

RISING TO THE CHALLENGES
OF
A WORLD IN TRANSITION

Mr Speaker, Sir,

I move that the Appropriation 2013 Bill be read a second time.

2. Mr Speaker, Sir, it is a great honour for me to present this afternoon my second Budget.

3. Last year at this time, Mauritius was facing one of the biggest economic challenges in its history.

4. On several occasions throughout 2012, Europe, our main market, came dangerously close to the breakup of the Euro. The economic downturn resulted in mass unemployment, the collapse of social programs and the impoverishment of millions.

5. However, in spite of this turmoil, Mauritius not only achieved positive growth but we improved our economic fundamentals. This is a tremendous achievement.

6. In the midst of this adversity, a few zealous pessimists forecast a destructive tsunami heading toward Mauritius. But unlike them we stayed prudently confident. We saw

the threats and we overcame them. We saw the opportunities and we seized them.

7. No doubt these pessimists would have let up and run away. This Government, under the strong leadership of our Prime Minister, held its ground in the knowledge that Mauritius would prevail. And we have prevailed.

8. It is no mean achievement that, in the midst of such crises, our country has risen to the top of various international rankings which are crucial benchmarks to measure success.

9. It is a matter of national pride that Moody's has upgraded our Sovereign Debt from Baa2 to Baa1, for the first time in our history. This equates us with our giant neighbour South Africa.

10. Mauritius has gone up 5 ranks and entered the top twenty in the latest World Bank Doing Business report, after witnessing a decline for two consecutive years.

11. On economic freedom, we are also for the first time ranked among the Top Ten economies in both the Wall Street Journal Heritage Foundation and the Fraser Institute indices.

12. Various African institutions of repute have recognized our leadership position in Africa.

13. Mr Speaker, Sir, this Budget will build upon the strong foundations that the Government has laid - a Government that has led the country to continuous growth and prosperity over the last seven years.

14. The global recovery is going to be a marathon and not a sprint. In the medium term, there are concerns that the global and euro-zone economic recovery would be more gradual. There is also the risk that the Euro crisis could intensify.

15. Today, we see a world that is split – the West is struggling, the East is rising and Africa is awakening. And Mauritius is centered in a golden triangle of growth, linking the Middle East, Asia and Africa.

16. In the midst of an intensifying Euro crisis, we created enough jobs to keep the unemployment rate virtually unchanged at 8 percent.

17. Inflation has cooled to 4.1 percent.

18 FDI inflows are up by 20 percent in the first six months of the year.

19. And, the Balance of Payments would show a surplus of around 3 billion rupees. This is 500 million rupees more than expected.

20. We are ending the year with a lower Budget deficit of 2.5 percent, despite having spent some 20 percent more on our capital Budget than in 2011.

21. And the debt to GDP ratio will decline to 54.2 percent.

22. Based on latest data, Statistics Mauritius forecasts that the Mauritian economy will grow by 3.4 percent this year. This is the same growth rate forecast by the IMF and is exactly double the worst case scenario of 1.7 percent which a number of people, suffering from irrational pessimism, had predicted for our country.

23. Growth is visible across the country. The number of first time home buyers has increased by 20 percent. The number of containers imported for the local economy has grown by 6.3 percent and new cars registered in the first nine months by 32 percent.

24. Similarly, tax revenues collected by the MRA alone have increased by 10 percent, reflecting both GDP growth and better administration and enforcement policies.

25. It is telling that following my predecessor's Budget, the country's quarterly growth rate fell successively to just 1.8 percent in the last quarter of 2011. It is particularly pleasing that after my Budget, quarterly growth picked up and is expected to reach around 4 percent in the last quarter of this year.

26. Thus the performance of our economy this year tells the story of a population that is resourceful, a Government

that provides effective leadership and a country that is resilient.

27. Leveraging on the resourcefulness and determination of our people, we will guide our country next year to more prosperity, higher standards of living, better public services, a cleaner environment and a more just society.

28. The future challenges are clear. World economic power is undergoing a seismic change. Technology is changing people's lives and countries' fortunes at lightning pace. Those countries that will succeed will be those that have risen to the challenges of this world in transition. And this is the theme of our Budget today.

29. This is a Budget that will show a Government hard at work for its people. It is a Budget that will:

- Embrace technology and reinforce our Africa Strategy;
- Support growth and create employment;
- Strengthen Public Services;
- Protect the vulnerable; and
- Ensure sound macroeconomic management.

EMBRACING A TECHNOLOGICAL FUTURE

30. I will first elaborate on our actions to accelerate the technology transition.

31. Technology can improve the quality of life of our citizens, create growth in our companies and improve the efficiency of Government.

Bridging the digital divide

32. Mr Speaker, Sir, the internet is a fundamental right for all our citizens.

33. It is the new literacy.

34. Yet it is easy for a digital divide to emerge and widen, if technology is not accessible to all. Like an education divide, it can exacerbate existing inequalities.

35. We are acting today in a meaningful way to keep our children out of this vicious circle.

36. We want to empower thousands more to connect to internet broadband, irrespective of their financial means.

37. Currently the cheapest entry level broadband is 349 rupees per month. Government will ensure that on 1st January 2013 this price falls to 200 rupees through a subsidy from the Universal Service Fund. This will allow many, especially from low income families, to have the opportunity of joining the information age.

Online Government

38. Mr Speaker, Sir, Technology has the power to change the relationship between citizens and Government.

39. We must re-imagine how services are provided to our people through internet and mobile technology. But we have a hard road to travel.

40. Mr Speaker, Sir, in this Budget I am pleased to announce a major overhaul of Government IT services.

41. Government has worked extensively on its e-payment gateway. The first mobile payment service by the MRA will begin at the end of the year. The Ministry of Housing and Lands and the National Transport Authority will join by March 2013 and many more departments as the year unfolds.

42. Eight departments will accept online payment by credit card by end of March 2013.

43. Mr Speaker, Sir, our vision is of a technology enabled Government that uses less and less paper. To show how serious we are, I am reducing each Ministry's annual stationery Budget by 25 percent, saving 43 million rupees annually.

44. In addition we will use digital signatures to carry out transactions online.

45. To strengthen the application of IT solutions in Government, for the first time, Ministries will have a professional as 'Head of IT'. Furthermore, all Heads of Ministries, Government Agencies and Departments will be expected to be IT proficient.

46. The Central Informatics Bureau, Central Information Systems Division and the IT Security Unit will be merged to create a more holistic unit focussed on delivering quality IT solutions.

47. Mr Speaker, Sir, as you yourself have stated, Parliament should lead the way. Already considerable funds have been committed for the provision to Honourable members and to the public of digital versions of parliamentary documents and records.

48. You have indicated that you will now elaborate rules and parameters within which electronic devices can be used in the House.

49. In this Budget, I am allocating funds for the purchase, by March 2013, of one computing device for every Member of Parliament. This should enable all written communication, including all order papers, parliamentary questions, bills and other documents to be forwarded to Honourable Members by electronic mail. This will save substantial amounts of paper and transportation costs.

Harnessing the potential of our youth

50. No one can master technology better than our youth. We owe it to all our bright young boys and girls to expose them to the latest and the best.

51. Mr Speaker, Sir, I am pleased to announce that technology will enter our schools in a major way next year.

We want to join the select group of countries that have made the commitment to provide their children with the best possible start in life.

52. For the very first time in Mauritius, Government will distribute next year, one tablet computer to each and every school boy and girl in Form IV. This entails the purchase of some 20,000 devices.

53. This will open tremendous opportunities for digital learning, give access to a world of data stored online and enable students to do research and to develop their skills on an equal footing with any child in Europe, America or Asia.

54. It goes without saying that these tablet PCs will be programmed against internet abuse. These tablets will be free of charge except for a nominal payment of only 500 Rupees to cover insurance against loss or damage.

55. We need modern schools for a modern era.

56. To transform internet in schools, Government will extend high speed fibre optic cables to every secondary school.

57. But, technology without training is like a bulb without electricity.

58. Mauritius is one of only four countries selected to benefit from a mass online IT training programme developed by MIT, the world's leading technology university. The

courses will be free of charge and we will encourage every citizen of this country to avail of this facility.

59. Mr Speaker, Sir, young people are changing the world we live in. One student created Facebook. Two boys created Google. A young man created Apple. These companies transformed the world. This sort of talent, be it in our country, in Africa next door or indeed in the wider world must be encouraged and attracted to our country.

60. To this end, Government is setting up the 'Emerging Leaders Award'. It will be opened internationally and offer seed capital of one hundred thousand US dollars to projects of outstanding value that are located in Mauritius. This award will be supported by a panel of distinguished world personalities and will be chaired by the leading business guru, Robin Sharma.

Increasing our competitiveness

61. The ICT/BPO sector is one of our most dynamic industries. Three initiatives will strengthen its competitiveness.

62. Mr Speaker, Sir, last year, I announced a series of measures which helped to bring down the price of internet. The cost of International Private Leased Circuits fell by 15 percent. This year, I am pleased to announce an additional fall of 15 per cent.

63. Mauritius has the talent and the potential to become a centre for Application Developers. In partnership with operators, we will set up incubators for young Application Developers. The first one will be with Mauritius Telecom in Ebene.

64. The next frontier in ICT/BPO is Cloud Computing. It is expected to grow to a 130 billion dollar sector by 2015. To give a spur to that new activity and position Mauritius as a Data Island, Government will strengthen our Privacy Laws.

A new digital era

65. Mr Speaker, Sir, in last year's Budget, we announced several important measures for the ICT sector. The connection of LION2, the second high speed cable, transformed the internet landscape and created greater capacity. In addition, opening up our International Landing Stations reduced internet costs.

66. With the full support of the Prime Minister, I also announced a major project to connect Rodrigues by undersea fibre optic cable. This, of course, takes time. But technology cannot wait. In the interim, we will invite tenders to immediately increase the connectivity of Rodrigues by satellite from 37 to 155 megabytes per second.

67. In December 2013, by switching off the analogue television broadcast signal, Mauritius will reap a digital dividend from releasing spectrum which will be available for new applications and services.

68. Mr Speaker, Sir, the way we use the internet is rapidly changing. Wireless technology will replace fixed cables. At present, Mauritius has only a few 4G hubs. Over the next year, Government will take steps to accelerate the rollout of 4G across the country, including new regulations on spectrum management, making more bandwidth available to operators, encouraging greater sharing of phone masts and transforming Mauritius into a fully digital country.

69. Mr Speaker, Sir, we will also foster the development of a hi-tech manufacturing cluster with dedicated hi-tech industrial parks. These will provide clean room 'plug and play' facilities and a pleasant working environment for staff.

THE AWAKENING OF AFRICA

70. Mr Speaker, Sir, the world in transition is also about the rise of Africa. Africa is indeed at the dawn of a new era. There are genuine and strong foundations for hope - the hope that the continent will be able to firmly engage the path of sustainable development, the hope that millions of men, women and children will find their way out of poverty and the hope of meaningful increases in the standard of living for millions more.

71. Our new comprehensive strategy on Africa is greatly appreciated both on the continent and globally. Never before has Mauritius been so dynamic and present on the continent.

72. We see our responsibility as follows:

- Sharing our experience on democracy, governance and development;
- Fast tracking regional integration;
- Enlarging economic opportunities for our citizens; and
- Acting as a catalyst for investment.

73. Mr Speaker, Sir, this is our Africa Strategy and next year, we will pursue this agenda relentlessly.

74. Mauritius already hosts a number of regional organizations and will continue with its policy to encourage others to set up locally.

75. We are honoured that the IMF has chosen to locate its prestigious Regional Training Institute in Mauritius. It will be officially opened next month. The Centre will play a pivotal role in the training of high officials in the formulation and implementation of macro-economic, statistical and legal frameworks.

76. In order to bring about faster growth and prosperity around the continent, Mauritius, with the support of the World Bank, has joined a five member team of nations to fast track regional integration.

77. Mr Speaker, Sir, every country in Africa must remove barriers to travel. Travel brings trade, business and investment. Mauritius has to do its part.

78. Last week, the Prime Minister has signed regulations to open up our visa requirements for nationals of 75 countries. This means that as from next month, nationals from 29 additional countries from Africa will either be exempted entirely or will benefit from visas on arrival..

79. To extend our diplomatic representations, Honorary Consuls will be appointed in every major city on the continent. They provide excellent service at no cost to Government.

80. For Africa to rise to the challenge, it must invest in its people. Mauritius will further contribute to that effort by launching a new scholarship scheme for 50 deserving African students.

81. This year we have welcomed a large number of delegations from Africa. We have signed Double Taxation Agreements with Nigeria, Kenya, and the Republic of Congo, and we plan to sign five more next year.

82. Our dynamic promotion efforts overseas have also borne fruit. There has been a large increase in the number of tax resident global business companies targeting Africa. Nowadays, Mauritius is seen worldwide as a recognized gateway to Africa.

83. The economic surge on the African continent gives a new thrust to our Freeport.

84. Last year, we extended the sector's tax holiday indefinitely. This has stabilized a previously contracting sector.

85. To consolidate that ascending path, Freeport status will be granted to companies wishing to carry out specific manufacturing activities entirely for export to Africa.

86. Other Freeport zones are planned near the port and airport.

87. Mr Speaker, Sir, I will now elaborate on our policies for the main sectors of our economy.

SUPPORTING GROWTH AND CREATING EMPLOYMENT

Consolidating our financial system

88. This year, Financial services has performed extremely well, with global business growing at an estimated 12.4 percent. This sector has high levels of productivity and offers rewarding careers to our youth. This is why we will continue our efforts to encourage more substance and yet higher value-added activities in that sector.

89. To consolidate the geographical and product diversification of the sector, we will:

- present a Limited Liability Partnership bill;

- create a regime for non treaty based funds;
- position Mauritius to benefit from the setting up of Regional Treasury Centres and Regional Headquarters Administration; and
- extend our network of DTAs as well as IPPAs.

90. With its large number of professionals and with two decades of valuable experience in Global Business, Mauritius is today offering increasingly greater value-added services. Henceforth, Tax Residence Certificates will only be issued upon compliance with enhanced commercial substance requirements.

91. Let me also announce that licence fees for Management Companies will now be based on turnover so as to be fair to the smaller ones.

92. The Financial Services Commission will implement automatic and rules based penalties for non-compliance including in cases of late filing of documents and late payment.

93. Mr Speaker, Sir, much has been said about the India-Mauritius Double Taxation Avoidance Agreement. There have been two meetings this year of the Joint Working Group which have helped to improve understanding of the issues of mutual interest. We have agreed to proceed quickly with the signature of a Tax Information Exchange Agreement to formalize our existing excellent cooperation

on tax information matters. Discussions are continuing with regard to the other issues.

94. Our position remains that the treaty with India has been beneficial to the economies of both India and Mauritius .

95. Mr Speaker, Sir, I will now turn to our policies relating to banks and non-bank financial intermediaries.

96. To further strengthen our regulatory framework, we will amend legislation to improve governance.

97. After consultation with stakeholders, a Deposit Insurance legislation will be passed to protect bank depositors.

98. The Financial Services Commission is consulting stakeholders to develop proposals for implementation next year of a new Compensation Fund under the Insurance Act in cases of “hit and run”.

99. The Ombudsperson for Financial Services Bill is being finalized and we will also give more clout to the Borrowers Protection Act.

100. Mr Speaker, Sir, there have been persistent reports of excessive charges by our banks. In order to better regulate the sector, the Bank of Mauritius will ensure that commercial banks apply a “Treat your Customers Fairly” programme. And we will bring legislation to widen the

powers of the Bank of Mauritius so that it can put a cap on bank charges where necessary.

Tourism

101. In the tourism industry, the trends in 2012 demonstrate clearly the benefits of adapting to global transition.

102. Arrivals from Africa, Asia and Australia all showed double digit growth this year thus compensating for weaker arrivals from Europe. In total, tourist numbers have been stable but occupancy rates have fallen as a result of increasing room capacity.

103. Our strategy to diversify is working but requires strengthening.

104. We have a good product, some of the best hotels in the world, a national airline and a Government that has always supported the tourist industry.

105. Looking forward to 2013, we expect tourist arrivals from Europe to stabilize. This, combined with further progress on new markets, should revive the momentum for the tourism industry.

106. Thus, improving connectivity to emerging markets will be a national priority.

107. There are some 60 million outbound tourists from China annually. And there are close to 40 million outbound tourists from the Russian Federation.

108. These two markets hold tremendous potential for our tourism industry.

109. Government, the industry and Air Mauritius will work together, on a collaborative and risk sharing basis, to ensure twice weekly direct flights to China as from January 2013 and a direct flight to Russia before the end of next year.

110. And we will adopt the same collaborative effort on other promising markets.

111. In these testing times, the industry must not let up on the ideal of excellence. Mauritius must maintain its world class services and reputation as a high-end destination during this period of transition.

112. I shall be applying a number of measures to assist the industry during the transition period provided employment is maintained.

113. Mauritius is rapidly developing into a world class destination for ultimate kite surfing adventures. And kite surfing is also becoming increasingly appealing to our youth. We are thus providing for the creation of a fully equipped training centre and will rehabilitate the One-Eye site at Le Morne.

Entertainment and Shopping

114. Entertainment facilities are a necessary pre-condition for tourism development. However, they can also cause social and environmental problems if incorrectly sited. In

this vein, we will work with gaming houses, night clubs and similar establishments to relocate away from residential areas to shopping malls around the country. The GRA, MRA and Tourism Authority will adapt their licencing policies accordingly.

115. Mauritius has the ambition to become a shopping destination. The construction of high end shopping malls has brought a new level of shopping experience to the country.

116. However, other high street retail shops and restaurants should not suffer as a result. They play an important role by contributing to the lively atmosphere in our city centres and offer an alternative shopping experience. We are therefore introducing incentives for fitting out these shops and restaurants in order to allow them to offer quality services. The following incentives will be offered relating to the purchase of fittings, equipment and furniture:

1. Financing under LEMS at a rate of 7.25 percent;
2. Accelerated capital allowances;
3. VAT refund within 7 days of claim; and
4. For investment above 10 million rupees, fifty percent reduction on customs duty on a scheduled list of items.

117. This is essential for our city centres.

118. In order to further encourage the development of shopping by visitors, the current system of VAT refund at the

port and airport will be revamped, simplified and actively marketed.

Extend holiday package in Rodrigues

119. At the request of the Rodrigues Tourism Industry, the Special Holiday Package to Rodrigues is being extended for a further year. The minimum number of nights to be spent in Rodrigues under the Package will be reduced from 4 to 3 to encourage traffic.

Manufacturing Industry

120. Mr Speaker, Sir, our manufacturing sector is one that will continue to astound us with its ingenuity.

121. Textile alone employs more than 50,000 persons and generates more than 14 billion rupees annually for our economy. Against all odds and in the face of incredible challenges, it has not just survived but grown stronger and increasingly globally competitive.

122. Along with sugar, it is a symbol of our country's ability to adapt to change.

123. The industry has been successful in expanding its markets in Africa and the USA. It needs support to pursue these efforts.

124. Enterprise Mauritius will be provided with a Budget of 135 million rupees to develop overseas markets.

125. In order to spur investment in the textile as well as other manufacturing industries, we will offer 50 percent accelerated depreciation on acquisition of plant, machinery and equipment.

126. The bank guarantee required for expatriate work permits for export oriented enterprises is being abolished. This will be replaced with an annual fee of 500 rupees per employee per year. This measure alone should release upwards of 240 million rupees of cash flow to that sector.

127. I am abolishing the AGOA levy, which is a tax on exports. This will release another 15 million rupees to the industry.

128. In order to offer added security to our exporters, foreign insurance companies will be allowed to offer export credit insurance.

Local Manufacturing

129. Mr Speaker, Sir, investment needs visibility and certainty. Henceforth, any changes in import duty likely to affect local manufacturers will be announced with 6 months prior notice. This means that any change to be made on 1 January 2014 would need to be discussed with the industry by 1st July 2013.

Further boosts to the SMEs

130. Mr Speaker, Sir, small and medium enterprises are crucial to this Government's resolve to democratise our economy.

131. Our new SME financing scheme, cutting down red tape and providing low cost finance directly where it is needed, has been a great success. Originally banks planned to provide 1 billion rupees of financing to the sector in 2012. This target has been exceeded by 50 percent and represents a saving to these SMEs of almost 60 million rupees annually.

132. But the smaller the business, the tougher it is to get finance.

133. On top of the existing scheme, banks will now loan an additional amount of 250 million rupees annually to micro and small enterprises with turnover under 10 million rupees. Interest rates will be capped at repo rate plus 3 percent, that is currently 7.9 percent. All processing fees and other related bank charges will be waived. This will save these micro entrepreneurs more than 10 million rupees in interest cost per year.

134. To make this possible, Government will exceptionally guarantee 50 percent of any losses incurred by banks. This should go a long way to generate much needed funds to the sector.

Revisiting LEMS

135. The Leasing Equipment Modernisation Scheme (LEMS) has been one of the most popular schemes for our enterprises.

136. In our endeavour to continually reduce financing cost for SMEs, the interest rate for LEMS currently at 8.5 percent is being brought down sharply to 7.25 percent on all new leasing facilities. This will save another 4 million rupees to SMEs.

137. Mr Speaker, Sir, imposing VAT on small enterprises increases administrative costs disproportionately. The need to employ accountants and make monthly returns to MRA imposes high compliance costs.

138. I am therefore doubling the VAT registration threshold from a turnover of 2 million rupees to 4 million rupees per annum. It is estimated that this will cost the exchequer 300 million rupees and will remove 1,300 businesses from the VAT net. This will not only benefit small businesses but also the consumers.

139. Mr Speaker, Sir, a number of SMEs in all sectors have taken small loans from the DBM and have fallen on hard times, whether it's through the loss of livestock bought to earn a livelihood, or a crop damaged by bad weather, or a pirogue which has sunk.

140. As a compassionate Government, we are announcing the complete waiver of all loans made by the DBM for which the capital outstanding does not exceed Rs 20,000 and which has remained unpaid for three years.

141. This is an exceptional measure and will be a welcome relief to some 2,000 persons at the bottom rungs of the ladder.

142. Mr Speaker, Sir, there are a multiplicity of schemes for SMEs that are leading to confusion. We are regrouping and rationalising them.

143. The need to submit a Performance Bond often discourages SMEs from bidding for a Government contract. Henceforth, performance bonds will not be required for contracts of up to 5 million rupees. The requirement to provide Advance Payment Guarantees will also be considerably overhauled.

144. For transparency, all outcomes of tender exercises will now be displayed on the procurement portal for contracts of 5 million rupees and above instead of 15 million rupees and above as it is presently.

145. We are doubling the amount of refund to SMEs for participation in international fairs from 100,000 to 200,000 rupees and providing a grant for freight expenses of up to 20,000 rupees.

146. Mr Speaker, Sir, the Shoe Industry is facing difficult times. However, we cannot protect them at the expense of consumers.

147. Instead, we are making special provisions for the Shoe Industry, including help from MBGS to increase productivity. A special grant of Rs 10 million is also being provided to Enterprise Mauritius to support their marketing efforts.

148. Mr Speaker, Sir, we are putting an end to the unfair practice of passing imported handicraft products as being locally produced.

149. SMEDA will develop the Mauritius “Made with care” label and the National Heritage Trust Fund Act will be amended to enable protection and control of importation of such products.

Agriculture

150. Mr Speaker, Sir, agriculture remains a critical part of our economy.

151. I am announcing measures to manage land use, encourage more organic farming techniques and a greater package of support for farmers.

Land use

152. The loss of agricultural land is a concern that we must attend to - for it can undermine the viability of the sector and the source of income for thousands of families.

153. To this end, the Land Conversion Committee will elaborate criteria for land conversion bearing in mind the need for continued development whilst protecting production.

154. Moreover, no land should lie idle in a country that needs to achieve greater food security. The Mauritius Cane Industry Authority will compile information on availability of such land and provide same to planters wishing to lease them. It will develop an appropriate framework including a model lease agreement to encourage owners to offer their land on short leases for productive agricultural use.

Supporting small farmers

155. To reduce the loss of agricultural land, we also need to give more support to small planters.

156. To this end and to promote sustainable agriculture, Government will provide a subsidy of 40 million rupees in 2013 on locally produced compost. This is aimed at small planters. They will thus benefit from a 30 percent decrease in the cost of fertilisers, saving an equivalent of 1,500 rupees per ton.

157. At the same time it will reduce the use of chemical fertilisers and in the long run improve the quality of the land. Consumers will also benefit from healthier, chemical free agricultural products.

158. I am increasing the provision for FORIP from 351 million rupees to 458 million rupees. The scheme will now also benefit non-sugar planters such as growers of fruits, flowers and vegetables.

159. Small entrepreneurs find it constraining to pay fees that can be as high as 25,000 rupees for pre-market tests and certification. Thus Government will bear the full costs of such expenses for small agricultural enterprises with a turnover less than 10 million rupees. This will cost the exchequer 5 million rupees.

160. Government is maintaining the freight rebate scheme for planters and exporters of fruits until 2015 at a further cost of 10 million rupees per annum.

161. Last year, to boost productivity, we allowed full VAT-refund on agricultural machinery, equipment and tools for small planters and small breeders. This year we are extending the list to cover spare parts, post-harvest equipment and other agricultural equipment and materials.

162. We are responding to the request of pig breeders for a modern Salle de Decoupe, by providing 15 million rupees.

163. Moreover, an additional 2 million rupees will be available for the activities of the Small Farmers Welfare Fund which now caters for both small planters and breeders.

Cane Industry

164. We are maintaining the payment of an 80 percent advance to sugar planters as soon as their crops are sent to the mill.

165. Mr Speaker, Sir, the agreement on market access for refined sugar comes to an end in 2015. Government will pursue all diplomatic efforts to ensure that market access is extended to at least 2020.

Ocean Economy

166. In line with the announcement made in the Government programme 2012-2015, this Budget promotes the development of an ocean economy. With a sea area 1,000 times larger than our land mass, over which Mauritius has jurisdiction, our maritime space can constitute one of the new pillars of sustainable development.

167. Government will look for strategic partners for the exploration and exploitation of our mineral resources. Already a lot of interest has been manifested. Given that many exploration firms are now converging to the East African region, there is every reason to believe that the Mascarene Plateau also holds significant levels of mineral deposits.

168. To enable the generation of clean and renewable energy for the Island consideration will also be given to the creation of offshore farms in the waters of Rodrigues.

169. To build capacity in the blue economy, Government will grant special scholarships to encourage our youth to embrace a career in the Ocean economy.

Fishing

170. The seafood sector is one of our fastest expanding industries of our economy.

171. A healthy fishing industry is not only essential to the wellbeing of the fishermen but also provides a regular supply of seafood to the nation.

172. Small scale aquaculture was launched this year in Grand Gaube and Trou D'eau Douce. It is still in its infancy but with tremendous potential if the technology is mastered and the environment is protected. Thus to broaden the reach of this project, Government will initiate two more pilot projects in Le Morne and Mahebourg.

173. Necessary overseas expertise will be sought and financial assistance will be given to the fishermen cooperatives so that they can participate fully.

174. The program for lagoon replenishment announced last year will continue at a faster pace.

175. Provision is also being made to give autonomy to the Competent Authority for the inspection and certification of fish and fish products intended for export.

STRENGTHENING PUBLIC SERVICES

Improving Health Services

176. Mr Speaker, Sir, this Government believes Mauritius must also stand apart on social indicators such as the health of our citizens, the enrolment ratios at schools, youth employment, low crime rate, and quality of the environment amongst others.

177. In health care we will always make sure that our citizens get the best treatment.

178. The Budget for Health this year is 8.7 billion rupees.

179. 721 million rupees of funding has been allocated for new facilities at Victoria, Flacq, New Jeetoo Hospitals, mediclinics in Triolet and Goodlands as well as new hi-tech medical equipment.

180. Next year, Government will recruit 25 Specialists, 75 general practitioners and another cohort of nurses.

181. In healthcare, quality is as important as quantity.

182. Medical practitioners in Mauritius must keep abreast of latest developments and technologies.

183. To bring Mauritius in line with most advanced healthcare systems, it will become mandatory for all doctors and dental surgeons practising in Mauritius to undertake Continuous Professional Development.

184. As we upgrade our health system, we need to ensure that our doctors are fully qualified. We will adopt best international practice and introduce a pre-registration exam that all medical graduates will have to pass before registration as a general practitioner. This will ensure an acceptable level of clinical competence.

185. Furthermore, all students wishing to undertake medical studies with a view to practising in Mauritius should have the appropriate qualifications at HSC or equivalent level.

Reforming Accident and Emergency treatment

186. Our health care system must be able to deliver first class Accident and Emergency treatment at all times.

187. At the same time we must keep in mind that health care professionals often work for extremely long hours to deliver round the clock health services. To relieve their work pressure and stress and enable them to deliver better services in casualty, Government will introduce a new shift system for our Casualty departments, thereby ensuring that they do not work more than 8 hours at a stretch.

Non communicable diseases

188. Mr Speaker, Sir, non communicable diseases such as diabetes are a serious challenge that Government wants to face up to. We need to discourage the bad habits that increase the risk of NCDs.

189. Accordingly, as from the 1st January 2013, we will introduce a new tax of two cents per gram of sugar content on soft drinks. The tax will apply equally to imported products and local production.

190. At the same time, we are also removing the levy charged on locally produced soft drinks and bottled water. On average, this will result in an increase of around 85 cents per litre of soft drinks compensated by a fall of 1 rupee 50 per litre of bottled water.

191. Mr Speaker, Sir, we also need to discourage use of alcohol and cigarettes. Therefore, at the end of my speech, I am introducing a financial resolution to increase excise duty on cigarettes and cigars by 12 percent as well as on alcoholic drinks by 5 to 15 percent.

Strengthening the medical hub

192. Healthcare is not just important to our citizens but is growing as an important new sector for our economy. In 2012, Mauritius received close to 10,000 foreign patients. In addition to the Clinical Trials Act enacted last year, we will introduce a Pre-Clinical Research Bill. This will ensure Mauritius can participate in the full range of drug research activities.

Education

193. Mr Speaker, Sir, our education system is the bedrock upon which our society and economy has been built. In this

Budget, we are increasing the allocation for education by 12 percent to 12.6 billion rupees.

194. Next year, as I have already mentioned, technology will enter schools in a big way. In addition, this Government will introduce a series of measures to strengthen the quality and accessibility of education.

Foundation years

195. Mr Speaker, Sir, what happens in the foundation years is decisive to a child's future.

196. Last year, Government announced a series of initiatives to encourage children from lower income groups to attend child day care centres. This was with a double objective of giving education to children at an early age and assisting mothers to join the work force.

197. For a number of reasons, this has had mitigated success particularly due to the limited number of approved facilities around the island. To remedy this, we are amending the CSR guidelines to enable the financing of the cost of construction and improvement of child day care centres.

198. Government will also provide a one-off grant of up to 200,000 rupees to existing child day care centres in disadvantaged areas that need to upgrade their standard so they can be registered. I am providing 20 million rupees for this measure.

199. In line with the Government Programme, we will further encourage collaborative learning practices at the primary school level through innovative technology.

Summer and Winter Schools

200. Last year's Summer and Winter schools for low performing children was a success. I am extending this programme at a cost of 5 million rupees.

Student Loan Scheme

201. Lack of financial means should never stand between a student and his or her ambitions.

202. I am pleased to announce support to our smartest youngsters whose parents may be unable to afford university fees.

203. We are introducing a new Government-backed Student Loan Scheme, where Banks will offer low cost student loans up to 100,000 rupees per annum to students to finance university fees. These loans will be made available at a ceiling of Repo Rate plus 3 percent, that is at preferential rate of 7.9 percent currently.

204. The scheme will not require the provision of any security except for a parental guarantee. Government will guarantee 20 per cent of any bad debt arising. This scheme will also be available to part finance overseas studies. We hope that many of our students will avail of this facility.

205. We are also providing a scholarship for students from vulnerable families who cannot secure a student loan and would miss out on an otherwise rewarding career. We are providing 20 million rupees to assist these children to attend university provided they qualify through the Social Register of Mauritius.

Quality assurance

206. Mr Speaker, Sir, the quest for higher quality in education must be relentless.

207. For the first time, this Government will commit that every secondary school will carry out quality assurance inspections at least once a year. To support this measure, the Ministry of Education will recruit an additional 12 Quality Assurance Officers.

Making education work

208. Mr Speaker, Sir, in a world in transition where change is increasingly rapid, we must ensure that our education system responds equally quickly.

209. We must bridge the expectation gap between academia and industry and we will use the statutory provisions of the Education Act to ensure consultations between industry partners, Government and educational institutions regarding trends in the labour market as well as contents of courses.

210. Similar provisions will be inserted in the University of Mauritius Act, University of Technology Mauritius Act,

Fashion Design Institute Act, Université des Mascareignes Act and Open University of Mauritius Act. This will ensure that all partners have a say in the design and delivery of education and higher education in Mauritius.

211. “Les Assises de L’Education” will be held every year and will develop sector priorities with the participation of stakeholders involved in education.

Education Hub

212. Mr Speaker, Sir, Mauritius has been successful in attracting new universities and foreign students as we build our education hub.

213. From 2011 to 2012, the number of foreign students doubled from 600 to 1,200 and is expected to rise to 2,000 next year. The technical and vocational sectors are also attracting foreign students.

214. We are therefore extending the student visa scheme to technical and vocational institutions.

215. In addition, we are providing funds for the establishment of three new campuses across Mauritius in the Réduit Triangle, Pamplémousses and Montagne Blanche.

Attracting FDI to our shores

216. Mr Speaker, Sir, in the past seven years we have seen how crucially important FDI can be to our country. The unprecedented surge in FDI that we have witnessed in the

past seven years, has contributed significantly to the resilience of our country by creating higher value-added jobs, expanding our export markets, strengthening the diversification process and adding to the nation's productivity.

217. Our policies on opening the economy and our relentless work to improve the investment climate have attracted some Rs 70 billion in the past 7 years in our country. This is no mean feat. BOI will further intensify investment promotion next year especially targeting China and the rest of Asia.

218. Going forward, our policies will sustain that dynamism by further improving the investment climate and internationalising our economy.

Further improving the investment climate

219. Our return to a high ranking in the World Bank Doing Business Report this year inspires us to seek further improvements on all the factors that make up the investment climate.

220. Government will revisit the Business Facilitation Act to adopt a “whole of Government” approach to investment facilitation.

221. The Registrar of Companies will act as a single point for payment of trade fees. This should drastically cut the time and cost involved in starting a business.

222. The BOI will step up its business facilitation function to assist investors for the implementation of large projects.

223. We are also bringing about the following changes to the system of permits and permanent residence.

224. Henceforth, occupation permits will be given in two categories:

- Category 1: Professionals earning more than 3,000 US dollars per month and persons having invested more than 100,000 US dollars.
- Category 2: All other non citizens under the current schemes.
- Category 1 permit holders will henceforth be authorized to acquire an apartment in a ground + 2 complex as from the date of issue of their permit.

225. Their children up to the age of 24 will henceforth be allowed to reside in Mauritius. This measure will also apply to children and dependants of IRS and RES buyers issued with a residence permit.

226. In addition, non- citizens investing a minimum of 500,000 US dollars in a qualifying business activity will be eligible for a permanent residence permit with the right to acquire an apartment in a ground + 2 development.

227. We intend to sign a bilateral investment treaty with the USA which should attract more FDI from that country.

Youth and Employment

228. Mr Speaker, Sir, youth unemployment is a policy challenge that is more complex than it looks.

229. Many youth enter the labour market after leaving school, with no prior work experience and take longer to find employment. However, we are a caring Government and will take all required measures to help our youth into work.

230. This year, we are adopting a 4 point Action Plan to address youth unemployment.

1. The Youth Employment Programme (YEP)

231. Government believes that employment for youth is an extension of education where one continues to be educated, learn new skills and workplace discipline.

232. That is why, in this Budget, Government is making an unprecedented effort to ensure that our youths find employment with the least delay when they enter the labour market.

233. Mr Speaker, Sir, we will invest next year, 330 million Rupees to facilitate youth employment.

234. Let me tell you how that money will be spent.

235. We will revamp the programme of job placement for young men and women up to the age of 25 so as to make it more attractive.

236. Government will increase contribution to the salary of non graduates from 3,000 to 4,000 rupees per month.

237. For graduates, we are increasing the contribution from 6,000 to 7,500 rupees per month.

238. In addition, the duration of the support is being extended from 6 months to a full year.

239. Government will also finance training costs, up to 7,500 rupees per trainee during this period.

2. Skills Working Group

240. Mr Speaker, Sir, we know that a one-size-fits-all-policy will not work. Professions as varied as computer technicians, carpenters, masons and accountants all have different needs. Our programmes for skilling people and putting them in rewarding jobs must be comprehensive and most of all flexible.

241. Within the National Resilience Fund, we are establishing a Skills Working Group, as a joint public-private initiative, to provide tailor made and practical solutions to put our youth to work.

242. Special attention will be given to unemployed graduates who have not found a job within one year of graduation.

243. The Skills Working Group will be co-chaired by the Ministry of Finance and the Joint Economic Council. It will

work with and support the efforts of the Ministry of Education, Ministry of Labour and Employment, Ministry of Tertiary Education, Ministry of ICT and the National Empowerment Foundation.

3. Service to Mauritius Programme

244. The Service to Mauritius Programme has proven popular amongst many young professionals who receive an apprenticeship into the machinery of Government.

245. Government will recruit 300 new graduates to this programme, bringing the total number to about 400 in service at any one time.

246. In addition, the scheme will be expanded with additional training and career counselling offered to all STM members.

4. Industry placements

247. The Ministry of Tertiary Education will work with both tertiary institutions and industry to promote sandwich courses. This should better equip graduates for employment at the end of their studies.

248. In addition, MITD will give priority to sandwich courses prior to graduation.

249. Mr Speaker, Sir, overall these measures amount to a comprehensive package of support for our youth.

250. Our youth are our future and we are fully committed to giving them the very best start in their career.

Opportunities for persons with disabilities

251. Mr Speaker, Sir, as a compassionate Government, we want to help persons with disabilities develop greater independence and achieve a greater sense of self-worth by enabling them to take an active role in the economy. At the same time Government wants to raise awareness of the contribution they can make to society and show that it is ability that matters, not disability.

252. To this end, Government will recruit 30 persons with disabilities under the Service to Mauritius Programme across all Ministries and Parastatals.

253. In addition, visually impaired students will be provided with Braille personal computers, free of charge.

Equal Opportunities

254. Mr Speaker, Sir, the Prime Minister and I have long been proponents of giving to each and every one of our citizens equality of opportunity. Now that the Equal Opportunities Commission is operational, we need to ensure that it has the resources at its disposal to carry out its mandate effectively.

255. The Budget of the Equal Opportunities Commission is being doubled in 2013 to 20 million Rupees.

Reforms to Justice System

256. Justice is a service that we provide to all our citizens. It must be delivered fairly, efficiently and on time.

257. The Attorney-General will introduce a Judicial and Legal Provisions Bill to ensure that judgements are delivered expeditiously.

258. We are providing for 50 additional judicial assistants to improve the quality and speed of delivery of justice.

259. New legislative provisions will be made to create a proper Family Court.

260. The issue of persons being sentenced to prison because of their inability to pay their fines is of concern, adding to the overcrowding in our prisons.

261. In fact, of the convicts admitted to prisons in 2011, 35 percent were imprisoned for failure to pay a fine.

262. In line with our values as a compassionate Government, we need to review the situation urgently. Accordingly, the Judiciary will make recommendations to Government by March 2013 to address the situation.

Law and Order

263. The most basic responsibility of Government is to keep the public safe.

264. That is why Government has invested heavily in the Police Force and ensured that it is properly resourced, with the acquisition of sophisticated and state-of-the-art equipment.

265. Let me enumerate some of the measures that have been implemented recently to combat criminality.

266. These include:

- The implementation of the National Policing Strategic Framework.
- The installation of the CCTV Street Surveillance System in Flic-en-Flac, parts of Quatre Bornes, Port Louis and Grand Baie.
- Use of modern techniques by the Police, computer-assisted identification of suspects, video recording of interrogations, new fingerprint and body-fluids search tools.
- The implementation of the Crime Occurrence Tracking System as an effective tool in police investigation.
- The commissioning of a new Digital Radio Communication System with more than 3,000 terminals. This is being extended to cover Rodrigues and Outer Islands.

267. Today, we are building further on these efforts. This Budget provides for 600 additional policemen.

268. The coverage of CCTV is being extended to Beau Bassin, Rose Hill and the rest of Quatre Bornes.

269. In collaboration with the Police, the Customs Department will implement a Drug Entry Interdiction program for better detection of drugs and border protection.

270. The National Coast Guard is purchasing rapid intervention crafts and boats. There will be enhanced risk-profiling.

271. We are introducing a biometric passport and upgrading the border control system to enhance security.

272. The Melrose prison is planned to be completed by the end of 2013.

273. A sum of 34 million Rupees has been allocated to the Forensic Science Laboratory. This will allow it to comply fully with the DNA Identification Act and improve its processes.

274. Licence fees for firearms are being increased five folds from 1,000 rupees to 5,000 rupees.

Cleaner and Greener Mauritius

275. Mr Speaker, Sir, Mauritius is a country with exquisite yet fragile natural landscapes. We must do all we can to

control pollution. Most of all we must see to it that all our citizens live in a clean and green environment.

276. In this Budget, we are therefore providing the following amounts:

- 100 million rupees for the acquisition of compactor lorries to improve scavenging services for local councils that apply efficient methods of waste collection;
- 30 million rupees for the Road Development Authority to clean all classified roads in Mauritius; and
- 500 million rupees for a series of urban and rural renovation projects, to improve the living environment of our citizens.
- In addition, we are carrying out an urban renovation programme, including a Citizen Facilities Centre for Quatre Bornes with a modern market.

277. Local Authorities will improve the frequency of the service for removal of bulky waste, apart from construction waste, free of charge.

278. Twenty five percent of Government's paper requirements will be met by recycled paper. Mr Speaker Sir, to show the way, you will note that this year's Budget is printed on recycled paper.

279. Each Ministry and department will now segregate waste paper for recycling.

280. Electricity is an expensive commodity, both for the state and for the consumer. Moreover, its production depends significantly on imported fossil fuels. Accordingly, we need to do all we can to economize.

281. With this in mind, we are taking the following actions:

- I am doubling to 200 million Rupees the funds available for the solar water heater scheme operated by DBM. This is in response to the strong interest from the public.
- All large beneficiaries of concessionary electricity tariffs will be required to conduct an energy audit if they are to preserve this benefit and implement all commercially viable recommendations.
- Differentiated excise duties will be applied on household appliances to discourage the purchase of energy inefficient products. Energy inefficient appliances will be subject to a modulated penalty levy of up to 25 percent.
- The CEB will install an additional 10,000 smart meters in 2013 to build on the 1,000 already installed. This will cover the 50 percent largest consumers. This equipment will save meter reading costs and enable the consumer to optimize on electricity consumption.
- The CEB has undertaken to apply a time of use tariff.

- 50 percent accelerated capital allowances in respect of investment in green technology.

282. The Vallée d'Osterlog Endemic Garden will be upgraded at a cost of 10 million Rupees.

Infrastructure

283. Mr Speaker, Sir, it is fitting, as we make the global transition, that this Government is undertaking a broadly based infrastructure programme. This year Government and the parastatal bodies have invested Rs 18 billion in our country's future. Next year, our capital investment programme will amount to 28.6 billion rupees an increase of 39 percent. These heavy investments will be in the water sector, electricity, waste management, wastewater management, roads, port, airport and communication amongst others.

284. Mr Speaker, Sir, in order to create a level playing field, our procurement legislation is being amended to grant a 15 percent margin of preference to companies employing at least 80 percent local manpower, when competing for public works contracts.

REINFORCING PROTECTION FOR THE MOST VULNERABLE

285. Mr Speaker, Sir, a nation must not concern itself only about creating value. Each one of our actions, policies and measures must above all reflect the values of our society.

286. During the Summer school program, it became apparent that the provision of a hot meal was very popular amongst the children. This was very revealing.

287. Mr Speaker Sir, I am therefore pleased to announce that this Government is allocating 130 million rupees for the provision of a hot meal daily to each and every child in every ZEP school in Mauritius. This will represent a cost of 1,500 rupees per child per month and benefit 9,200 of them in 30 ZEP schools.

288. After free education and free transport, this is another historic step forward for our children.

289. Mr Speaker, Sir, all children should be entitled to support from the State, whether their parents are single, disabled or are otherwise on social aid.

290. However, there is wide disparity in the level of support given to poor families under the various social assistance schemes for children in poverty. For instance, some families get nothing, despite being on the NEF extreme poverty list, others get 447 rupees per month whilst some others get more. We are therefore providing a minimum support of 750 rupees per child per month for children in all families

earning less than 6,200 rupees per month. This is limited to three children per family.

291. However, to qualify for this child allowance, the families should be registered with the Social Register of Mauritius. This measure will cost Government close to 100 million rupees and will benefit some 20,000 children.

292. The State is doing its part but this is not enough. Some 5,000 children of school age do not attend school or do so sporadically in Mauritius. This causes great harm to children themselves.

293. As from now, child benefits will only be paid to families who send their children regularly to school. An attendance rate of less than 90 percent for two months running without medical certificate will be sanctioned by withdrawal of benefits.

294. The House Workers Scheme presented last year has been well received and has facilitated the inclusion of some 200 persons on the NPF pension scheme. The relevant section in the annual MRA Tax return forms will be simplified and made more user friendly for householders.

Social housing

295. As regards housing for families with very modest income, the Ministry of Housing will launch, on a pilot basis, its own tender for the construction of 85 residential units and development of 34 serviced lots.

296. The National Empowerment Foundation, which constructs both concrete and Corrugated Iron Sheet (CIS) houses for the poor, will intensify its activities next year and the prototype house has been enlarged from 23 up to 31.5 square metres, at a maximum individual cost of 240,000 Rupees per house.

297. Under the Housing Development Trust Scheme, announced last year, which aims to provide a decent living environment to needy families, land has already been identified and reserved for the construction by Olea Housing Trust of 50 housing units.

298. Four other sites have been identified at Beaux Songes, Madame Azor, Piton and Gros Cailloux to enable the construction of further houses under this Scheme.

299. Last year's subsidy to NHDC syndics amounting to 200 Rupees per household has been a great success and has positively impacted the lives of thousands of families. I am therefore extending this programme for another year.

300. In the heart of Port Louis, Karo Kalyptis has long been a symbol of poverty. Recently, all the lots have been allocated to the ex-squatters and I am pleased that electricity and water have similarly been provided. Street lighting is currently being installed and roads and houses will soon be constructed by NEF.

Small Lease Holders

301. Government presently leases residential and agricultural land to some 8,000 people against an annual payment of 500 rupees or less. I am replacing this by a nominal fee of one rupee per annum, payable once either at the start or on renewal of the lease. This may be a small amount for some, but it will benefit a large number of people.

Getting maximum impact from Corporate Social Responsibility

302. Corporate Social Responsibility is a powerful weapon to combat poverty and to improve well-being. Our CSR programme also stands as a unique experience in the world. We must however continue to ensure that it has the maximum impact.

303. To this end, an Advisory Technical CSR Committee will be set up. It will facilitate the interpretation of the CSR guidelines and the dissemination of policy decisions.

304. In the same vein, the NCSR Committee will be required to provide, annually, on its website, a statement of the sector-wise distribution of the CSR fund.

305. To maximise impact of CSR, companies will be allowed to finance the construction and upgrading of Child Day Care Centres. This will provide tremendous relief to many mothers.

306. Companies will also be allowed to carry forward excess CSR spending or excess CSR funds to future years under specific conditions.

Culture, Arts and Leisure

307. Mr Speaker, Sir, as our economy grows, many of our people are working longer hours and taking on responsibility for increasing workloads. And most of them, especially women, also have to balance work with domestic responsibilities. Without making time for leisure, the stress can be overwhelming.

308. And so Mr Speaker, Sir, in this Budget we have a special thought for these workers and their families, for the need to make leisure activities more accessible and affordable.

309. To this end, I am abolishing VAT on cinema tickets. This should reduce the price up to 40 rupees per ticket. I am also abolishing VAT on concert tickets and shows.

310. The entertainment tax charged by the local authorities is also being abolished and compensation will be provided to them for revenue lost.

311. This is on the strict understanding that these reductions are passed on entirely to the consumer.

312. In the same vein we will attend to the concern that there are not enough venues at affordable prices for holding of concerts and other events. Government will put the

Grand Baie Conference Centre at the disposal of artists at highly discount rates.

313. We are also providing for the covering of the grounds at Anjalay Stadium to enable concerts, shows and major events to be held there.

314. There is growing interest among international media producers to shoot in Mauritius. In order to compete with other players like Malaysia and Dubai, we are reviewing the rebate of qualified production expenditures from 25 to 30 percent thus bringing it at par with other emerging players. We will also broaden the spectrum of eligible productions to include high end TV commercials and documentaries.

Sports

315. Sports provide another outlet for our population to shake off their stress, improve their health and at the same time provide many of our young people with rewarding careers.

316. Last year we introduced the Scholarship for athletes. To-date 27 athletes have benefitted from training overseas. Inspired by the positive outcome, we are renewing the program and making a provision for another 27 athletes to attend programs around the world.

317. We are expanding the successful Sport etude programme for our young athletes to cater for more than 400 children this year.

318. Mr Speaker, Sir, this Government is proud of its high level athletes. I am therefore increasing by 50 percent the monthly stipend payable to the 55 athletes currently on the Ministry of Sports High Level Athletes list. For world level athletes, the stipend will now range between 24,000 rupees and 30,000 rupees instead of 16,000 and 20,000 rupees.

319. Most of us remember the thrills and passion generated by the Sports Inter Colleges. This has been a training ground for our young athletes who later climbed to international fame. The Ministry of Sports will re-launch next year the famous Sports Inter Colleges. A special organizing committee will be set up to oversee the event.

320. The funds allocated to the Trust Fund for Sports which is doing an excellent job is being increased from 12.5 to 14.5 million Rupees.

Improving control on public sector expenditure

321. Mr Speaker, Sir, I will now speak about our plan for improving control on public expenditure.

322. This will include -

- the setting up a Public Sector Task Force (PSTF);
- 19 additional Examiners of Accounts for the Director of Audit to introduce interim audit for in time monitoring, and

- empowering the Public Accounts Committee by providing two full time analysts for its secretariat.

323. The Local Authority Governance Unit has been set up to answer the dual needs of transparency and better reporting. It is focusing on benchmarking between local authorities for improving service delivery. A first step is to benchmark the scavenging services and the delivery of Building and Land Use permits. Recommendations are expected by mid-2013 to be implemented before the end of that year.

Supporting consumers in Rodrigues

324. As pledged by the Prime Minister, we will equalize the price of rice and flour in Rodrigues with that of Mauritius at a cost of 21 million Rupees.

325. Freight to Rodrigues with respect to edible oil, powdered milk, tea and cement will be subsidized at a further cost of 23 million rupees.

326. Mr Speaker, Sir, I now come to macroeconomic policies.

ENSURING SOUND MACRO-ECONOMIC MANAGEMENT

The Budget Outturn

327. Mr Speaker, Sir, I announced earlier that the Budget deficit this year would be 2.5 percent of GDP, a much lower deficit than the 3.8 percent we had expected.

328. This performance reflects an increase of 9.2 percent in overall tax revenue with total Government revenue

increasing by 7 percent. We have managed to contain current spending to 20.9 percent of GDP whilst Government investment has increased by 20.5 percent over last year.

329. I am pleased to announce that we have put the primary fiscal balance back on a surplus path.

330. Equally important, public sector debt remains on a downward trend, dropping to 54.2 percent of GDP.

331. I will now announce tax administration measures and our tax revenue policies that will impact on the budget outlook for 2013.

332. As regards tax administration we are reinstating for another nine months, the Tax Amnesty schemes introduced last year with some improvements. The resources of the MRA have already been reinforced and will be further reinforced next year to ensure that all those who should pay tax do so.

333. A system of self-assessment of the municipal rate payable is being introduced as from 1st January 2013.

334. Mr Speaker, Sir, regarding revenue measures, we are maintaining the solidarity levies on banks and telecom operators up to 2014.

335. We are increasing the taxation of benefits for company and official cars by 50 percent.

336. Personalised vehicle number plates will be introduced to enable the purchase for life of an alphanumeric personalised number plate for a fee of 100,000 rupees.

337. I will now announce measures that will ease the budget of consumers.

- To encourage investment in health, I am introducing an income tax relief in respect of medical or health insurance policies. Every tax payer will be allowed to claim a deduction of up to 12,000 rupees each for himself and his first dependent. For up to two additional dependents, he may claim up to 6,000 rupees each. This will cost the exchequer 100 million rupees. For a household with three dependents this represents a net saving in income tax of 5,400 rupees per annum.
- Last year, I abolished excise duty on motorcycles of up to 125 cylinder capacity. This has had tremendous impact on sales and increased mobility and improved leisure for thousands of our citizens. As from tomorrow, I am additionally abolishing the 45% excise duty on all motorcycles of up to 200 cylinder capacity. For a motorcycle costing 200,000 rupees, this will represent a saving of about 64,000 rupees.
- I am halving the excise duty on electric cars from 50 percent to a flat rate of 25 percent.

- I am removing all excise duties on “classic or vintage” motor cars manufactured before 1970. A nominal fee of 1,000 rupees will be levied as registration duty and annual road tax.
- Recourse to the services of a custom broker is presently required to obtain delivery of articles imported by post or courier services if their value exceeds 10,000 rupees. I am raising this limit to 30,000 rupees.
- And to encourage more productive use of our land resources, Government is exempting the Land Conversion Tax for the following purposes:
 - a. construction of buildings for technical and vocational training;
 - b. manufacturing activities;
 - c. power stations for renewable energy; and
 - d. golf courses.
- Government wants to support families as they invest to meet their housing needs. To this end, I am giving full exemption from registration duty on the purchase of a residential unit not exceeding 4 million rupees instead of 1.5 million rupees for a first time buyer. This will be a saving of some 125,000 rupees on the purchase of a house valued at 4 million rupees. For land, this amount is being increased from 750,000 rupees to one million rupees.

- The minimum selling price of a housing unit, under the incentive schemes last year to promote construction of housing estates, is being increased from 2.5 million rupees to 4 million rupees for projects registered on or after 1st January 2013.
- We are removing VAT on infant cereals not containing milk. There is already no VAT on infant cereals containing milk.
- We are abolishing the 15 percent customs duty on sinks, wash-basins, baths and shower baths.
- We are also removing all remaining customs duties for all categories of television sets. Thus a 40 inch flat screen television set costing around 41,000 rupees will now cost 37,000 rupees, a saving of some 4,000 rupees.

338. With your permission, Mr Speaker, Sir, to avoid taking up the time of the House, the details and other Budget measures will be included in the explanatory notes which I am circulating as Annex 1 to the Budget speech as well as the implementation timetable at Annex 2.

339. Mr Speaker, Sir, in this Budget we are also fully compensating the beneficiaries of the Basic Retirement Pension for the increase in the cost of living. As from January 2013, the monthly BRP will go up to 3,494 rupees for pensioners aged 60 to 89 years, to 10,404 rupees for those aged 90 to 99 years and to 11,807 rupees for

centenarians. Thus, Mr Speaker, Sir, our elders almost 165,000 in all will get an increase of 4.3 percent in their pensions which is higher than the inflation rate of 4.1 percent.

340. The same full compensation will apply to some 70,000 beneficiaries of social aid and income support.

Budget Outlook

341. Mr Speaker, Sir, in 2013 GDP is forecast to grow by 4 percent in real terms.

342. Total revenue will go up by 12.5 percent to 83.3 billion rupees, of which 71.1 billion rupees from taxes.

343. Expenditure will increase to 91.8 billion rupees of which 11.7 billion for direct capital expenditure.

Mr Speaker, Sir,

344. In spite of investing to secure the successful transition of our country.

345. In spite of investing substantially to improve public services.

346. In spite of reducing and abolishing duty to benefit our consumers.

347. In spite of foregoing revenues to support households and enterprises, the budget deficit for 2013 will continue on its declining trend, going down to just 2.2 percent of GDP.

This will be one of the lowest Budget deficits achieved for the last decade. Excluding the 1.2 billion rupees which are being transferred from the NRF to the Budget, the deficit would still be one of the lowest at 2.6 percent. And adjusting for the PRB report, the Budget deficit would have been even lower, a record low of 1.1 percent of GDP.

348. These low deficits are required to create fiscal space for the ambitious public sector investment programme whilst keeping debt in line with our legal obligations.

349. Mr Speaker, Sir, Government is committed to achieve an even lower deficit in the future.

350. And equally impressive, Mr Speaker, Sir, for another year, we will deliver a primary surplus and borrow only to invest in the future of our country.

351. As a result, public sector debt will decline further to 53.7 percent. With this we are relentlessly pursuing our objective of bringing public sector debt as a ratio of GDP to 50 percent by 2018.

352. Our macroeconomic policies will be further strengthened to ensure greater policy coordination and coherence between monetary and fiscal policies.

353. Mr Speaker, Sir, last year, when presenting the Budget to the Nation, I said that we wanted it to be judged by what it will concretely deliver – not by promises made but by actions taken. My thinking then, as it is now, was that

Budget policies must be fully implemented and closely monitored.

354. Today, I am pleased to report that we have implemented 91 percent of the measures and policies announced last year. In terms of implementation and outcomes, Budget 2012 stands out as an impressive accomplishment. I will be circulating a document setting out the time-table for the implementation of budget measures and publishing same on our website.

355. Before concluding, Mr Speaker, Sir, I would like to thank very sincerely the Prime Minister for his guidance and wise advice in the preparation of this Budget.

356. I have consulted with all my colleague ministers and I thank them all for their views and suggestions.

357. I also wish to thank the Financial Secretary and all the officers of my Ministry for their dedication during the Budget process.

CONCLUSION

358. Mr Speaker, Sir, all the measures and policies announced in this Budget demonstrate clearly the Government's unshakable determination to rise to the challenges ahead.

359. We need not fear the adversities or the unknowns. We are a nation that succeeds in bad times as well as in good times.

360. It is not by chance that we have travelled a long way on the development path. At every crossroads our nation has made the right choices.

361. Once again, as a nation, we will rise to the challenges of the world in transition.

362. I thank you for your attention.

363. Mr Speaker, Sir, I now commend the Bill to the House.

**EXPLANATORY NOTES ON PROVISIONS
TO BE INCLUDED IN THE FINANCE BILL
AND THE ECONOMIC AND FINANCIAL
MEASURES BILL AND REGULATIONS, AND
ON OTHER BUDGET MEASURES**

A. TAXATION AND TAX ADMINISTRATION

Customs Duty

➤ Abolition of Customs duty

Customs duty on the following imports is being abolished with immediate effect:

| | <u>From</u> | <u>To</u> |
|--|-------------|-----------|
| ○ Sinks, wash basins, baths and bidets | 15% | 0% |
| ○ Toilets, flushing cisterns and mechanism | 15% | 0% |
| ○ Sanitary towels (pads) and tampons | 30% | 0% |
| ○ Steel electric poles | 15% | 0% |
| ○ Jute bags | 30% | 0% |
| ○ Television sets of diagonal width of over 82 cm (i.e. 32") | 15% | 0% |

➤ Tariff Policy

Where significant local production exists and to give greater certainty to businessmen and investors, changes in customs duty rates on products will be announced with a notice of at least 6 months.

➤ Implementation on 1st January 2013 of Mauritius international commitments on customs tariffs

- **SADC Trade Protocol:** implementation of stage 3 of the four-stage tariff elimination on list of sensitive goods

| | <u>From</u> | <u>To</u> |
|---|-------------|-----------|
| ○ Black tea | 24% | 16% |
| ○ Flour | 9% | 6% |
| ○ Salt | 9% | 6% |
| ○ Edible oil | 9% | 6% |
| ○ Margarine | 9% | 6% |
| ○ Electric filament and discharge lamps | 30% | 22% |
| ○ Safety glass | 15% | 12% |

| | <u>From</u> | <u>To</u> |
|---|-------------|-----------|
| ○ Toilet paper in rolls | 24% | 16% |
| ○ Trays, dishes, plates, cups of paper | 24% | 16% |
| ○ Dog and cat food | 9% | 6% |
| ○ Tubes, pipes of iron and steel | 15% | 12% |
| ○ Napkins and Napkins liners for babies | 12% | 8% |

- **Interim Economic Partnership Agreement (EPAi)** with the European Union:

1st year of tariff liberalisation process involving –

- Raw materials and capital goods: Immediate liberalization
- Intermediate goods: phased reduction from 2013 to 2017 (5 years)
- Finished goods: phased reduction from 2013 to 2022 (10 years)

- **Bilateral Free Trade Agreement with Turkey:** covered under EPAi

➤ **Imports by post and courier services**

- Customs duty and VAT exemption will apply on the first Rs 2,000 of the import value of the goods, instead of Rs 1,000. Such exemption does not apply to imports for sale, alcohol, tobacco products and illicit goods. This change will take effect immediately.
- Recourse to a Custom Broker will no longer be required to obtain delivery of personal goods arriving by post or courier services, if their value is below Rs30,000. The current limit is Rs10,000.

Business Facilitation

The Customs Act will be amended to:

- remove the current restriction on shops operating under the “**Deferred Duty and Tax Scheme**” to sell only to tourists visiting Mauritius. They will now be able to export goods to customers outside Mauritius under Customs Control;
- eliminate the requirement to furnish a **security/bank guarantee** upon export of goods from bonded warehouses and goods taken as stores for aircraft or ship;
- extend the maximum period for re-warehousing of goods from 24 months to 30 months, that is by 6 more months. Normally, imported goods are allowed to be warehoused under Customs control (without payment of duty and tax) for a period of up to one year and re-warehoused (upon submission of a bank guarantee) for a further period of one year. Last year, the maximum period of re-warehousing was extended from one year to 2 years, in view of the economic crisis.

➤ **Enhancing fairness and transparency in customs administration**

- The **Customs Administrative Penalty (Compounding of Offences) System** will be made simpler, fairer and more transparent.
 - Under the present system, penalty may reach up to 3 times the value of imports + duties + taxes. Under the new penalty regime, the maximum penalty will be 3 times the duties and taxes short-paid.
 - In cases not involving duties and taxes, there will be a penalty of fixed amount.
 - There is also a perception by stakeholders that there is an excessive level of discretion in the administration of penalties.

The offences which may be subject to compounding as well as the sum to be compounded will be set out in a Schedule to the Customs Act.

- In other cases, where offences are not compounded, the amount of duties and taxes short paid will be claimed together with 25% penalty and 1% interest per month.
- An aggrieved person will also have the right to object to the claim, which will be dealt by the “Objections, Appeals and Dispute Resolutions” Department of the MRA. If he is still not satisfied, he may lodge a representation with the Assessment Review Committee.
- MRA will continue to have the possibility to send cases involving serious offences for prosecution.
- The Customs Act will be amended to make provision for MRA, upon an application, to issue an Advance Ruling on customs tariff classification and origin of goods.

Excise Duty

➤ **Motorcycles**

Duty on motorcycles of cylinder capacity from 126 to 200 c.c. is being abolished with immediate effect. Currently, they attract duty at the rate of 45%. [Motorcycles below 125 c.c. are already duty-free since last Budget.]

➤ **Electric Cars**

Electric cars are currently taxed at the rate of 27.5% if the power rating is less than 57.5 kw and at 50% for those above 57.5 kw. The rate will henceforth be a flat **25%**.

➤ **Vintage or Classic motor cars**

The definition of “classic” motor car will be aligned on international standards, i.e. any motor car manufactured before 1970 (instead of 1948). With effect as from 1st January 2013:

- excise duty at importation of a “vintage or classic” car is being abolished (current rate is 55%).
- registration duty on transfer of the vehicle will be Rs 1,000 (instead of Rs 12,500 - 40,000).
- road tax will be Rs 1,000 (instead of Rs 3,500- 8,500).

➤ **Returning Residents**

In view of fraudulent practices, the 15% concessionary rate of duty granted to a returning resident on a motor vehicle will be applicable only on the first **Rs 1.5 million** import value. Normal rate of excise duty will henceforth be applicable to any value in excess of Rs 1.5 million.

➤ **Tobacco Products**

The rate of Excise Duty on tobacco products is being increased by 12%, with immediate effect, as follows:

| | <u>From</u> | <u>To</u> |
|------------------------------|-------------|-----------|
| Cigars (Rs per kg) | 10,925 | 12,236 |
| Cigarettes (Rs per thousand) | 3,160 | 3,540 |

➤ **Alcoholic Products**

The rates of Excise Duty on alcoholic products are being increased, with immediate effect, by 15%, except for fruit wine, island wine and whisky for which the rate of increase is 5%, as follows:

| | <u>From</u> | <u>To</u> |
|---|-------------|-----------|
| Beer (Rs per litre) | 29.75 | 34.20 |
| Fruit wine (Rs per litre) | 25.20 | 26.50 |
| Made wine (Rs per litre) | 54.00 | 56.70 |
| Wine of grapes (Rs per litre) | | |
| <i>In bulk for bottling purposes</i> | 79.20 | 91.10 |
| <i>In bottle</i> | 139.00 | 160.00 |
| Champagne (per litre) | 660.00 | 760.00 |
| Spirit cooler (per litre) | 37.00 | |
| 42.55 | | |
| Rum (per litre of absolute alcohol) | 390.00 | |
| 448.50 | | |
| Cane spirits (Rs per litre of absolute alcohol) | 390.00 | |
| 448.50 | | |
| Whisky (Rs per litre of absolute alcohol) | | |
| <i>In bulk for bottling purposes</i> | 825.00 | |
| 866.00 | | |
| <i>In bottle</i> | 1,320.00 | |
| 1,386.00 | | |
| Liqueur (Rs per litre of absolute alcohol) | 264.00 | |
| 304.00 | | |

➤ **Definition of “liqueur”**

The definition of “liqueur” is being aligned with international standards with elimination of the reference to an upper limit of alcoholic strength (set currently at 39 degree), thus removing an anomaly that might give

rise to unnecessary legal dispute with MRA on importation of such brands as Grand Marnier, Cointreau and Drambuie.

➤ **Excise stamps on alcoholic beverages**

As is the case for cigarettes, the Excise Act will be amended to provide for the affixing of excise stamps on alcoholic products having an alcoholic strength of 20% or more and in containers of 200 ml or more, i.e., rum, cane spirits, whisky and liqueur as from mid-2013.

➤ **Misuse of “alcool bleu” and “alcool blanc”**

Provision will be made for manufacturers of heating and lighting alcohol (“alcool bleu”) and power white alcohol (“alcool blanc”) to add prescribed denaturants in those products so as to give them a bitter taste and a strong smell and make them unfit for human consumption. It is proposed to use the same denaturant and concentration as recommended by the European Commission. This measure will take effect as from 1st March 2013.

➤ **Soft drinks and Sugar**

As from 1st January 2013, all soft drinks, whether imported or produced locally, will be subject to excise duty.

“Soft drink” will be defined as per the Food Act and Regulations. It will thus cover any **aerated beverage** (such as colas), any **“syrup”**, any **fruit squash, cordial or drink**. Bottled water and fruit and/or vegetable juice will be not concerned by that tax.

The tax will be levied on the basis of the sugar content of such soft drink. For each gram of sugar, a tax of **2 cents** will be leviable.

Concurrently, the present levy of Rs 1.50 charged by the CWA on each litre of locally produced soft drink, bottled water and fruit drink will be abolished.

➤ **Promoting Energy efficiency**

Modulated excise duty will be introduced on electrical appliances on the basis of their energy consumption in order to promote the use of more energy efficient types and models. Regulations will be made by February 2013 by the Ministry of Energy and Public Utilities under the Energy Efficiency Act to set energy efficiency standards, measurements and labeling requirements to be met by importers and producers of electrical appliances. In the first instance, the concerned appliances will be **household refrigerators, electric ovens and dishwashers**.

Upon making of those regulations, necessary steps would be taken to subject energy inefficient appliances to a modulated penalty levy of up to 25%.

➤ **Strengthening enforcement powers of MRA [Customs and Excises]**

- Amendments will be made to enable MRA to effectively seize a motor vehicle on which duty exemption has been granted in case of non-compliance with the conditions of the duty concession by the beneficiary.

Value-Added Tax

➤ **Removing VAT**

The following goods and services will become VAT exempt with immediate effect:-

- Infant cereals not containing milk
- Colostomy bags and urine bags
- Entrance fees to cinemas, concerts and shows
- Royalties on importation of film

➤ **Compulsory VAT Registration**

The annual **turnover threshold** for compulsory VAT registration which has remained unchanged at Rs 2 million since 2006 will be raised to **Rs 4 million**. This will remove some 1,300 small traders and businesses from the VAT register.

➤ **VAT Refund Scheme for agro-industry and fisheries**

- The VAT Refund Scheme for agro-industrial and fisheries sector, which became operational in 2012 wherein VAT paid on equipment is refunded to registered producers, is being extended for one additional year, i.e. 2013.
- This facility will be extended to producer cooperatives in agro-industry and fisheries
- The list of covered items is being extended to cover :-
 - Spare parts for agricultural machinery and equipment
 - Weed mats
 - Plastic mulch
 - Post-harvest equipment
 - Dryers for agricultural products
 - Weight scales
 - Refractometer
 - Industrial type chill room/cold room
 - Straw and fodder bailers
 - Honey Extractor
 - Tyres used for tractors

Environment Protection Fee

- The payment facility provided this year to loss-making hotels, guest houses and tourist residences in respect of the Environment Protection Fee will be extended for the next 2 years. Accordingly, the Environment Protection Act will be amended to allow payment of the fee within 4 months of the end of the period instead of monthly payment.

Gambling

- The Gambling Regulatory Authority Act will be amended to transfer responsibility for the setting up and maintenance of the **Central Electronic Monitoring System (CEMS)** for the on-line recording, monitoring and control of lottery games, gaming, and betting transactions to the Mauritius Revenue Authority, in view of the latter's advanced IT resources and capability. The Gambling Regulatory Authority (GRA) will have on-line access to the CEMS for its regulatory functions.
- A Memorandum of Understanding (MoU) will be entered into by the GRA and MRA for joint and coordinated action against evasion of betting and gaming taxes and non-compliance to conditions of licensing.
- The GRA Act will accordingly be amended to empower MRA officers with the same authority as GRA officers to act as "inspectors".
- For better assessment and control, payment by the National Lottery operator of Government's share of the proceeds from lottery games, which is now made directly into the Consolidated Fund, will henceforth have to be effected to the Mauritius Revenue Authority, with an appropriate return.
- The GRA Act will be amended to specify that the tax point for bets placed with bookmakers of foreign matches, foreign horse-racing and other events (excluding local horse-racing) to be at the time the bet is accepted, and not the time the event takes place. This will ensure better control and compliance.
- Provision will be made for imposition of a penalty of 50% of the licence fee in case of late payment.

Advertising Structure (Billboard) Fee

- Existing payment facility to licensed billboard owners for payment of the Advertising Structure Fee to the Mauritius Revenue Authority will now be made permanent. They will not be required to pay the full

amount at the start of the year, but can make the payment on a quarterly basis.

- The Advertisements Regulation Act and the Roads Act will be amended to strengthen the powers of the Road Development Authority and the Mauritius Revenue Authority to facilitate identification of advertising structures through affixation of registered marks and provide for the dismantling and removal of illegal advertising structures.

Income Tax

➤ Relief for medical/health insurance premium

Every person will be allowed to deduct from his net income as from 1 January 2013, premiums paid in respect of a medical or health insurance policy contracted for himself and his dependents.

The maximum allowable deduction per annum would therefore be as follows:

| <u>Category of income taxpayer</u> | <u>Up to Rs</u> |
|---|---|
| A (no dependent) | 12,000 |
| B (one dependent) | 12,000 for self + 12,000 for dependent |
| C (2 dependents) | 12,000 for self + 12,000 for first dependent + 6,000 for second dependent |
| D (3 dependents) | 12,000 for self + 12,000 for first dependent + 6,000 for second dependent + 6,000 third dependent |
| E (retired person with no dependent) | 12,000 |
| F (retired person having one dependent) | 12,000 for self + 12,000 for dependent |

Premiums paid under a combined medical and life assurance scheme will not be allowed as a deduction.

➤ **Car Benefit**

Value of benefit-in-kind for income tax purposes of a company or official car used for official or business and private purposes will be increased by 50% as follows:

| | (Monthly Taxable amount) | |
|--------------------------|---------------------------------|-----------|
| <u>Cylinder Capacity</u> | <u>From</u> | <u>To</u> |
| Up to 1600cc | Rs 6,000 | Rs 9,000 |
| 1601 to 2000cc | Rs 6,750 | Rs 10,125 |
| Above 2000cc | Rs 7,500 | Rs 11,250 |

Accommodation Benefit provided by hotels

Value of the benefits-in-kind for income tax purposes will be increased, as follows:

| | (Monthly Taxable amount) | |
|--------------------------------|---------------------------------|-----------|
| | <u>From</u> | <u>To</u> |
| Full Board and lodging | | |
| Single | Rs 10,000 | Rs |
| 11,000 | | |
| Married | Rs 14,000 | Rs |
| 15,000 | | |
| Managing and supervisory staff | Rs 4,000 | Rs 4,200 |
| Other staff | Rs 2,000 | Rs 2,100 |

➤ **Accelerated depreciation for investment in manufacturing and in green technology**

To give a boost to manufacturing and in line with the MID agenda, the Schedule of Annual Allowances in the Income Tax Act will provide for accelerated depreciation in respect of investments made during 2013 and 2014 in manufacturing and in “green” technology equipment, as follows:

| | <u>From</u> | <u>To</u> |
|--|------------------------|------------------------|
| Capital Expenditure incurred on – | | |
| Industrial premises dedicated to manufacturing | 5% (straight-line) | 30% (reducing balance) |
| Plant or Machinery fully expensed (100% allowance) | < Rs 30,000 | < Rs 50,000 |
| Electronic and high-precision machinery (incl. computer hardware and software) | 50% (reducing balance) | 50% (straight line) |
| Plant and machinery by a manufacturing company | 35% (reducing balance) | 50% (straight line) |
| ‘Green’ technology equipment | 35% (reducing balance) | 50% (straight line) |
| Scientific research | 25% (reducing balance) | 50% (straight line) |
| Renovation works incurred by hotels, restaurants and retail outlets | 20% (reducing balance) | 33 % (straight line) |

➤ List of qualifying **‘green’ equipment’** eligible for 50% annual allowance on a straight-line basis-

- Renewable energy including solar-electric (photovoltaics) and solar thermal, wind and biomass, except for companies whose main business is the production of electricity.
- Energy-efficient equipment or noise control device.
- Water-efficient plant and machinery and rainwater harvesting equipment and system.
- Pollution control equipment or device, including wastewater recycling equipment.
- Effective chemical hazard control device.
- Desalination plant.
- Composting equipment.

- Equipment for shredding, sorting and compacting plastic and paper for recycling.
 - Landscaping and other earthworks for embellishment purposes undertaken in 2013 and 2014 (currently no allowance is given for such expenditure).
- Any unused annual allowance in a year including the new provisions may be carried forward indefinitely. Expenditure on passenger car will not be eligible to the accelerated annual allowance provision.

➤ **Alternative Minimum Tax (AMT)**

To allow for full impact of the new accelerated annual allowances measures, application of the Alternative Minimum Tax (AMT) will be suspended for manufacturing and hotel companies during fiscal years 2013 and 2014 [AMT sets tax payment of a liable company, after application of tax incentives provisions to 7.5% of its book profits or 10% of any dividends declared whichever is the lesser].

➤ **Global Business Sector**

- In order to attract global funds which do not require benefits under our Double Tax Avoidance (DTA) network, such funds will be allowed to be set up as a corporate body enjoying tax-free status.
- The Income Tax Act will be amended to enable MRA to charge a service fee for issuing Tax Residence Certificates.

➤ **Current Payment System (CPS)/Advance Payment System**

- The turnover threshold for operation of the CPS will be raised **from Rs 2 million to Rs 4 million**. As a result, a self-employed taxpayer with a turnover not exceeding Rs 4 million will no longer have to submit an income tax return to MRA every quarter but will do so only once a year.
- Likewise, a company with turnover below **Rs 4 million** will benefit from the same facility under the **Advance Payment System**.

➤ **Tax Deduction at Source (TDS)**

- TDS provisions applicable to public sector agencies (Ministries/Departments, Local Authorities, Rodrigues Regional Assembly and Parastatals) in respect of project contracts and procurement of goods and services will be fine-tuned as follows:
 - a de-minimis clause of Rs 500 will be introduced per payment;
 - TDS will not apply where there is continuity of service (example telephone, and postal services) and for air travel services; and
 - TDS will be applicable on payment of royalties.
- TDS is being extended to cover services provided by laboratory technicians.
- The rate of TDS in respect of interest payable to a non-resident is being increased from 10% to 15%.

Special and Solidarity Levies

- The **Special Levy on banks** will be maintained as it is for another 2 years, i.e. for years of assessment 2013 and 2014.
- Likewise, the **Solidarity Levy on telephony service providers** will be extended for another additional year, i.e. for year of assessment 2014.

Corporate Social Responsibility (CSR)

- Flexibility is being provided regarding use of CSR funds of companies as follows:
 - They will be allowed to spend up to 20% more than their statutory CSR obligation in any given year but not for more than 2 consecutive years and the excess CSR spending may then be offset in 5 equal consecutive annual instalments against future CSR liability. No offsetting will be allowed against income tax and special levies.

- They will also be allowed in a year, subject to the approval of the CSR Committee, to carry forward up to 20% of unused CSR funds instead of remitting same to MRA.

Other main amendments to Income Tax Act

- A '*Société Commerciale*' and any other resident société deriving income will be required to file a return of income with the MRA.
- The basis of income taxation of companies engaged in long term insurance business will be reviewed to make their taxable income more commensurate with their income in their financial statements, after consultation with stakeholders. The new basis will take effect as from year of assessment 2014.
- Interest received by an individual in respect of debentures quoted on the stock exchange will be exempted from income tax.
- The two special income exemption thresholds granted to a retired pension are being extended to cover a disabled person.
- The tax exemption in respect of "Severance Allowance" will cover a negotiated compensation under section 42 of the Employment Rights Act. However, the amount of exemption will be limited to amount of severance allowance payable through the findings of a Court. The amendment will be backdated to 1 February 2009.
- "Lump sum received as commutation of pension" and "retiring allowance" will be exempted from income tax, in the aggregate, instead of being mutually exclusive, subject to the overall limit of Rs 1.5 million. The amendment will be backdated to 1 September 2012.
- The 4-year tax holiday granted to a small enterprise is being removed.
- As from 1st January 2013, taxpayers will be allowed an irrevocable option to be taxed on surplus arising from foreign exchange differences, on a realisation basis. The details will be set out in a Statement of Practice by MRA.

Tax Amnesty Schemes

- The tax amnesty schemes, that is the **Voluntary Disclosure of Income Arrangement (VDIA)**, the **Voluntary VAT Registration Incentive Scheme (VRIS)** and the **Expeditious Dispute Resolution of Tax Cases (EDRTS)** introduced in last year's Budget are being reconducted with some fine-tuning, for voluntary declaration and speedy recovery of tax arrears. Those three schemes will operate for 9 months, from January to September 2013.
- A special scheme will also be devised for dealing with long outstanding tax arrears remaining in the books of the MRA, some of which date as far back as fifty years ago.

Land Duties and Taxes

➤ **First-time buyer exemption**

The registration duty exemption scheme for first-time buyers of residential property will be modified and the upper limit of tax exemption for those households will be increased substantially as follows:

| | <i>From</i> | <i>To</i> |
|--------------------------------------|----------------|-----------|
| <u>Bare residential land</u> | | |
| million | | |
| Value of the property | Rs 750,000 | Rs 1 |
| <u>Built-up residential property</u> | | |
| million | | |
| Value of the property | Rs 1.5 million | Rs 4 |

The duty exemption will not apply if the value of the property exceeds Rs 1 million for bare residential land and Rs 4 million for built-up residential property.

Moreover, presently, a person is considered to be a first-time buyer even if he or his spouse is or was the co-owner of a property acquired by

inheritance provided their share in the property is less than 10 perches. A person will also be considered to be a first-time buyer if his/her spouse is or was the co-owner of an immovable property prior to 9 November 2012 and their share in that property was less than 5 perches.

➤ **Construction of residences for the middle income group**

The incentive scheme introduced last year to promote construction of housing estates targeting the middle income group is also being improved. The minimum selling price of a unit is being increased from Rs 2.5 million to Rs 4 million for projects registered on or after 1 January 2013.

Movable property as security

Use of movables (such as plant and machinery, shares/securities, goodwill, intangibles and intellectual property rights) as collateral for obtaining credit will be facilitated and promoted, as another avenue for improving access to credit, especially for SMEs and start-ups. A committee of stakeholders will be entrusted with responsibility for making appropriate recommendations on required legislative and other changes.

➤ **Integrated Resort Scheme (IRS) and Real Estate Scheme (RES)**

Appropriate amendments will be brought to rationalise taxation of IRS and RES with taxation of other real estate for Mauritians and residents.

➤ **Documents registered by Global Business Companies**

With a view to facilitating business, the time limit for registration of all documents pertaining to global business activities at the Registrar-General's Department will be 3 months except for documents witnessing transfer of an immovable property or a movable property in Mauritius.

Addressing loopholes in land duties and taxes

➤ **Transfer of immovable property via issue of shares**

Indirect transfer of immovable property via a change in control of a company through issue of new shares coupled with a reduction in its share capital already attracts registration duty and land transfer tax. Amendment will be made to also cover a change in control through issue of shares alone. For such issue of shares,

- an obligation will be imposed for same to be registered at the Registrar-General's Department.
- the tax base will be the value of the immovable property being transferred and no longer the lower of the value of shares and the value of the immovable property.

➤ **Transfer of immovable property on plan (especially in high rise-building)**

Where immovable property is being transferred directly or indirectly during construction of a floor in a high rise building), the tax base of registration duty and land transfer tax will be the value of the immovable property being transferred at the time of transfer. Indirect transfers of immovable property through companies acting as partners in a "*société d'attribution*" will also be covered.

➤ **Other loopholes**

Consideration will also be given to the following amendments, after consultation with stakeholders:

- Requiring all transfers of immovable property to be effected by way of a notarial deed, including transfers of mixed property (immovable and movable property being transferred jointly) i.e. disallowing transfer of immovable property by way of a document under private signature (Sous Seing Privé) or verbal agreement.

- Making counter-deeds invalid where it discloses that duty leviable on the transaction witnessed in a notarial deed has been evaded; or that one of the parties or parties in a notarial deed has acted as a “*prête-nom*”.
- Making it an obligation on sociétés (*‘société commerciale’*, *‘société civile’* and *‘société de fait’* engaged in business) to give publicity to their existence, in order to have a register for sociétés at the level of Registrar of Companies and issuing them a registration number.

Land Conversion Tax

- No land conversion tax will be payable on the conversion of land from agricultural use for the purpose of:
 - constructing an 18-hole golf course
 - Setting up a manufacturing company as certified by BOI.
 - Setting up a power station for generation of energy using ‘green’/renewable sources.
 - Construction of a building to be used for provision of Technical & Vocational Education and Training (TVET).

However, for any particular project, the Land Conversion Permit and tax exemption will lapse if construction does not start within 6 months after the Building and Land Use permit has been obtained.

Rental on State lands leases

➤ Payment facilities for hotels in respect of accrued rental

Payment facility in respect of rentals accrued as at 31 July 2012 from the date of the new industrial lease will be provided to any hotel that (i) has not distributed dividends in the last financial year and (ii) undertakes not to distribute any dividends during the repayment period.

As from January 2013, it will be allowed to pay those accrued rentals in 3 consecutive annual installments, with interest at 7.9% (Repo rate + 3 basis points). Such payment facility will not be available for next rentals due.

➤ **Rental for islets and sites with severe planning restrictions**

For islets and sites with severe planning restriction, provision will be made for higher reduction in rental, provided the site is held under a separate lease under the new industrial lease policy, as follows:

| <i>Ratio of authorized development to plot area</i> | <i>Rental payable as a % of normal lease rental</i> | |
|---|---|-----------|
| | <i>From</i> | <i>To</i> |
| 0 to 5% | 50% | 40% |
| 5% to 10% | 60% | 50% |
| 10% to 15% | 70% | 60% |
| 15% to 20% | 85% | 75% |

➤ **Facilities for hotel reconstruction and renovation**

Any hotel on State lands that closes to undergo renovation or reconstruction will benefit from a reduction of 50% in its rental payable in respect of its lease for a maximum period of one year provided that:

- (i) the renovation or reconstruction starts during the period from 1 January 2013 to 31 December 2014;
- (ii) the hotel has opted for a fresh lease under the new industrial lease policy; and
- (iii) the hotel safeguards employment, including the terms of service of all employees during the period of renovation/reconstruction.

➤ **Rental for new industrial leases**

The base rental amount per arpent for new industrial leases of State lands along the coast (i.e. letters of intent issued as from 9 November 2012) is being updated for this year's inflation (4.3% increase) as per table:

| <u>Zone</u> | <u>From</u> | <u>To</u> |
|-------------|-------------|-----------|
| A | 1,100,000 | 1,147,300 |
| B | 820,000 | 855,260 |
| C | 680,000 | 709,240 |
| D | 540,000 | 563,220 |
| E | 425,000 | 443,275 |

Municipal Rates: self-assessment system

- The key criterion for determining whether a building is fit for occupation and therefore falls under the scope of municipal rate will, as from 1st January 2013, be whether it is serviced with electricity by CEB (unless it is exempted).
- In addition, there are some 7,100 properties that should be subject to municipal taxes but are not because their Net Annual Rental Value has not yet been determined by the Valuation Department. The Valuation Department is taking steps for completing the exercise expeditiously.
- For those categories of property, a system of self-assessment of the municipal rate payable is being introduced as from 1st January 2013. For that purpose, the Valuation Department is working out a simple valuation matrix based on average values per floor area of the building and by zones and type of property (residential and commercial).
- The matrix will provide a straight forward formula for arriving at the Net Annual Rental Value and the corresponding amount to be paid to

the local authority. A penalty will be imposed on persons who have not followed the guidelines.

- The Valuation Department will subsequently evaluate the actual net annual rental value of the property. Any rates payable above the amount actually paid under self-assessment will not be charged to the property owner/occupier in that year but in the subsequent year. Any rates paid in excess will be refunded with interest.
- Municipalities and the Valuation Department will use information from LAVIMS and CEB databases to update their rates register and will conduct systematic site visits to capture immobile properties in respect of which rates are payable.

Handicrafts and Cultural and National Heritage

- The National Heritage Trust Fund Act will be amended to enable protection and control of importation of handicraft products associated with cultural or national heritage. (e.g. replica of the Dodo, the Solitaire, contours and other distinct landmarks of the Republic of Mauritius).

Firearms

- The annual licence fee for firearms, including shotguns, rifles and pistols will be increased by 500% i.e., from Rs 1,000 to Rs 5,000.
- The quantum of other fees in the Firearms Act will also be increased 5 times, including import licence and game fees.

The Bank of Mauritius Act will be amended to

- Allow commercial banks not using their full quota for SME financing to enter into agreement with another commercial bank which could have exceeded its quota, provided the Rs1 billion quota is met collectively instead of the banks transferring the quota to BoM and BoM grant the quota to other banks.

- Allow the Bank of Mauritius to provide an exit window for the Development of Secondary Market for the Government of Mauritius Securities.
- Allow the Bank of Mauritius to impose a cap on fees/ charges charged by Commercial banks.
- Bring under the purview of the Credit Information Bureau the WWMA, ICTA, telephone operators and such other services as may be specified by the Bank of Mauritius.

B. FINANCIAL SERVICES

The Banking Act

The Banking Act will be amended:

- To enable the BoM to issue guidelines/ instructions to prescribe the instances in which statements of accounts are to be issued to the guarantor.
- For commercial banks to rotate firm of auditors every 5 years; the same audit firm may come back after a lapse of 3 years.
- To make it mandatory for banks to issue their customers with statement of accounts on a regular basis and also to provide where an account is inactive, the bank may stop sending statement of accounts provided that the bank takes reasonable measures to obtain the correct address of the customer.
- For commercial banks to appoint an officer to deal with complaints and grievances from customers.

The Financial Services Act

The Financial Services Act will be amended to:

- Redefine the term “*consumer of financial services*”.
- Encourage the setting up of global head-quarter administration and global treasury management activities in Mauritius.
- Enable FSC to issue directives to its licensees to any principles and practices of corporate governance laid down in the Code of Corporate Governance.
- Enable the FSC to specify economic substance requirements that Category 1 Global Business Companies will have to fulfill in order to be entitled to the benefits under the Mauritius tax treaties.
- Clarify the circumstances when a GBC can deal with residents.
- Enable the FSC to give a direction to a licensee where it is necessary or desirable to protect the interests of clients of another licensee.
- Empower the FSC to directly impose administrative penalties in cases of less serious breaches of the laws as specified in FSC Rules (*e.g late filing of documents, late payments of fees, etc.*).
- To review the contribution formula of FSC to the Consolidated Fund.

The Limited Partnerships Act

- The **Limited Partnerships Act** will be amended to clarify the confidentiality provisions for LPs owned by the Global Business Company.

The Securities Act

- **The Securities Act** will be amended to empower the FSC to specify in FSC Rules the percentage of voting right/ control in takeovers and to empower the FSC to make Rules concerning the recognition of remote participants on the CDS.

New Products

- To further diversify the financial services sector, a new Limited Liability Partnerships Bill will be introduced.
- The Securities (Collective Investment Schemes and Closed –End Funds) Regulations 2008 will be amended to allow the setting up of special purpose funds for conducting investments outside Mauritius.

Companies Act

The Companies Act will be amended:

- To revise the definition of “*last preceding accounting period*” in order to remove the confusion for submission of financial summary or financial statement.
- For directors and secretaries of companies to provide their usual residential address as well as the service address when a company is being incorporated. Same will apply to shareholders and one-member companies.
- For a resolution signed by shareholders holding more than 75 per cent of shares and entitled to vote on that resolution to be as valid as if it had been passed at a meeting of shareholders.
- For particulars of a charge be registered with the Registrar of Companies.

Financial Reporting Act

Financial Reporting Act will be amended:

- To clarify the financial year of the Financial Reporting Council.
- To redefine Public Interest Entities.
- To provide for every licensed auditor, professional accountants, public accountants and member firm to comply with the guidelines issued by the FIU.
- To provide for licensed auditors to report on extent of compliance with Code of Corporate Governance by public interest entities and on whether the disclosure is consistent with the requirements of the Code.
- For the definition of “*material irregularity*”.
- To allow MIPA to publish the list of professional accountants, public accountants and member firms on its website instead of publishing in the Government Gazette and 2 newspapers.
- To provide that unregistered professional/public accountant/ member firm cannot use along his name, the title of his professional qualifications in any report, statement or other document or be employed in Mauritius.
- To provide for MIPA licensees to pay such fees as may be prescribed and to exempt Government employees, local authorities and Rodrigues Regional Assembly from paying same during the period of his employment.
- To provide for every public interest entity to submit to the FRC a statement of compliance with the Code of Corporate Governance and where there is no compliance, the statement shall specify the reasons for non-compliance.

- Public interest entities to submit their respective financial statements, annual report and report on corporate governance not later than 6 months after the closing of their respective accounting year.

Insolvency Act

- The Insolvency Act will be amended to enable the Director of Insolvency Service to issue practice directions on procedures.

The Convention on the Recognition and Enforcement of Foreign Arbitral Awards Act 2001

The Convention on the Recognition and Enforcement of Foreign Arbitral Awards Act 2001 will be amended:

- To enable the recognition and enforcement of all arbitral awards made in the territory of a State other than Mauritius, irrespective of whether there is such reciprocity between that State and Mauritius.
- For Awards made in English or French Language to be recognized as being made in the official language of Mauritius.

The Financial Intelligence and Anti-Money Laundering Act

The Financial Intelligence and Anti-Money Laundering Act will be amended:

- To implement the recommendations of the FATF on anti-money laundering and combating the financing of terrorism with regards to the relevant professions and occupations namely: attorneys, lawyers, notaries, accountants, law firms, real estate agents, land promoters, etc.
- For the FIU to be empowered to issue guidelines on anti-money laundering to these professionals and for the respective supervisory bodies to take appropriate sanctions in case of non-compliance.
- To allow for the independence of the Director of FIU, the latter will be empowered to disseminate information to an investigatory body or a supervisory body without having to seek the clearance of the Board.

Protection of Consumers

To better protect consumers of financial services the following New Bills/ Regulations will be introduced:

- Ombudsperson for Financial Services Bill.
- Deposit Insurance Scheme Bill.
- Insurance Industry Compensation Fund in cases of *hit and run* only.

C. OTHER MEASURES

Personalized Registration Mark for Motor Vehicle

- A Personalised Registration Mark scheme will be introduced whereby a vehicle owner will be given possibility to purchase a personalized alpha numeric plate consisting of up to 6 letters and a maximum of two numbers for a fee of Rs 100,000. There will be appropriate rules and restrictions to safeguard against offensive messages and facilitate enforcement. The details of the Scheme will be worked out by the National Transport Authority. Appropriate amendments will be brought to the Road Traffic Act. The scheme is expected to come into operation in March 2013.

Road Traffic Act

- The **Road Traffic Act** will be amended to include hybrid and electric vehicles for registration purposes, to deal with cases of dishonoured cheques where vehicle owners refused to surrender license and settle account, and to restrict road tax concessions to double-cab pick-up only.
- The Road Traffic (Amendment No. 2) Act 2006 will be amended to uniformise and harmonise surcharge applicable to late payments of registration fees.

Pensions

Appropriate amendments will be brought to the relevant enactments to give effect to the following:

- Setting up of a single Defined Contribution (DC) Pension Scheme to be made applicable in the Public Sector in respect of new entrants as from 01 January 2013.
- Setting up of a Committee on Pension Reform under the Chairmanship of the Financial Secretary and comprising the Public Sector representatives in the National Pension Fund Investment Committee to work out the implementation details in consultation with stakeholders including staff members.
- Government contribution into the dedicated Fund will be 12% of employee emoluments. The rate of contribution for new entrants shall be 6% of pensionable emoluments. The employee will have the possibility to increase his contribution.
- Consideration would be given to officers employed on a contractual basis to contribute to the Defined Contribution Pension Scheme. Government will not contribute in respect of contractual employees.
- The members of the NPF Investment Committee who are representatives of Government and Labour Unions will manage the Fund and set the modalities.
- Pending the establishment of a proper regulatory framework for investment of the contributions, the administration of the Fund will be entrusted to SICOM.
- Payment of lump sum will be similar to that in the current arrangements but modalities will be decided by the Committee set up to manage the Fund.

National Productivity and Competitiveness Council (NPCC) Act

The NPCC Act will be amended to:

- Bring down the membership from 20 to 7 persons and accordingly remove the need for an Executive Committee as the full Board should now be able to make all decisions.
- Provide that, for new staff or upon expiry of any contract of employment, the terms and conditions of service be governed by the Pay Research Bureau (PRB).

Freeport Act

The Freeport Act is being amended to:

- (i) clarify the existing mechanisms that authorize a third party freeport developer to provide bonded warehouse facilities for storage of goods in its freeport zone and to rent space in its freeport zone for holding exhibitions, trade fairs and other events;
- (ii) revise the annual fees applicable to private freeport developers and third party freeport developers from Rs 150,000 to Rs 200,000 and freeport operators from Rs 10,000 to Rs 20,000, with a view to mitigating the effect of inflation on revenue; and
- (iii) specified manufacturing and processing activities will be allowed in the Freeport provided there is no sale on the local market.

Competition Act

- We are correcting an anomaly that provides immunity to individual members but not to the Commission.

Public Procurement Act

We are refining our procurement framework to expedite the implementation of infrastructure projects. Several changes are being brought to the Public Procurement Act:

- a. To allow the use of framework agreements to select contractors for minor works of repetitive nature, including upgrading and renovations;
- b. Lifecycle costing will be introduced to ensure that greater value for money is achieved by integrating capital and recurrent costs while evaluating projects; and
- c. The Central Procurement Board to hire its own staff on contract.

Regulations will be passed to:

- a. Reduce the time taken for different steps in the processing of tenders;
- b. Reduce the time involved in the review by the Independent Review Panel (IRP);
- c. Increase security deposit when filing an application for review by the IRP from Rs75,000 to Rs100,000 for major contracts and for other contracts from Rs10,000 to Rs25,000;
- d. Introduce a Rs5,000 non-refundable processing fee for all cases submitted to the IRP; and
- e. Grant a 15% margin of preference to domestic bidders employing at least 80% local manpower.

Social Security Act

We are correcting an anomaly so that the wives and orphans of persons who disappeared at sea or are missing can benefit from the same pensions payable to widows and orphans in the National Pensions Scheme.

D. ELABORATION OF MEASURES WHICH DO NOT REQUIRE LEGISLATIVE AMENDMENT

Finance and Economic Development

Drug Interdiction Programme

The Customs Department of the MRA will implement a Drug Entry Interdiction program for better drug detection at the borders in collaboration with ADSU, National Coast Guard and Passport and Immigration Office. The key features of the program include: investing in a new X-ray container scanner and other detection equipment; strengthening the K-9 Unit; greater intelligence sharing; designing a yacht and pleasure boats monitoring system; joint patrolling and installation of an Advance Passenger Information system.

Service to Mauritius (STM) Programme

Government will be recruiting some 300 new graduates under the successful STM programme. In addition, the programme will be enlarged to enable Government to offer positions to persons with disabilities and to allow central government to benefit from skills it requires from public sector bodies. The total number of STMs at any one time is expected to be about 400. This will include 30 persons with disabilities.

Business

The functions of support institutions will be rationalised as follows:

- SMEDA will inform and assist SMEs in accessing government and private sector schemes and facilitate investment projects. It will also provide expertise in responding to tenders.
- The MBGS Unit will ensure coordination on technical assistance, start-ups and mentoring.
- The SME Partnership Fund and NRF Equity Investment Ltd will be placed under the same management.

- For leasing and factoring schemes, enterprises will apply directly to the private institutions concerned.

Regional Rodrigues Assembly (RRA)

Programme to protect sea turtles in Rodrigues

Government in collaboration with the RRA will work with the Francois Leguat Centre and other civil society organisations to develop a programme to protect sea turtles nesting in Rodrigues. This can enhance Rodrigues as an eco-tourist destination and promote research on turtles. Appropriate nesting sites will be identified and the local population will be enlisted to help protect and mark nesting sites. Tourists will be encouraged to visit in coordination with the project organisers and using the local residents as guides. The programme will be elaborated by April 2013 and implemented by the end of 2013.

Once the Rodrigues programme has been established the project organisers will work with the Outer-Islands Development Corporation and the residents of Agalega to explore the possibility of a similar programme in Agalega. This could also enhance the viability of upgrading the airstrip in Agalega and provide opportunities to the residents to enhance their income whilst promoting environmental protection. The project organisers will make recommendations by July 2013. If the recommendations are positive, steps will be taken for implementation in early 2014.

E. CAPITAL INVESTMENT PROGRAMME

Some of the major infrastructure projects:

- Harbour Bridge
- A1M1 Bridge from Chapman Hill to Soreze
- Port-Louis Ring Road (Phase II)
- Berth extension and strengthening at Mauritius Container Terminal
- Bagatelle dam and Treatment plant
- New Melrose prison
- Site infrastructure for housing development programme
- Construction of new university campuses
- Upgrading of Avenue des Tulipes

**IMPLEMENTATION TIMETABLE FOR
2013 BUDGET MEASURES**

| Timetable for the implementation of measures announced in the Budget 2013 | | | |
|--|---|----------------------------------|--------------------------------------|
| | Measures | Implementing Organisation | Date limit for implementation |
| | <i>Embracing a technological future</i> | | |
| 1 | Reduction of entry level broadband cost from Rs 349 to Rs 200 | ICTA | January 2013 |
| | | | |
| | <i>Online Government</i> | | |
| 2 | Payments by mobile in Governmental departments starting with MRA | MoFED/ AG | December 2012 |
| 3 | Payments by mobile in Min of Housing and NTA | MoFED/ AG | March 2013 |
| 4 | Online payment by credit card by 8 depts | MoFED/ AG | March 2013 |
| 5 | Reduction of each Ministry's annual stationary budget by 25 % | MoFED | January 2013 |
| 6 | Use of digital signatures to carry out transactions on-line | MICT/ NCB | March 2013 |
| 7 | Head of IT in each Ministry to be a professional | MICT/CIB/ CISD | January 2013 |
| 8 | All heads (Supervising officers and Senior Staff) of Ministries, Government Agencies and Departments will be expected to be IT proficient | MICT/NCB | June 2013 |
| 9 | Merging of Central Informatics Bureau, Central Information Systems Division and IT Security Unit | MICT | June 2013 |
| 10 | Promote use of ICT equipment in the National Assembly | Clerk of the National Assembly | March 2013 |
| 11 | Replacing paper with digital documents in the National Assembly in line with MID Programme | Clerk of the National Assembly | March 2013 |
| | | | |
| | <i>Harnessing the potential of our youth</i> | | |
| 12 | One tablet computer for Form IV in all secondary schools | MoED/ MICT/ MoFED | 2013 |

| Timetable for the implementation of measures announced in the Budget 2013 | | | |
|--|--|------------------------------------|--------------------------------------|
| | Measures | Implementing Organisation | Date limit for implementation |
| 13 | Programme to introduce digital learning in schools starting with Form IV | MoED/ MICT/ MoFED | 2013 |
| 14 | Extension of high fibre optic cables to every secondary school | MT/ EMTEL/ MTML/ BHARAT | Ongoing |
| 15 | Implementation of a mass online IT training programme with Massachusetts Institute of Technology | MICT | June 2013 |
| 16 | Emerging Leaders Award | MoFED/BOI | June 2013 |
| | | | |
| | <i>Increasing our competitiveness</i> | | |
| 17 | Reduction by cost of International Private Leased Circuits (IPLC) by a further 15 % | ICTA | January 2013 |
| 18 | Setting up of incubators for Application Developers | ICT Operators | Ongoing |
| 19 | Strengthening of Privacy Laws | PMO | June 2013 |
| | | | |
| | <i>A new digital era</i> | | |
| 20 | Increase connectivity to Rodrigues by satellite from 37 to 155 MB | ICTA | June 2013 |
| 21 | Switch off the analog television broadcast | IBA | December 2013 |
| 22 | Accelerate the roll-out of 4G across the country by amending ICT Act | ICTA | 2013 |
| 23 | Encourage sharing of phone masts (Telecommunication Towers) | MICT/ Local Authorities/ MoEv/ MoH | June 2013 |
| 24 | Dedicated hi-tech industrial park | BPML | September 2013 |
| | | | |
| | <i>The awakening of Africa</i> | | |
| 25 | IMF Regional Training Institute for Africa | MoFED | December 2012 |
| 26 | Opening up of visa requirements for Nationals of 75 countries | PMO | December 2012 |
| 27 | Appointment of Honorary Consuls in every major city on the African Continent | MFA | 2013 |

| Timetable for the implementation of measures announced in the Budget 2013 | | | |
|--|---|----------------------------------|--------------------------------------|
| | Measures | Implementing Organisation | Date limit for implementation |
| 28 | Launch a new scholarship scheme for 50 deserving African students | TEC/ MoED/ BOI/ MFA | April 2013 |
| 29 | Signature of 5 DTAs and IPPAs | MoFED/MFA/BOI/MRA | 2013 |
| 30 | Amend legislation to allow freeport companies to carry out specific manufacturing activities | MoFED/BOI/MRA | December 2012 |
| 31 | Planning of Freeport zones near the port and airport | AML/MPA/ BOI | June 2013 |
| | | | |
| | <i>Consolidating our financial system</i> | | |
| 32 | Limited Liability Partnership Bill | MoFED/ FSC | June 2013 |
| 33 | Amending legislation to allow for a new category of non-treaty based funds | MoFED/ FSC | December 2012 |
| 34 | Amending legislation to allow for setting up of Regional Treasury Centres and Regional Headquarters Administration | MoFED/ FSC | December 2012 |
| 35 | Extension of network of DTAs and IPPAs | MoFED/MFA/BOI/MRA | Ongoing |
| 36 | Amending legislation for issue of Tax Residence Certificates only upon compliance with enhanced commercial substance requirements | MoFED/MRA/FSC | December 2012 |
| 37 | Licence fees to be based on turnover for Management Companies | FSC | January 2013 |
| 38 | Amendment to legislation for automatic penalties in cases of late filling of documents and late payments | MoFED/FSC | December 2012 |
| 39 | Signature of Tax Information Exchange Agreement with India | MoFED/MFA/MRA | June 2013 |
| 40 | Amendment of legislation to improve governance and the financial services regulatory framework | MoFED | December 2012 |
| 41 | Deposit Insurance Legislation | MoFED/BOM | June 2013 |

| Timetable for the implementation of measures announced in the Budget 2013 | | | |
|--|--|----------------------------------|--------------------------------------|
| | Measures | Implementing Organisation | Date limit for implementation |
| 42 | Implementation of a Compensation Fund in cases of 'hit and run' | FSC | June 2013 |
| 43 | Ombudperson for Financial Services Bill and more clout to Borrowers Protection Act | MoFED/BOM/FSC | June 2013 |
| 44 | Implementation of Treat Your Customers Fairly programme | BOM | December 2012 |
| 45 | Amend legislation to allow BOM to impose a cap on bank charges | MoFED/BOM | December 2012 |
| 46 | A service fee to be charged for issuing Tax Residence Certificate | MoFED/MRA | January 2013 |
| | | | |
| | Tourism | | |
| 47 | Direct flights to China | MoFED | January 2013 |
| 48 | Direct Flights to Russia | MoFED | 2013 |
| 49 | Creation of a fully equipped kite surfing training centre | NDU/ MYS | September 2013 |
| 50 | Rehabilitation of One-eye site near Le Morne | NDU/ MYS | September 2013 |
| 51 | Extension for the next two years of the payment facility to loss making hotels, guest houses and tourist residences in respect of the Environment Protection Fee | MoFED | January 2013 |
| 52 | Where necessary, the Alternative Minimum Tax will be suspended to enable establishment to benefit from special measures to support the Tourist Industry | MoFED | January 2013 |
| 53 | Payment facility in respect of rentals of the new industrial lease will be provided to any hotels which do not distribute dividends | MoFED/ MoHL | January 2013 |
| 54 | Higher reduction in rental for islets and sites with severe planning restrictions | MoFED/ MoHL | January 2013 |
| 55 | 50 % reduction in lease rental for Hotel undergoing reconstruction and renovation | MoFED/ MoHL | January 2013 |

| Timetable for the implementation of measures announced in the Budget 2013 | | | |
|--|---|---------------------------------------|--------------------------------------|
| | Measures | Implementing Organisation | Date limit for implementation |
| 56 | Rent for new industrial leases to be updated for inflation | MoFED/ MoHL | January 2013 |
| | | | |
| | <i>Entertainment and Shopping</i> | | |
| 57 | Framework for relocation of gaming houses, night clubs and similar establishments away from residential areas to shopping malls | MoFED/GRA/ MLG/ Local Authorities/ TA | June 2013 |
| 58 | Incentives for fitting out of High Street Shops and restaurants | MoFED/MRA/ BOI | December 2012 |
| 59 | The VAT refund system for visitors will be revamped | MTPA | 2013 |
| | | | |
| | <i>Extend holiday package in Rodrigues</i> | | |
| 60 | Extend holiday package in Rodrigues | MoFED | December 2013 |
| | | | |
| | <i>Manufacturing Industry</i> | | |
| 61 | Development of overseas market for manufacturing companies | EM | January 2013 |
| 62 | 50 % accelerated depreciation on acquisition of plant, machinery and equipment | MoFED | December 2012 |
| 63 | Abolishment of bank guarantee to be replaced by a fixed fee for expatriate work permits for export oriented industrie | MoL | January 2013 |
| 64 | Abolishing the AGOA levy | MoFED/ MoID | December 2012 |
| 65 | FSC authorised to licence service providers offering export credit insurance | MoFED/FSC | March 2013 |
| | | | |
| | <i>Local Manufacturing</i> | | |
| 66 | Any changes in import duty likely to affect local manufacturers will be announced with at least 6 months prior notice | MoFED | December 2012 |
| | | | |

| Timetable for the implementation of measures announced in the Budget 2013 | | | |
|--|--|----------------------------------|--------------------------------------|
| | Measures | Implementing Organisation | Date limit for implementation |
| | <i>Further boosts to the SMEs</i> | | |
| 67 | Loan to SMEs with turnover under Rs10 M | MoFED | January 2013 |
| 68 | 50 percent of losses incurred by banks to be guaranteed by Government | MoFED | January 2013 |
| | | | |
| | <i>Revisiting LEMS and other measures for SMEs</i> | | |
| 69 | The interest rate brought down to 7.25% for new leasing facilities | MoFED | December 2012 |
| 70 | Doubling VAT registration threshold to Rs 4 M | MoFED | December 2012 |
| 71 | Waiver on loans at the DBM | MoFED | January 2013 |
| 72 | Regrouping and rationalising of all the schemes for SMEs | MoFED | January 2013 |
| 73 | SMEs bidding for Govt contracts will not be required to produce performance bonds for contracts of up to Rs 5M | MoFED | December 2012 |
| 74 | Advance payment guarantees will be over hauled | MoFED | December 2012 |
| 75 | Outcomes of tender exercises will be displayed on the procurement portal for values of Rs 5 M and above | MoFED | December 2012 |
| 76 | Doubling the amount of refund to SMEs for participation in international fairs from Rs 100,000 to Rs 200,000 | MoFED | December 2012 |
| 77 | MBGS to provide technical assistance to improve productivity in the shoe sector | MBGS | January 2013 |
| 78 | Special grant of Rs 10 M to Enterprise Mauritius to support marketing for exports of shoes | MoFED | December 2012 |
| 79 | SMEDA will develop the 'Made with Care' label | MoB/MAC/ SMEDA | June 2013 |

| Timetable for the implementation of measures announced in the Budget 2013 | | | |
|--|---|----------------------------------|--------------------------------------|
| | Measures | Implementing Organisation | Date limit for implementation |
| 80 | Turnover threshold for operation of the CPS to be raised to Rs 4 M. Likewise, companies with turnover below Rs 4 M will benefit from the same facility under the Advance Payment System | MoFED | January 2013 |
| 81 | MBGS unit to ensure coordination on technical assistance, start-ups and monitoring | MoB/MBGS | January 2013 |
| 82 | SME Partnership Fund and the NRF Equity Investment Ltd to be placed under the same management | MoFED | June 2013 |
| 83 | Providing a grant for freight expenses up to Rs 20,000 | MoFED | December 2012 |
| 84 | Imports of handicrafts depicting the national heritage of Mauritius to be controlled | MAC | January 2013 |
| | | | |
| | <i>Agriculture: Land Use</i> | | |
| 85 | Land Conversion Committee will elaborate criteria for land conversion | MoA | June 2013 |
| 86 | Compiling of information on available land for lease and provide same to planters | MCI A | June 2013 |
| 87 | Develop an appropriate legal framework to encourage owners of land to lease their lands for cultivation | MoA | June 2013 |
| | | | |
| | <i>Supporting small planters</i> | | |
| 88 | Provision of subsidy of Rs 40 M on locally produced compost | MoFED | December 2012 |
| 89 | Expand financing of the Field Operations Re-grouping and Irrigation Project (FORIP) and land preparation and other related schemes and extend same facilities to non-sugar agriculture | MoFED | December 2012 |

| Timetable for the implementation of measures announced in the Budget 2013 | | | |
|--|---|----------------------------------|--------------------------------------|
| | Measures | Implementing Organisation | Date limit for implementation |
| 90 | Framework for Government to bear full costs for pre-market test and certification fees for small agricultural enterprises with turnover not exceeding Rs 10 M | MoA | April 2013 |
| 91 | Government will maintain the freight rebate scheme for planters and fruit exporters | MoFED | December 2012 |
| 92 | Extension of VAT Refund scheme for small farmers | MoFED | December 2012 |
| 93 | Salle de Decoupe | MoA | 2013 |
| 94 | Increase provision for enhanced coverage by Small Farmers Welfare Fund | MoFED | January 2013 |
| 95 | Maintaining 80% advance to sugar cane planters | BOM | January 2013 |
| 96 | Government will make more diplomatic efforts with the EU to ensure market access for refined sugar is maintained until at least 2020 | MFA | Ongoing |
| | | | |
| | <i>Ocean economy</i> | | |
| 97 | Look for strategic partners for exploitation of our mineral resources | PMO | 2013 |
| 98 | Consider creation of Off-Shore wind farms in the waters of Rodrigues | MoFED/RRA/ MPI/CEB | June 2013 |
| 99 | Special scholarships for youth and professionals to embrace a career in the ocean economy | MRC/ MOI/ UOM | June 2013 |
| | | | |
| | <i>Fishing</i> | | |
| 100 | Initiate two more aquaculture pilot projects in Le Morne and Mahebourg | MoF | March 2013 |

| Timetable for the implementation of measures announced in the Budget 2013 | | | |
|--|---|----------------------------------|--------------------------------------|
| | Measures | Implementing Organisation | Date limit for implementation |
| 101 | Increase pace for replenishment of lagoons | MoF | 2013 |
| 102 | Autonomy to the Competent Authority in fish and fish products intended for export | MoF | December 2012 |
| | | | |
| | <i>Improving Health Services</i> | | |
| 103 | Recruitment of another cohort of nurses, 75 General Practitioners and 25 Specialists | MoH | June 2013 |
| 104 | Continuous Professional Development to be introduced and become mandatory for all doctors and dental surgeons practising in the Republic of Mauritius | MoH | September 2013 |
| 105 | Introduction of a new Pre-Registration Examination for all doctors and dental surgeons | MoH | June 2013 |
| 106 | All students to undertake medical studies to have appropriate qualifications at HSC or equivalent level | MoH | March 2013 |
| | | | |
| | <i>Reforming Accident and Emergency treatment</i> | | |
| 107 | Introduction of a new shift system for our casualty departments, not working more than 8 hours at a stretch | MoH | July 2013 |
| | | | |
| | <i>Non-Communicable Diseases</i> | | |
| 108 | Introduction of a new tax of 2 cents per gm of sugar content on soft drinks | MoFED | January 2013 |
| 109 | Removal of levy of Rs 1.50 charged by CWA on locally produced soft drinks, bottled water and fruit drinks | MoFED/MPU | January 2013 |
| 110 | Increase excise duty on cigarettes and cigars | MoFED | November 2012 |
| 111 | Increase excise duty on alcoholic products | MoFED | November 2012 |

| Timetable for the implementation of measures announced in the Budget 2013 | | | |
|--|---|----------------------------------|--------------------------------------|
| | Measures | Implementing Organisation | Date limit for implementation |
| | <i>Strengthening the medical hub</i> | | |
| 112 | Introduction of Pre-Clinical Research Bill | MoA/MoH/ BOI | April 2013 |
| | | | |
| | <i>Education: Foundation years</i> | | |
| 113 | Amending CSR guidelines to enable financing construction and improvement of Day Care Centres | MoFED/CSRC | January 2013 |
| 114 | One-off grant up to Rs 200,000 to existing Day Care Centres | MoFED | March 2013 |
| | | | |
| | <i>Summer and Winter Schools</i> | | |
| 115 | Extending summer and winter school programme | MoED | 2013 |
| 116 | Banks to offer students' loans to a maximum of Rs 100,000 per annum for university fees | MoFED | January 2013 |
| 117 | Scholarships to children from vulnerable families if they cannot get a student loan and provided they qualify through the Social Register for Mauritius (SRM) | MoFED/ MoED | January 2013 |
| 118 | Recruitment of 12 Quality Assurance Officers for Secondary schools | MoED | July 2013 |
| | | | |
| | <i>Making Education work</i> | | |
| 119 | Ensure consultation between Industry partners, Government and Education Institutions | MoED/MTED/ TEC | 2013 |
| 120 | Les Assises de L'Education' will be held annually | MoED/MTED/ TEC | July 2013 |
| | | | |

| Timetable for the implementation of measures announced in the Budget 2013 | | | |
|--|---|----------------------------------|--------------------------------------|
| | Measures | Implementing Organisation | Date limit for implementation |
| | <i>Education Hub</i> | | |
| 121 | Student visa and part time work schemes for foreign students is being extended to technical and vocational institutions | PMO/MoL | January 2013 |
| 122 | Campuses in Reduit, Pamplémousses, Montagne Blanche and Forest-Side | MTED/SIC/MoFED | March 2013 |
| | | | |
| | <i>Attracting FDI to our shores</i> | | |
| 123 | Intensify investment promotion, especially targetting China and the rest of Asia | BOI | 2013 |
| | | | |
| | <i>Further improving the investment climate</i> | | |
| 124 | The Business Facilitation Act will be revisited to adopt a 'whole of Government' approach | MoFED/ BOI | June 2013 |
| 125 | The Registrar of Companies to act as a single point for payment of trade fees | MoFED/ ROC/MoLG | May 2013 |
| 126 | Assist investors for implementation of large projects | BOI | 2013 |
| 127 | Bring fundamental changes to the system of permits and permanent residence | MoFED/BOI/PMO | December 2012 |
| 128 | Bilateral Investment Treaty with USA | MoFED/MFA/BOI/PMO | 2013 |
| | | | |
| | <i>Youth and employment: Youth Employment Programme</i> | | |
| 129 | Increase in the contribution to the monthly salary of non graduates from Rs 3,000 to Rs 4,000 | MoFED | December 2012 |
| 130 | From Rs 6,000 to Rs 7,500 for graduates | MoFED | December 2012 |
| 131 | This support being extended from 6 months to one year | MoFED | December 2012 |

| Timetable for the implementation of measures announced in the Budget 2013 | | | |
|--|--|----------------------------------|--------------------------------------|
| | Measures | Implementing Organisation | Date limit for implementation |
| 132 | Subsidise half of the training cost up to a ceiling of Rs 7,500 per employee | MoFED | December 2012 |
| | | | |
| | <i>Skills working group</i> | | |
| 133 | Setting up of the Skills Working Group within the National Resilience Fund | MoFED | December 2012 |
| | | | |
| | <i>Service to Mauritius</i> | | |
| 134 | Recruitment of first batch new graduates under the Service To Mauritius (STM) programme | MoFED | March 2013 |
| 135 | Scheme will be expanded with additional training and career counselling | MoFED | 2013 |
| | | | |
| | <i>Industry Placements</i> | | |
| 136 | Promotion of sandwich courses by Tertiary Institutions | MTE | 2013 |
| 137 | Give priority to sandwich courses prior to graduation | MITD | 2013 |
| 138 | Companies employing at least 80 % of local workforce will get a 15 % preference on public works contracts | MoFED | January 2013 |
| | | | |
| | <i>Opportunities for persons with disabilities</i> | | |
| 139 | Government to open up employment opportunities for people with disabilities under the Service To Mauritius (STM) programme | MoFED | March 2013 |
| 140 | Visually impaired students will be provided with braille personal computers | MoED | June 2013 |

| Timetable for the implementation of measures announced in the Budget 2013 | | | |
|--|--|----------------------------------|--------------------------------------|
| | Measures | Implementing Organisation | Date limit for implementation |
| | <i>Equal Opportunities</i> | | |
| 141 | Doubling Budget of the EOC | MoFED | January 2013 |
| | | | |
| | <i>Reforms to Justice System</i> | | |
| 142 | Judicial and Legal Provisions Legislation will be amended accordingly for judgements to be delivered expeditiously | AGO | April 2013 |
| 143 | 50 additional judicial assistants | MoFED/AGO/ Judiciary | 2013 |
| 144 | Creation of a proper Family Court | AGO/ Judiciary | June 2013 |
| 145 | The Judiciary to chair a committee to make recommendations to the Govt on how to make a more effective use of Community Sentencing | Judiciary | June 2013 |
| | | | |
| | <i>Law and Order</i> | | |
| 146 | Recruitment of 600 additional Policemen | PMO | July 2013 |
| 147 | Expansion of the CCTV street surveillance system | PMO | September 2013 |
| 148 | The Customs Dept of the MRA to implement a Drug Entry Interdiction Programme | MRA | January 2013 |
| 149 | Purchase rapid intervention crafts and boats | Police/PMO | 2013 |
| 150 | Installation of system for biometric passports and upgrading of border control system | PMO | End of 2013 |
| 151 | Opening of Melrose Prison | PMO | December 2013 |
| 152 | Acquisition of equipment for the Forensic Science Laboratory (FSL) | FSL | June 2013 |
| 153 | Five fold increase in firearm license fees | PMO | January 2013 |
| | | | |

| Timetable for the implementation of measures announced in the Budget 2013 | | | |
|--|--|----------------------------------|--------------------------------------|
| | Measures | Implementing Organisation | Date limit for implementation |
| | <i>Cleaner and Greener Mauritius</i> | | |
| 154 | Acquisition of compactor lorries | MoLG | July 2013 |
| 155 | Cleaning of all classified roads in Mauritius | MPI/RDA | January 2013 |
| 156 | Urban and rural renovation projects to improve living environment | MPI/NDU | January 2013 |
| 157 | Improve frequency of the service for removal of bulky , except construction waste, free of charge | MoLG | January 2013 |
| 158 | Develop a framework to allow differentiated excise duties to be applied on households appliances | MPU | March 2013 |
| 159 | 25 % of Government's paper requirements will be met by recycled paper | MoFED | March 2013 |
| 160 | Each Ministry and Department to segregate paper waste for recycling | MoLG | March 2013 |
| 161 | Doubling the funds available for the solar water heater scheme | MoFED | December 2013 |
| 162 | Installation of 10,000 smart electricity meters | CEB | End of 2013 |
| 163 | Implementation of a time of use tariff for electricity | MPU/CEB | March 2013 |
| 164 | Put in place a framework to require an energy audit to be conducted by end of December 2013 by every beneficiary of concessionary electricity tariffs with large consumption | MPU/CEB | March 2013 |
| 165 | 50% accelerated capital allowance for investment in green technology equipment | MoFED | January 2013 |
| 166 | Upgrading of Vallee d'Osterlog | MoA | 2013 |
| 167 | Elaboration of a programme to protect sea turtles in Rodrigues | MoFED/ RRA/NSA | March 2013 |
| | | | |
| | <i>Infrastructure</i> | | |

| Timetable for the implementation of measures announced in the Budget 2013 | | | |
|--|--|----------------------------------|--------------------------------------|
| | Measures | Implementing Organisation | Date limit for implementation |
| 168 | Increasing public sector capital investment programme by 39% to reach Rs 28.6 billion | MoFED | January 2013 |
| | | | |
| | <i>Reinforcing protection for the most vulnerable</i> | | |
| 169 | Provision of daily hot meal to each child in every ZEP school | MoED | January 2013 |
| 170 | Children on the NEF Extreme Poverty List will be offered child support schemes provided their parents apply through the social register of Mauritius | NEF/MoED | January 2013 |
| 171 | Child Benefit will be set at a minimum of Rs 750 per month per child, provided the families apply through the Social Register of Mauritius | MoFED/ MSS | January 2013 |
| 172 | Conditional cash transfer scheme for children from families with monthly income of less than Rs 6,200 who show improvement and attendance in school | NEF/MoED | March 2013 |
| 173 | The MRA Tax return Forms will be simplified for house workers | MoFED/MRA | January 2013 |
| 174 | Amending Social Security Act to cover wives and orphans of persons who disappeared at sea | MSS | January 2013 |
| | | | |
| | <i>Social Housing</i> | | |
| 175 | Ministry of Housing to launch its own tender for the construction of houses | MoHL | March 2013 |
| 176 | Extension of subsidy to NHDC syndics for another year | MoFED | December 2013 |
| 177 | NEF will intensify its activities for the construction of concrete and CIS houses | NEF | Ongoing |

| Timetable for the implementation of measures announced in the Budget 2013 | | | |
|--|---|----------------------------------|--------------------------------------|
| | Measures | Implementing Organisation | Date limit for implementation |
| 178 | 4 other sites identified for construction of social housing | MoFED/HT | 2013 |
| 179 | Construction of houses at Karo Kalyptis | NEF | 2013 |
| | | | |
| | <i>Small Lease Holders</i> | | |
| 180 | Housing and agricultural land leases will be replaced by a nominal fee of Rs 1 per annum | MoA/MoHL | February 2013 |
| | | | |
| | <i>Getting maximum impact from Corporate Social Responsibility</i> | | |
| 181 | Setting up of an Advisory Technical CSR sub-Committee | MoFED/ CSRC | January 2013 |
| 182 | NCSR Committee to provide annually on its website a statement of the sector-wise distribution of the CSR Fund | MoFED/ CSRC | January 2013 |
| 183 | Companies allowed to use CSR to finance the construction and upgrading of Child Day Care Centres | MoFED/ CSRC | January 2013 |
| 184 | Companies will be allowed to carry forward excess CSR funds | MoFED | January 2013 |
| | | | |
| | <i>Culture, Arts and Leisure</i> | | |
| 185 | Grand Baie Conference Centre put at the disposal of artists at highly discounted rates | SPDC/SIC | January 2013 |
| 186 | Installation of protective equipment for the turf at Anjalay Stadium to enable the organisation of major concerts | MAC/MYS | February 2013 |
| 187 | Reviewing the rebate under the film framework for qualified production expenditures from 25 to 30 % | MoFED/BOI | January 2013 |

| Timetable for the implementation of measures announced in the Budget 2013 | | | |
|--|--|----------------------------------|--------------------------------------|
| | Measures | Implementing Organisation | Date limit for implementation |
| 188 | Broaden the spectrum of eligible productions under the film framework to include high end TV commercials and documentaries | MoFED/BOI | January 2013 |
| 189 | Central server of the GRA (Gambling Regulatory Authority) to be operated by the MRA | MRA/GRA | June 2013 |
| 190 | Abolishing VAT on cinema and concert tickets and shows | MoFED | January 2013 |
| | | | |
| | Sports | | |
| 191 | Additional 'Bourse de perfectionment' | MYS/TFES | September 2013 |
| 192 | Expanding Sport Etude Programme | MYS | April 2013 |
| 193 | Increase the monthly allowance for high level athletes by 50 % | MoFED | January 2013 |
| 194 | Relaunching the famous Sports Inter Colleges | MYS | April 2013 |
| 195 | Increasing funds for Trust Fund for Sports | MoFED | January 2013 |
| | | | |
| | Improving control on public sector expenditure | | |
| 196 | Setting up a Public Sector Taskforce | PMO | January 2013 |
| 197 | Introduce interim audit for in time monitoring | NAO | September 2013 |
| 198 | Empowering the PAC (Public Accounts Committee) | MoFED | March 2013 |
| 199 | Benchmark scavenging services and delivery of building and land use permits | LAGU | June 2013 |
| 200 | Setting up of a single Defined Contribution Pension Scheme applicable in respect of all new entrants in the Public Sector as from 1st January 2013 | MoFED/ NPF Investment Committee | January 2013 |
| 201 | NPCC Act to be amended for more effectiveness | MoFED | January 2013 |

| Timetable for the implementation of measures announced in the Budget 2013 | | | |
|--|---|----------------------------------|--------------------------------------|
| | Measures | Implementing Organisation | Date limit for implementation |
| 202 | Public Procurement Act to be reviewed | MoFED | January 2013 |
| | | | |
| | <i>Supporting consumers in Rodrigues</i> | | |
| 203 | Equalising price of Rice and flour with Mauritius | PMO | January 2013 |
| 204 | Subsidy on freight to Rodrigues for cement, milk, oil and tea | PMO | January 2013 |