housing units across the whole island.

28. Second, the Rivière des Anguilles dam will be constructed at an estimated cost of around Rs 7.5 billion.

29. Third, investment of around Rs 6 billion are expected in the main bus terminals along the Port Louis – Curepipe corridor into multi-modal Urban Terminals.

30. Fourth, we are providing some Rs 5.2 billion for the construction of new roads and bridges.

31. Fifth, another Rs 5 billion is being provided for the completion of the Metro System from Rose Hill to Curepipe.

32. Sixth, the bus terminals modernisation programme will be extended to other main agglomerations of the country, starting with Flacq, St Pierre, Mahebourg and Rivière du Rempart with the participation of the private sector who will invest some Rs 3.2 billion over the next 3 years.
33. Seventh, some Rs 2.2 billion will be invested in a Breakwater, Fishing Port and the Cruise Terminal Building.
34. We will also stimulate private investment, including in the construction sector.
35. There are currently some 34 projects in the pipeline at the EDB worth some sixty-two billion rupees. A High-Level Committee chaired by the Prime Minister will be set up to expedite processing and approvals of these projects.
36. Government will further incentivise the construction industry by -
 - (a) Waiving fees related to the Building and Land Use Permit (BLUP) for construction of pharmaceutical manufacturing factories, food processing plants and warehouses.
 - (b) Facilitating purchases of immovable properties by foreign buyers through digital Power of Attorney.
 - (c) Extending the Construction of Housing Estate Scheme and Acquisition of Newly Built Dwellings Scheme for another period of two years; and also raising the eligibility threshold under these schemes from 6 to 7 million rupees.

37. We will allow for payment of VAT as from the date of receipt instead of the date of invoice for Government contracts in relation to construction works.
38. For Government projects of up to Rs 300 Million, contractors will be paid within a shorter period of 28 days instead of 56 days currently. Any retention amount will be paid fully within six months instead of twelve months.
39. The Construction Industry Development Board Act will be amended to review the grading of contractors.
40. As we stimulate construction, we have the will and the means to promote our local expertise, favour input from local firms and ensure that the employment created can be taken up by Mauritians.
41. Henceforth, public projects with investments of less than Rs 300 million and where pre-qualification is not required by Central Procurement Board, will be opened to Mauritian companies only.

Agricultural Sector – Back to Basics

Mr Speaker, Sir,

42. Our economic recovery plan also extends support to the other traditional sectors besides construction.
43. One of the early lessons of the Covid-19 crisis is the need to be as self-sufficient as possible in what we consume.
44. We have the means, the land and the expertise today to become more independent in our food supplies.

45. I am therefore announcing the inception of a comprehensive National Agri-Food Development Programme.
46. This programme will promote the Farm to Fork concept, ensure food security and reduce our dependence on imports.
47. To achieve so, we need to bring more land under cultivation.
48. A centralised digital Land Bank of State and Private Agricultural Land will be set-up under Landscape Mauritius Ltd and be made publicly accessible.
49. It will operate as a platform to match demand and supply for land that can be used for food production.
50. Upon approval of Landscape Mauritius Ltd, a small planter, having up to 10 acres of agricultural land will be allowed to convert up to 10 percent of his land for residential or commercial purpose.
51. There are currently some 20,000 acres of abandoned land which will be put on the platform for immediate use.
52. Landscape Mauritius Ltd will have a new mandate to acquire more private agricultural lands with the support of the State Investment Corporation (SIC).
53. The Food and Agricultural Research & Extension Institute (FAREI) will develop the necessary standards and norms for production, storage, transformation and commercialisation of superfoods.
54. The Agricultural Marketing Board Act will be amended to broaden the role and functions of the Agricultural Marketing Board (AMB).

55. This institution will, among others-
- (a) Prepare and implement a production plan for strategic food crops based on local demand;
 - (b) Manage the National Wholesale Market for fruits and vegetables before end of 2020;
 - (c) Establish a price guarantee mechanism for producers to earn a sustainable flow of income;
 - (d) Invest in regional storage facilities to improve on-shelf life for seasonal crops such as tomatoes;
 - (e) Engage with local firms for agro-processing; and
 - (f) Ensure availability of quality seeds and develop new crop varieties.
56. We will also give further technical support to small planters to allow them to participate fully in the National Agri-Food Development Programme.
57. To boost the production of potatoes and onions, we will increase the subsidy for the purchase of seeds from Rs 5,000 per ton to Rs 25,000.
58. Moreover, Government will waive the payment of the annual premium in respect of the Crop Loss Compensation Scheme operated by the Small Farmers Welfare Fund.
59. Under the Fruit Protection Scheme, a grant of 50% of the cost of permanent netting structures will be provided to orchard owners.

60. For distressed companies affected directly by the Covid-19 pandemic in the agricultural sector, the Development Bank of Mauritius (DBM) will provide loans at the concessional rate of 0.5 percent per annum.

Mr Speaker, Sir,

61. The sugar cane planters will need our continued support.

62. For crop 2020, Government will ensure that planters receive a guaranteed price of Rs 25,000 per ton for the first 60 tons of sugar.

63. The insurance premium payable to the Sugar Insurance Fund Board by planters producing up to 60 tons of sugar will be waived for Crop 2020.

64. The Mauritius Cane Industry Authority (MCIA) will meet the shortfall arising from the suspension of CESS payments for Crop 2020.

65. The Cane Replantation Programme will be maintained to encourage planters to bring back land under sugarcane cultivation.

66. The rate of customs duty on imported sugar will be increased from 80% to 100%.

Manufacturing Sector- Expanding our Local Manufacturing Fabric

Mr Speaker Sir,

67. The manufacturing sector is a pillar of our economy and we need to build on that.

68. We will foster a Buy Mauritian program, one which favours local entrepreneurship and industrial development.

69. We will thus enact appropriate legislations and impose quotas where needed to protect and promote the 'Made in Mauritius' brand.
70. We will impose a minimum shelf space of 10 percent for locally manufactured goods in supermarkets.
71. Ministries and Government Bodies will be required to have a minimum domestic content of 30 percent in their purchases of goods, wherever possible.
72. We will also provide for a Margin of Preference of 20 percent on public purchases to all local manufacturing companies and 30 percent for manufacturing SMEs.

Mr Speaker, Sir,

73. Manufacturing calls for new production lines, new processes, new R&D and new technologies.
74. The investment tax credit of 15 percent over 3 years will be extended to all manufacturing companies.
75. We will provide a double deduction on the cost of acquisition of patents and franchises and also the costs incurred to comply with international quality standards and norms.
76. ISP Ltd will financially support enterprises producing hygienic goods such as sanitizers, PPEs, masks, handwash, and medical devices.

Export Sector – A Paradigm Shift

Mr Speaker Sir,

77. We also require a paradigm shift in our export strategy.
78. Port dues and terminal handling charges for exports will be waived from July to December 2020 and reduced by 50% for the period January to June 2021.
79. We are extending the Freight Rebate Scheme for exports to Africa; and the Trade Promotion and Marketing Scheme for exports to Japan, Australia, Canada and the Middle East.
80. The Export Credit Insurance Scheme will be extended to cover all our exports.
81. Government will support the first two years of operation of a “Made in Mauritius” warehouse set-up in Tanzania and Mozambique.
82. To foster the transformation of the textile industry, a reputable international firm will conduct a comprehensive review of our export model.
83. Companies will benefit from a 50 percent refund on the costs of certification, testing and accreditation of local laboratories.
84. They will also be exempted from the payment of registration duty and land transfer tax for the purchase of immovable property.

Support to our Tourism Sector

Mr Speaker, Sir,

85. The tourism industry has come to a complete stop.
86. To kick-start the recovery process in this industry, Government will take the following measures.
87. A protocol will be established to ensure all sanitary precautions from arrival to departure.
88. Moreover, to maintain the competitiveness of the industry -
 - (a) Support will be provided to our national carrier.
 - (b) The MTPA and EDB will develop a new tourism branding strategy.
 - (c) Furthermore, we will enter a commercial partnership with the Liverpool Football Club (LFC) for the promotion of the Mauritius destination, starting this September 2020.
89. We will introduce the Aparthotels Scheme to enable existing hotels to convert part of their accommodation units into serviced apartments that can be sold individually.
90. The Invest Hotel Scheme will allow owners to occupy their units for a total period of 90 days instead of 45 days in a year.
91. To attract High Net Worth tourists, special arrangements will be made at the airport to accommodate visitors coming in private jets.

92. MTPA will organise major events in Mauritius where various tour operators, travel agents and international press will be invited to experience our tourism industry.
93. To further help operators in the tourism sector -
- (a) The licensees of Tourism Authority and Beach Authority will be exempted from payment of licence fee for a period of two years.
 - (b) The rental payment of state lands for hotels will be waived for the upcoming financial year.
 - (c) The Hotel Reconstruction and Renovation Scheme rebate of 50 % on rental of state lands for hotels will be increased to 100% for two years up to 30 June 2022.
 - (d) Up to December 2021, companies operating under the Deferred Duty and Tax Scheme as well as the Mauritius Duty Free Paradise will be allowed to sell their goods on the local market, provided they pay the taxes.

Enhancing our Financial Services Sector

Mr Speaker, Sir,

94. Our financial services sector is facing a number of challenges requiring fundamental reforms.
95. Our utmost priority is to continue ensuring compliance of our jurisdiction with recommended international best practices and norms.

FATF Action Plan

96. Government is committed to completing the five remaining recommendations under the Financial Action Task Force (FATF) Action Plan for Mauritius by September 2020.
97. To comply with these 5 recommendations, we will implement the following measures:
- (a) Risk-based supervisions in accordance with the recommendations of the FATF;
 - (b) Targeted outreach programmes to promote clear understanding of money-laundering and terrorist financing risks;
 - (c) Increased reporting of suspicious transactions;
 - (d) Targeted financial sanctions in cases of terrorist financing; and
 - (e) Timely access to beneficial ownership information.
98. Furthermore, a new AML/CFT (Miscellaneous Provisions) Bill will be introduced to complement existing legislative framework.
99. A dedicated and specialised Financial Offences Court will also be set up.

Diversifying our Financial Services Sector

100. To further enhance competitiveness of the Financial Services Sector, the following new products will be introduced in line with the recommendations of the 10-Year Blueprint.
- (a) The Central Bank digital currency.
 - (b) An Insurance Wrapper.
 - (c) Variable Capital Companies.
 - (d) An inaugural Sukuk issuance by the Bank of Mauritius.
 - (e) Green and Blue Bond frameworks by the Bank of Mauritius.
101. The Bank of Mauritius will also come up with new frameworks for digital banking, private banking and wealth management by banks.
102. Moreover, a dedicated Venture Capital Market will be set up at the Stock Exchange of Mauritius for start-ups and SMEs.

Mr Speaker, Sir,

Creative and Cultural Sector

103. Arts and Culture are key elements of a strong social fabric.
104. To expand opportunities for our local artists, we will provide -
- (a) Rs 19 Million to finance the COVID-19 Action Plan 2020 to support the production of virtual concerts; and
 - (b) Rs 15 Million to finance events under a Calendrier Culturel.

105. An amount of Rs 35 Million is being earmarked for the preservation and rehabilitation of historical and cultural sites.
106. An expression of interest will be launched to develop an Art District in Port-Louis.
107. Moreover, strategic public places will be opened up for busking, art installations and for performing arts.
108. The EDB and the National Art Gallery will create an Online Fine Art Gallery to host art exhibitions and facilitate sales to the public.
109. Space will be made available at the Multi-sports Complex at Côte d'Or for fine art exhibitions and for performing art events.
110. An Art Festival will be organised on the weekend of the National Music Day 2021 to provide a platform to our artists to display their talents.

Facilitating Emergence of New Sectors

Mr Speaker, Sir,

111. Our economic recovery plan is also about propelling Mauritius into the era of innovation and new technologies.
112. This is a sine-qua-non condition for putting our economy on a higher growth path.
113. The world is changing and we can no longer wait for others to drive innovation for us nor can we wait for them to react to global changes.
114. We are now taking the reins and leading our nation towards a new horizon that is prepared for any eventuality.

115. For this, we need a game changer.
116. This is our vision for the future - a Mauritius driven by data technology.

Côte d'Or Data Technology Park

117. Indeed, today I am announcing a new Data Technology Park at Côte d'Or.
118. This Park, based on knowledge and skills, will lay the foundation for a data driven economy and would create the right eco-system to accelerate the innovation process from idea to creation.
119. The Park will encompass 12 highly skilled and specialised centres from additive manufacturing to deep artificial intelligence.
120. This Park will endow Mauritius with a Carbon Neutral Green Certified Tier 4 Data Centre.
121. The Deep Artificial Intelligence Centre will provide the necessary support for start-ups, existing businesses and government services to achieve a major digital transformation.

Pharmaceutical Industry

Mr Speaker, Sir,

122. The pandemic has proved the importance of having a full-fledged pharmaceutical sector.
123. To this end, the Mauritius Investment Corporation Ltd (MIC) will invest in the production of pharmaceutical products, medical devices and personal protective equipment through a public-private enterprise.

124. To ensure conformity with international norms and standards, a Medical Products Regulatory Authority Bill will be introduced.
125. To bring more research and development in Mauritius, registration duty on acquisition of immovable property in the life sciences sector will be waived.
126. Medical R&D centres will benefit from VAT exemption on construction materials and specialised equipment, and double deduction on R&D expenditures.
127. The Human Tissue Act will be fully proclaimed.
128. A regulatory framework will be set up for telemedicine platforms.

Blue Economy

Mr Speaker, Sir,

129. We will also further unlock the potential of the blue economy.
130. To develop the fishing industry, the MIC will invest in joint ventures engaged in fishing activities and its value chain.
131. An inland aquaculture scheme will be introduced with the following incentives:
 - (a) an 8-year tax holiday; and
 - (b) duty and VAT exemption on equipment.
132. The daily rate of the bad weather allowance to fishermen will be increased from Rs 365 to Rs 425.
133. Ship registration is another segment of the blue economy.

134. In this context, a single licence for chartered yacht calls in Mauritius will be introduced encompassing multiple berthing options, rights for helicopter flights and gaming.

Africa

Mr Speaker Sir,

135. Africa is our future.

136. It is hand in hand that our socio-economic pathway will be written.

137. Our Economic Recovery plan thus also focuses on reinforcing our partnerships with the rest of Africa.

138. The MIC has earmarked Rs 10 billion to invest in African projects, including SEZ projects under a G2G framework.

Fostering Entrepreneurship and Ideas

Mr Speaker, Sir

139. Both our recovery and the future growth will be built on a strong commitment towards an inclusive economy and society.

140. One which supports entrepreneurship, creativity and ideas.

141. DBM Ltd has earmarked Rs 10 billion to support distressed SMEs and Cooperative Societies.

142. The DBM will provide loans of up to Rs 10 million per enterprise at a concessional rate of 0.5 percent per annum.

143. In the same vein, DBM will provide loan facilities to taxi operators based at hotels.

144. Furthermore, to encourage local production, I am increasing the one-off grant towards certification under 'Made in Moris' label from Rs 5,000 to a maximum of Rs 50,000.
145. SMEs holding the 'Made in Moris' label will benefit from a Margin of Preference of 40 percent instead of 30 percent under Public Procurement.
146. A Technology and Innovation Fund will be created to invest up to Rs 2 million as equity in projects recommended by Mauritius Research and Innovation Council.
147. To promote a culture of entrepreneurship among our university students, DBM Ltd will scale up its Campus Entrepreneur Challenge competition. The first 10 best projects will be financed at a concessional rate of 0.5 percent per annum for an amount of up to Rs 500,000.

Mr Speaker, Sir,

148. To ease cash flow of SMEs, we will encourage the broadening of access to factoring facilities through Maubank.
149. The ISP Ltd will subsidise fifty percent of the factoring fee per invoice for SMEs.
150. The Procurement Policy Office will require Public Bodies to procure specific goods and services from SMEs only.
151. Public Bodies will pay SMEs within 14 days from date of invoices in respect of supply of goods and services.
152. SMEs and cooperative societies will benefit from a grant of 15 percent on cost of assets of up to a maximum of Rs 150,000 under the DBM Enterprise Modernisation Scheme.

153. With a view to boosting local production, the Cooperatives Development Fund will provide a grant of up to Rs 50,000 to cooperative societies for:

(a) the purchase of livestock; and

(b) acquisition of equipment involved in the production of food items.

B. ENGAGING IN STRUCTURAL REFORMS

Mr Speaker, Sir,

154. Let me now come to our reform agenda.

155. The status quo is no longer an option

156. The Covid-19 crisis reminds us of the urgency to conduct wide-ranging structural reforms across our economy and society.

157. Founded on the principles of inclusiveness, sustainability, and efficiency, this Budget will help to shape the future of Mauritius.

A Sustainable Pension System

158. The pandemic has changed the lives and livelihoods of billions of citizens worldwide, and our country has not been spared.

159. We are no longer in an era of endless growth.

160. And our demographic trend, with an ageing and decreasing population, as underlined by various international institutions, make our pension system unsustainable for the future.

161. We need to act and we need to act today.

162. We are therefore proposing a pension reform which is fair, equitable and sustainable for our economy.
163. We are maintaining and guaranteeing the Basic Retirement Pension (BRP) to all individuals at the age of 60 years and above.
164. This universal monthly benefit of Rs 9,000 will continue to be paid to each and every one.

Mr Speaker, Sir,

165. Henceforth, all increases in benefits to our elderly will be paid through a completely new mechanism.
166. We are introducing a contributory, participative and collective system, the *Contribution Sociale Généralisée (CSG)*.
167. This will ensure an additional guaranteed monthly income to citizens above the normal retirement age of 65 years old.
168. The first payment of benefits under the CSG will be in July 2023.
169. Under this new system which will be effective as from 1st September 2020, employees earning up to Rs 50,000 monthly, will contribute 1.5% and their employers 3% on monthly salary.
170. For employees earning more than Rs 50,000 monthly, the contribution will be 3% and that of employers 6% of monthly salary.
171. This new system will also include self-employed individuals.

Mr Speaker, Sir,

172. As a result of this reform, we are abolishing the contribution to the National Pension Fund, while continuing to pay benefits to each and every one who has previously contributed to the NPF Fund.
173. We are abolishing the NPF as it is not only unsustainable but also unfair and regressive.
174. Under the NPF, an employee contributes 3% of his basic salary and the employer 6%. The rate of contribution is applied on a ceiling of Rs 18,740, irrespective of the basic salary.
175. That is, if an employee earns the minimum wage, he currently contributes Rs 306 monthly, that is 3% of his basic salary.
176. If an employee earns Rs 1,000,000 monthly, Mr Speaker, Sir, he contributes Rs 562 that is less than 0.06 percent of his salary.
177. This shows how unfair is the NPF system.
178. Under the *Contribution Sociale Generalisee*, we will thus move towards a more progressive system of contribution which will benefit those at the lower-end of the ladder as well as SMEs.
179. It is a contributory, participative and collective system.
180. Today's generation will contribute towards ensuring higher benefits to our elders.
181. And tomorrow, our children will contribute to ensure that we enjoy a decent retirement.
182. If an employee is earning the minimum wage today, instead of contributing Rs 306 under the NPF, he will contribute only Rs 153.

183. If an employee is earning Rs 25,000 today, instead of contributing Rs 562 under the NPF, he will contribute only Rs 375.
184. Under this mechanism, more than 70 percent of employees will be contributing less today and earning more tomorrow.

Mr Speaker, Sir,

185. Whilst we transform our system to make it more equitable, we are aware that there are today tens of thousands of Mauritians working informally as household employees, construction workers, gardeners, helpers and carers.
186. The majority of them are unable to access the contributory pension system and do not benefit from their years of service.
187. To this end, Mr Speaker, Sir, I am introducing the Service Employment Cheque in Mauritius as from September 2020.
188. This measure will ensure that these workers benefit, over and above the Basic Retirement Pension (BRP), from the CSG.
189. We are further enhancing our means to help the most vulnerable group.
190. The practical difficulties faced in financially helping them during the lockdown period lead us to the following:
- (a) Government will facilitate the setting up of a Bank Account for each citizen at birth.
 - (b) An amount of Rs 150 will be paid by Self-Employed individuals to the CSG.

Improving our Doing Business Environment

Mr Speaker, Sir,

191. The reforms implemented by Government to facilitate business over the last 3 years have moved Mauritius amongst the top-ranking economies in the world for ease of doing business.
192. Our aspiration is to be amongst the best.
193. We must ensure that when a young entrepreneur in Africa wants to do business, he or she will think about Mauritius first.
194. We have reformed our doing business environment, and we will continue to do so.
195. We will make it easier to create a company, operate a business, hire talents, export to the world, and resolve commercial disputes.
196. We have to continue to facilitate business related public service delivery. This goes through e-services.
 - (a) An **Integrated Single Window for Trade** will be developed to connect all stakeholders within the port community.
 - (b) A **Maritime Single Window** will be introduced by the Mauritius Ports Authority to facilitate vessel clearances and reduce administrative bottlenecks at the port.
 - (c) The **Corporate and Business Registration Department (CBRD)** will become the central repository for all business information and licences through a digital platform.

- (d) All deeds for registration of property shall be submitted through the **Mauritius e-Registry System**.
- (e) We will invest in a new **Land Use and Valuation Information Management System (LAVIMS)** based on Blockchain technology.
- (f) A new online system will be developed for services delivered by the **National Land Transport Authority**.
- (g) The implementation of the **Centralised-KYC project by the Bank of Mauritius** will be expedited.
- (h) The Bank of Mauritius will also upgrade the Mauritius Credit Information Bureau (MCIB) to provide credit score of potential borrowers.
- (i) The e-Procurement System will become mandatory for all public sector bodies.

197. We are also coming up with a series of measures to reduce cost of doing business in the aftermath of the COVID-19 pandemic.

- (a) The Mauritius Revenue Authority will regulate fees charged by freight forwarders for Groupage cargo.
- (b) The fees for re-instating companies will be reviewed downwards from Rs 15,000 to Rs 5,000 and the requirements for giving notice shall be done online.
- (c) Application fee for a Building and Land Use Permit will be waived.

Opening to the World

Mr Speaker, Sir,

198. Our country is facing a major structural challenge - that of demographic decline.
199. Alarmingly, last year, our country's population declined for the first time in more than 50 years.
200. If this trend is maintained, our population will fall by more than 200,000 between now and 2050.
201. We have to counter the adverse impact of this trend.
202. Economic growth should not be hindered by lack of labour nor by an exiguous domestic market.
203. We have no choice but to open ourselves to talents, ideas and knowledge.
204. To achieve these objectives, we are coming up with a new set of policies.
205. Investors, professionals and retirees need visibility and certainty before opting for a place where they may be spending a significant part of their lives. To this end:
 - (a) The Work Permit and Residence Permit will be combined into one single permit.
 - (b) We are lengthening the validity of an Occupation Permit (OP) and a Residence Permit for retirees to 10 years renewable.
 - (c) The minimum investment amount for obtaining an OP will be reduced from USD 100,000 to USD 50,000.

- (d) The minimum turnover and investment requirement for Innovator Occupation Permit are being removed.
- (e) The spouse of an OP holder will not need a permit to invest or work in Mauritius.
- (f) OP holders will also be allowed to bring their parents to live in Mauritius.
- (g) The EDB will be the only agency responsible to determine and recommend applications for the OP.
- (h) Professionals with an OP and foreign retirees with a Residence Permit will be able to invest in other ventures without any shareholding restriction.
- (i) Non-citizens who have a residence permit under the various real estate schemes will no longer require an Occupation or Work Permit to invest and work in Mauritius.
- (j) The Permanent Residence Permit will be extended from 10 to 20 years.
- (k) OP and Residence Permit holders will be eligible to apply for a Permanent Residence Permit if they have held the permit for three consecutive years.

Public Sector Transformation Strategy

Mr Speaker, Sir,

206. We rely on our public sector to relaunch our economy.

207. We will publish an Implementation Plan of the main measures of this Budget.
208. A High-Level Committee, under the chair of the Prime Minister will monitor the implementation of measures contained in the Plan.
209. This year, the Director of Audit has recommended improvements in the management of public funds.
210. We are acting upon these recommendations.
211. We are reducing our recurrent expenditure, excluding social benefits, by some 10 percent on average for the coming financial year.
212. The provision for overseas mission will be reduced by some 60 percent and the rates for Per-Diem and entertainment allowances will be revised downwards accordingly.
213. Ministers and Private Parliamentary Secretaries will be allowed to renew their official cars every 5 years instead of 4 years, irrespective of the fuel type, but in accordance with authorised purchase price ceilings.

Mr Speaker, Sir,

214. Digital Transformation is already underway.
215. To speed up this transformation, we need a strong institutional champion.
216. The Central Informatics Bureau (CIB), Central Information Systems Division (CISD), IT Security Unit (ITSU), National Computer Board (NCB), State Informatics Limited (SIL) and the Government Online Centre (GOC) will be completely restructured.
217. A Mauritius Digital Transformation Agency (MDTA) will be set up under the aegis of the Prime Minister's Office to lead this transformation.

218. Furthermore, a new sandbox framework will be introduced to facilitate development of proof of concepts and pilot exercises to test the possibilities of innovative technologies.

Mr Speaker, Sir,

Ensure Social Justice through Fiscal Policies

219. I will now come to the reform of our fiscal policies.

220. We need to bring more progressivity and fairness in our taxation system and we call upon the high income earners to further contribute to rebuild our economy while preserving our social fabric.

221. We will ensure that each citizen will automatically receive a Tax Account Number (TAN).

Solidarity Levy

222. To ensure more social justice, we are reviewing the solidarity levy.

223. The levy of 5 percent on the excess amount of chargeable income plus dividends of a resident Mauritian citizen will now be 25 percent and applicable as from Rs 3 Million annually.

224. The solidarity levy will be payable on a Pay As You Earn (PAYE) basis.

225. This is the patriotic appeal which we make to those who earn most.

226. We expect to receive more than Rs 3.5 billion of additional revenue from this levy.

227. As representatives of the people, we are proud to contribute to this levy.

Corporate Tax

Mr Speaker, Sir,

228. We will also call upon the solidarity of our most successful economic operators to contribute towards building resilience.
229. I am introducing a levy on companies having gross income exceeding Rs 500 million in an accounting year or if it forms part of a group of companies where the gross income of the group exceeds Rs 500 million.
230. The levy will be on the annual gross income at the rate of –
- (a) 0.3% for insurance companies, financial institutions, service providers and property holding companies; and
 - (b) 0.1% for other companies
231. The levy will not apply to a company which operates in the tourism sector or which holds a Global Business License.

Income Exemption Thresholds for the Middle Class

232. This economic solidarity from those who have the most enables us to reduce the tax burden on middle-income households.

Mr Speaker, Sir,

233. I am therefore increasing income exemption thresholds for all categories of taxpayers. The thresholds for the income year 2020-2021 are being raised by –
- Rs 15,000 for a taxpayer with up to two dependents;
 - Rs 50,000 for a taxpayer with three dependents; and
 - Rs 80,000 for a taxpayer with four or more dependents.

234. We are effectively either reducing or eliminating income tax for some 55,000 middle-income households.
235. An individual with three dependents will effectively pay Rs. 7,500 less taxes in a year.
236. An individual with four dependents will effectively pay Rs. 12,000 less taxes in a year.
237. This is what this reform entails today – a fairer, and more redistributive income tax regime.

C. SECURING SUSTAINABLE AND INCLUSIVE DEVELOPMENT

Mr Speaker, Sir,

238. Our Government's strategy is to secure a greener and more inclusive development while preserving a strong social fabric. To this end, we have earmarked some Rs 100 Billion in this Budget.
239. The "Assises de l'Environnement", launched by the Hon Prime Minister in December 2019, has urged for an acceleration towards an ecological transition.
240. A transition to a cleaner, greener, sustainable, low emission and climate resilient country.
241. We are proposing to transfer Rs 2 billion to the **National Environment Fund** through an Estimates of Supplementary Expenditure in this fiscal year. I will introduce a Supplementary Appropriation Bill to cover exceptional expenditure incurred in connection with the COVID-19 pandemic.
242. Significant investments will thus be made to address climate change challenges.
243. Rs 314 Million are being earmarked to continue landslide stabilisation works on our roads.

244. Rs 215 Million will be used for the protection of our beaches, lagoons and coral reefs.
245. And Rs 207 Million will be provided for the Cleaning and Embellishment Programme of drains, roads, rivers and public sites including places of worship.

Reduce, Re-Use, Recycle, Recover

Mr Speaker, Sir,

246. We need to move towards a circular economy model.
247. We need to take the necessary measures to manage our wastes.
- (a) Eco-bins will be made available at strategic places across the island for the collection of plastic wastes.
 - (b) We will provide for the setting up a network of Civic Amenity Centres (CAC) (déchetteries) at the 5 Transfer Stations:
 - (c) The Ministry of Environment will encourage segregation of waste at source.
 - (d) Local Authorities will carry out composting of market waste.
 - (e) As regards dry wastes, a feasibility study will be conducted on the construction and operation of sorting units on a PPP basis at Forbach and La Chaumière.
248. To encourage the recycling of waste tyres -
- (a) Tyre retreading will be classified as a recycling activity.
 - (b) The refund mechanism for exporters and recyclers of waste tyres will be extended to local retreading of tyres.
 - (c) The rate of refund will be Rs. 25 per retreaded tyre.

249. Finally, all recycling activities will be classified as a manufacturing activity and will therefore benefit from the various fiscal and other incentive schemes.

Air Quality Index

250. Air pollution poses a major threat to health, climate and the environment.

251. We need to ensure that Mauritius remains a country with a good quality of air.

252. We will thus provide for the introduction of the Air Quality Index to enable the monitoring of the quality of air in Mauritius.

Drainage Infrastructure and Flood Management

Mr Speaker, Sir,

253. The effects of climate change and weather disruptions have caused flash floods in several regions across the island.

254. It is thus imperative that we improve our country's resilience to flooding.

255. Rs 1.2 billion will be provided from the National Environment Fund to construct drainage infrastructure in high risk flood-prone areas across Mauritius and Rodrigues.

Energy

Mr Speaker, Sir,

256. Today, we need to ensure energy security and sustainability.
257. This is why we need to increase the share of local renewable energy in our energy mix to 40% by 2030.
258. In this context, the following new projects will be pursued:
- (a) Setting up of a 2 MW floating solar PV plant at Tamarind Falls reservoir.
 - (b) Increasing the capacity of the solar PV farm at Henrietta from 2 MW to 10 MW.
 - (c) Installing 1,000 solar panels on houses of low income families.
 - (d) Commissioning a battery energy storage system of 14 MW.
259. The Central Electricity Board (CEB) will introduce the following schemes to encourage the use of renewable energy:
- (a) A Medium-Scale Distributed Generation (MSDG) Scheme, for a maximum of 10 MW, to enable beneficiaries to produce electricity for their own consumption and sell the excess to CEB; and
 - (b) Installation of 25 MW of rooftop solar PV to cater for public and residential buildings.
260. Furthermore, the CEB Renewable Energy Scheme for Religious Bodies will be extended to cover NGOs and Charitable Institutions.

Wastewater

Mr Speaker Sir,

261. We are committed to connect more households to the sewerage system.
262. Two major wastewater projects are being implemented at Grand Baie and Pailles Guibies to connect some 7,000 houses to the sewerage system.
263. Provision is also being made to implement wastewater projects in Terre Rouge, Curepipe, St Paul, Dubreuil, Wooton and Pointe aux Sables.
264. A feasibility study will be carried out for the implementation of waste water network in Port Mathurin, Rodrigues.

Social Housing

Mr Speaker, Sir,

265. Development is first and foremost about people.
266. No citizen will be left behind in the development process.
267. That is why today, I have announced an exceptional effort to construct 12,000 residential units over the next 3 years for Mauritian families with monthly income of up to Rs 60,000.
268. For families earning monthly income of up to Rs 10,000, Government will construct 1,800 housing units and subsidise 80 percent of the cost.

269. For families earning monthly income between Rs 10,000 and Rs 30,000, Government will construct 5,200 housing units and subsidise 67 percent of the cost.
270. For families earning monthly income between Rs 30,000 and Rs 45,000, Government will construct 3,500 housing units and subsidise 40 percent of the cost.
271. And for families earning monthly income between Rs 45,000 and Rs 60,000, Government will construct 1,500 housing units and subsidise 30 percent of the cost.
272. Families will have the option to repay the remaining amount on a monthly basis over a period of up to 35 years.
273. This housing programme will meet the needs of the most vulnerable families as well as low and middle-income families.
274. The housing units will make maximum use of renewable energy.

Community Development

Mr Speaker, Sir,

275. Our towns and villages are also being provided with modern and lively community infrastructure.
276. Rs 1.3 billion are being allocated to Local Authorities and the National Development Unit for the following projects:
- (a) Completion of Market Fairs at Bel Air, Goodlands and Mahebourg and construction of new ones at Chemin Grenier, Bambous and Pamplermousses;
 - (b) Completion of District Council Headquarters at Flacq and Pamplermousses;

- (c) Completion of a Multipurpose Complex at Camp Levieux and construction of new ones at Montagne Blanche, Riviere du Rempart and Abercrombie;
- (d) Construction and upgrading of 18 incinerators around the island;
- (e) Construction of a Leisure Park at Quartier Militaire;
- (f) Construction of a new Sports Centre at Plaine Verte; and
- (g) Completion of 200 secondary roads and 27 amenities projects around the island by the National Development Unit.

277. Some Rs 300 Million will be invested on a PPP basis on:

- (a) The construction of an Integrated One Stop Centre at Beau Bassin; and
- (b) An integrated Market, Gymnasium and Sports amenities at Bassin, Quatre Bornes.

Access to Water

Mr Speaker Sir,

278. We will work towards improving the distribution of water, reducing water losses, and further increasing our water storage and treatment facilities.

279. We will engage in the following major projects to improve our water storage and treatment facilities:-

- (a) Construction of a dam at Rivière des Anguilles and rehabilitation of La Ferme Reservoir;

- (b) Construction of new water treatment plants at Pont Lardier and Rivière des Anguilles and upgrading and rehabilitation of existing ones at Piton du Milieu, Rivière du Poste and Mont Blanc;
- (c) Completion of pipe laying and other associated works at the Bagatelle Water Treatment Plant;
- (d) Drilling of additional boreholes at Piton, Petite Retraite, Camp Thorel, Petit Paquet, Valriche, St Martin and Moka; and
- (e) Installation of mobile treatment plants in Mare d’Australia, Poudre d’Or, Tyack, Britannia, Beau Songes, Rivière du Poste, Beau Champs, La Marie, Valetta, Vuillemin and Goodlands.

280. To reduce water losses and improve the distribution of water -

- (a) 100 km of pipes will be replaced across the island;
- (b) 50,000 defective water meters will be replaced over the next 2 years;
- (c) Service Reservoirs at Montagne Fayence and Rivière Dragon will become operational before end of 2020 and 4 additional service reservoirs will be constructed at Salazie, Eau Bouillie, Cluny and Riche en Eau;
- (d) Some 12,500 households will benefit from the Water Tank Grant Scheme; and
- (e) 20 water tankers and 6 Emergency Response Vehicles will be acquired.

For an Advanced Healthcare System

Mr Speaker, Sir,

281. We have managed the COVID 19 pandemic by taking very bold actions under a very strong leadership at an early stage.
282. Our strategy has produced good results.
283. But the fight is not fully over.
284. We are therefore allocating Rs 12 billion to the health sector over the next fiscal year.
285. The Ministry of Health and Wellness is coming up with a new 5 year Strategic Plan 2020-2024 to ensure that our national health services can cope with new challenges.
286. To effectively control infectious diseases, Government is setting up a National Centre for Disease Control and Prevention.
287. We will invest massively to expand, diversify and modernise our public health infrastructure. To this end -
 - (a) A new Cancer Hospital, using state of art technology, will be operational by December 2020;
 - (b) The construction of a new Eye Hospital at the Réduit Triangle will start by October 2020;
 - (c) The construction of a new Teaching Hospital at Flacq will begin early 2021;
 - (d) A renal transplant unit will be set up at JNH Hospital;
 - (e) A new National Laboratory will be set up with latest technologies to substantially improve testing capacity;

- (f) A new warehouse for the storage of medicines under optimal conditions will be constructed; and
- (g) A National Laboratory Information Management System (LIMS) will be implemented.

Mr Speaker, Sir,

288. The prevalence of diabetes in Mauritius is one of the highest in the world.
289. We need to reverse this trend and effectively reduce sugar contents in products.
290. Therefore, I am doubling the existing sugar tax of 3 cents per gram of sugar.
291. The coverage of the tax will be extended to a number of locally manufactured and imported non-staple sweetened products. A complete list is at the Annex to the Budget Speech.

Education

Mr Speaker, Sir,

292. Education is what will forge the Mauritius of tomorrow.
293. We need to secure an inclusive education system fully adapted to the new developmental needs of our economy and society.
294. We are allocating Rs 15 billion to the Ministry of Education, Tertiary Education, Science and Technology.
295. Government will invest in the renovation, upgrading and refurbishment of over 70 primary and secondary schools.

296. E-learning technologies are fundamental in improving access to and delivery of education. To this end:
- (a) Government will invest some Rs 100 M in the deployment of wireless local area network in 155 secondary schools in Mauritius and Rodrigues.
 - (b) A National e-Learning Platform will be developed to connect educators of secondary schools with their students.
 - (c) The DBM Ltd will provide financing facilities to households for acquisition of IT equipment for educational purpose.
297. As we move towards a knowledge based and innovation driven economy, we need to expand capacity, and have a greater diversity of courses especially in the fields of new technologies and innovation.
298. I am therefore coming up with a comprehensive package of incentives to encourage the top 500 institutions worldwide to set up branch campuses in Mauritius. They will benefit from: -
- (a) Tax holiday for the first eight years of operation; and
 - (b) Exemption of tax on IT and IT related materials and equipment for the purpose of online education.
299. As we develop and modernise our education system, we also have to ensure its inclusiveness.
300. I am therefore earmarking an amount of Rs 138 million as the grant-in-aid to NGOs running Special Education Needs (SEN) Schools.

301. In addition, I am providing a one-off grant of Rs 100,000 to each Special Education Needs (SEN) school run by NGOs to help them improve their learning environment.

Social Integration and Social Security

Mr Speaker, Sir,

302. Bedridden and severe disability persons aged above 60 years and those below 18 years benefit from medical domiciliary visits.

303. We are extending this benefit to all persons aged above 18.

304. A taxpayer will be allowed to claim as dependent a bedridden next of kin who is in his care.

305. For better protection of the elderly, funds are being earmarked in this Budget to double the number of anti-influenza vaccines from 75,000 to 150,000.

306. A new Recreational Centre will become operational at Riambel by December 2020 to provide recreational and leisure facilities.

307. To enhance policy effectiveness in our fight against poverty, a National Database for Vulnerable Groups will be set-up to cover both absolute and relative poverty cases.

308. Some 2,570 tablets will be provided to students of Grades 10 to 13 for families in the existing SRM.

309. Free broadband internet facilities will be extended to an additional 5,000 families under the existing SRM including 2,000 families in Rodrigues.

310. The National Social Inclusion Foundation will provide Rs 700 million to support NGOs in implementing projects and programmes approved by the Foundation.

311. This will assist some 350 NGOs and service providers and will focus on:

- (a) Empowering students and families in deprived areas through the Fortified Learning Environment Unit.
- (b) Enhancing crèche activities.
- (c) Promoting social innovation and entrepreneurship.
- (d) Building sustainable communities.
- (e) Facilitating small scale initiatives by NGOs.

312. We will increase the provision in respect of the grant in aid to NGOs accordingly.

313. The Public Collections Act will be amended to allow for collections of donations through online platform and by retail outlets for NGOs.

314. We will continue to support religious bodies by increasing the provision in respect of their annual grant from Rs 93 million to Rs 103 million.

Law and Order

Mr Speaker, Sir,

315. Government will continue to enhance security and ensure that law and order prevails in the country. An amount of Rs 8.4 billion has been provided to the Police Force.

316. This includes -

- (a) Rs 642 million to continue to expand the Safe City Project so as to combat crimes and ensure better traffic management;
- (b) Rs 137 million for the implementation of the Advance Passenger Information System;
- (c) Rs 100 million will be provided for the construction of a new Forensic Science Laboratory;
- (d) Rs 100 million for the National Coast Guard to track all illicit activities on the high seas;
- (e) Rs 77.4 million for a new Automated Fingerprint Identification System;
- (f) Rs 50.8 million for the upgrading of drug analytical services and purchase of new Hi-Tech equipment for the Forensic Science Laboratory;
- (g) Rs 50 million for the acquisition of vehicles to increase the operational capabilities of the Police Force;
- (h) Rs 6 million for the acquisition of two full body scanners at Central Prison and Eastern High Security Prison; and
- (i) Rs 5 million for the acquisition of specialised vehicles for the Anti-Drug Smuggling Unit.

Judiciary

317. The New Supreme Court, a state of the art building with 24 court rooms and latest amenities, will be operational in August 2020.
318. Provision has been made for additional 50 posts in the Judiciary, including Puisne Judges, District Magistrates and Court Officers.

Gender and Family Welfare

Mr Speaker, Sir,

319. Gender based violence is a stain on our society.
320. The Protection Against Domestic Violence Act will be amended to strengthen the protection given to victims and make Perpetrators Rehabilitation Programme compulsory.
321. A Gender Based Violence Observatory will be set up.
322. For women entrepreneurs, DBM Ltd will provide Rs 200 million for loans at a concessional rate of 0.5 percent per annum.
323. I now come to measures to improve the rights of Children.
324. Additional Child Protection Services will be set up in the Districts of Grand-Port, Moka, Pamplemousses and Plaine Wilhems.
325. The Cap Malheureux Relay Shelter for boys will be upgraded and the Notre Dame Women Empowerment Centre will be converted into a Relay Shelter for girls.
326. The Foster Care Programme will be extended to also cover children above 10 years old.
327. We will continue the Programme for the upgrading of creches to enable them to be licensed.

Youth Empowerment, Sports and Recreation

Mr Speaker, Sir,

328. We remain fully committed to providing opportunities for physical activity, sport and recreation to all.

329. To this end, the Ministry of Youth Empowerment, Sports and Recreation in collaboration with the Prime Minister's Office and the Mauritius Sports Council will set up 'Local Active Mauritius Partnerships' (LAMPS) across each of our 21 Constituencies.

330. For our high level athletes, we are providing -

(a) Rs 5 million for the preparation for the Tokyo Olympics; and

(b) Rs 10 million for the preparation for the Paris Olympics.

331. A Sports Facilities Management Unit will be set up to manage the upgrading and maintenance of our sport facilities.

Consumer Protection

Mr Speaker, Sir,

332. We value consumer welfare and protection.

333. To this end, we will –

(a) Introduce a mandatory labelling on food products to indicate vegetarian products;

- (b) Develop a new consumer protection framework that will cater for e-commerce; and
- (c) Provide a subsidy of Rs 2 billion to maintain the retail prices of rice and flour at their current levels and to bring down the price of one cylinder of 12 Kg of LPG from Rs 210 to Rs 180.

Rodrigues and Outer Islands

Mr Speaker, Sir,

- 334. I now turn to Rodrigues and our outer islands.
- 335. The funding of the new runway at Plaine Corail Airport is being finalized and the construction works will start next year.
- 336. Construction of the new Technopark at Baladirou has started. With the availability of higher bandwidth with the MARS project, this will give a boost to development of information technology in the island and create jobs.
- 337. The Economic Development Board will set up an office in Rodrigues to promote economic development in the island.
- 338. A new shipping vessel will be delivered before the end of next year to service the Mauritius-Rodrigues route and outer islands.
- 339. The Outer Islands Development Corporation will be restructured and the new institution will prepare an Economic Development Plan for Agalega.

Mr Speaker, Sir,

340. The recent change made by the United Nations to its official world map to clearly show the Chagos Archipelago as part of the territory of the Republic of Mauritius is further recognition by international institutions of our sovereignty over the Chagos Archipelago.
341. Government will pursue all political, legal and diplomatic avenues to achieve the completion of our decolonization process.
342. Government also remains unwavering in its commitment to implement a programme for resettlement in the Chagos Archipelago.
343. The necessary funds are being provided to support these efforts.

Budget Outturn and Outlook

Mr Speaker, Sir,

344. I now come to the budget outturn for the year 2019-2020.
345. The impact of COVID-19 on public finances has been significant.
346. The budget deficit would reach 13.6 percent of GDP.
347. This will be due to the combined effect of lower revenue and higher expenditure.
348. As regards the outlook for 2020-2021, total revenue will amount to Rs 162.9 billion and total expenditure will amount to Rs 162.9 billion.

CONCLUSION

Mr Speaker Sir,

349. This Budget is delivered in one of the most uncertain and challenging times in our history.

350. Yet, despite the circumstances, this Government commits itself to preserve the essentials.
351. Guaranteeing what our fellow citizens have acquired throughout the years, whilst also ensuring the sustainability of our public finances.
352. By placing social justice and sustainability at the heart of our vision, I am pleased to announce that the Budget 2020-2021 is a balanced Budget.
353. We preferred courage, innovation and empathy to the ease of detached accounting calculations.
354. To this end, we are preserving: -
- (a) Basic Retirement Pension as from the age of 60.
 - (b) National Minimum Wage.
 - (c) Negative Income Tax for the low-income earners.
 - (d) End-of-year bonus.
 - (e) Access to free and quality education.
 - (f) Subsidy on the examination fees for SC and HSC.
 - (g) Free access to a healthcare system which has proved its resilience.
 - (h) Free transport to the elderly and school children, as well as
 - (i) Subsidy on flour, and Rice.

Mr Speaker, Sir,

355. We made the choice to maintain these achievements, without giving in to the sirens of temptation of punitive and regressive reforms.

356. In so doing, we undertake: -

- (a) To maintain a low tax for the middle-class and a competitive fiscal policy for companies;
- (b) Not to tax interest;
- (c) No increase in Value Added Tax rate;
- (d) To decrease the price of LPG by Rs 30. The price of a 12 kg cylinder will now cost Rs 180 instead of Rs 210; and
- (e) To provide an exceptional allocation of Rs 15,000 to the Police Officers and Hospital staff who have been mobilised during the confinement period.

Mr Speaker, Sir,

357. We will rise to the ambitions of securing today and preparing for a better tomorrow for all Mauritians.

358. Today's Budget is the promise of this Government to respond to this crisis that is shaking us.

359. Through this Budget, we are: -

- (a) Preserving jobs and livelihoods for the most vulnerable of our society.
- (b) Rebuilding our Economy.
- (c) Ensuring an inclusive, robust and sustainable economic development together.

Mr Speaker, Sir,

360. We are investing massively for our people, and our enterprises.

361. To this end, we are earmarking more than Rs. 40 billion for major infrastructural projects such as the construction of 12,000 social housing units, the development of new community infrastructure, the construction of the Riviere des Anguilles Dam as well as new roads and bridges, the development of port infrastructure and the construction of the Metro on the Rose Hill to Curepipe segment.

362. Rs 80 billion will be invested through the Mauritius Investment Corporation Ltd (MIC) to: -

- (a) Support important and viable companies in Mauritius, which are financially distressed as a result of the COVID-19 pandemic;
- (b) Promote Food and pharmaceutical production towards self-sufficiency;
- (c) Assist companies geared towards a smart and innovative-driven future Mauritius; and
- (d) Invest in projects of strategic national importance to the country.

363. Furthermore, Rs 20 billion are being injected to support the small and medium sized enterprises, and vulnerable households.
364. The Development Bank of Mauritius will invest Rs 10 billion in the SME Sector to sustain small and medium firms at concessional rate of 0.5 percent per annum.
365. Finally, and most importantly, the Government will do everything to protect employment but also support those faced with a period of technical unemployment. To this end, over the next six months, Rs. 15 billion have been earmarked to provide an exceptional minimum monthly support of Rs. 5,100 to each beneficiary.
366. The DBM, the MIC, the MRA, the Ministry of Labour, Human Resources and Training as well as the Tourism Authority will ensure the implementation of this support.

Mr Speaker, Sir,

367. In this period troubled by the Covid-19 pandemic, we have few certainties but many convictions.
368. If the crisis of 1929 had its rescue in the “New Deal”, today’s crisis will find its response in the “New Normal”.
369. This New Normal is not imposed on us, it is chosen – it is Our New Normal.
370. Through this Budget, we kickstart the reforms which Mauritius needs.
371. These courageous reforms, it is above all as a Mauritian citizen that I am proud to carry them.
372. Let us be a united and visionary people, the future of our nation depends on it.
373. It is the foundations of the Economy of life.

374. An economy detached from the superfluous and which focuses on strategic sectors.
375. The future of Mauritius belongs to those who engage themselves in the industries of life.
376. We need to identify strategic and priority sectors, engines of tomorrow's growth.
377. For this, we are giving agriculture its acclaim, and making Mauritius our nourishing land.
378. We are setting up the right ecosystem to allow entrepreneurs from here and elsewhere to turn their ideas into creation.
379. We are creating a new synergy with Africa, the cradle of humanity and for which our sense of belonging is so strong.
380. We are banking on a knowledge economy where technology, sharing and innovation are at the heart of our plan.
381. We are making healthcare a pillar of our economy, by investing in an efficient health system and by welcoming companies focused on medical innovation.
382. We have to pull away from the dichotomy of "the economy OR health".
383. Mr Speaker, Sir, the economy is life. We have to approach it with the same determination.

Mr Speaker, Sir,

384. I would like to seize this opportunity to thank the Prime Minister for his continuous and undivided support for the preparation of this Budget as well as the valuable input of my colleague Ministers.

385. I would also like to thank my team, in particular the Financial Secretary.

386. I now commend the Bill to the House.

387. Thank you.