

BUDGET DEBATES

MINISTER BUNWAREE'S SPEECH: PART 1:

GENERAL, POLITICAL, SOCIO-ECONOMICAL

Mr. Speaker, Sir, n'en déplaise au Leader de l'Opposition, let me first of all congratulate the Honorable Vice Prime Minister and Minister of Finance for the realistic Budget he presented to the nation

Last Friday and for his excellent maiden Budget Speech.

Coup d'essai, coup de maître, comparé au discours raté du Leader de l'Opposition.

The population in general has widely acclaimed this Budget because it contains so many new positive measures which will bring a lot of relief to various segments of the population ranging from the old citizens to the youth, the working class, the down trodden, the SMEs, the womenfolk, young athletes, pupils, students and their parents.

Everybody I must say has got a fair treatment from the Exchequer.

It seems that only the Opposition has received a severe blow from the Budget.

Unfortunately for them, it has been like a tsunami drowning them all in their misfortune. We could see on their faces on Friday. Deep inside their heart, they know that in the Budget 2012 is a very good one, will be well received by the population.

Nevertheless in any democratic society everybody enjoys the freedom to criticize Government's actions and it is our duty to rebut these criticisms.

Let me summarize the main criticisms leveled against the Budget 2012 and I shall then rebut them all

First, it is said the Budget lacks vision and imagination face a la crise en Europe et aux Etats Unis;

Secondly, it lacks ambition and it is merely a re-branding of old measures;

Thirdly, it is a pro-capitalist Budget ;

Fourthly, the Budget contains only "measures confettis",

Fifthly, it is décousu, desordonné et décevant

Sixthly, more could have been done on the social front judging by the available marge de manœuvre.

Finally , that the "écart entre les riches et les pauvres va en grandissant".

Mr. Speaker, Sir, I can outright re-affirm that none of the above criticisms are valid. They are baseless and without justification whatsoever.

On n'a pas dit que la Grèce est l'exemple à suivre mais plutôt que la Grèce n'est pas l'exemple à suivre. Mauritius is a small island economy. Il faut comparer avec ce qui est comparable.

Il faut prendre en considération que le Ministre des Finances ne peut pas tout dire concernant les chiffres. Chaque ministre le fera, concernant son ministère. Rappelons que le FDI a bien diminué, ayant chuté dans le premier quart de 2011 de 69.9 % comparé à 2010. Une chute de 45.3 % dans le 2^{ème} quart de 2011.

Mr. Speaker, this Government has, since 2005, under the able and strong leadership of the Prime Minister, achieved an excellent track record of weathering, all the economic storms, be it during **the worst financial turmoil in 2008, the biggest surge in oil prices and the worst food price inflation.**

Other countries and international reputable institutions have praised our economic management of these difficult times and it is certainly not now that the Opposition can argue that we lack imagination, vision or l'audace to handle a crisis situation. We are a strong and ambitious nation and we can withstand any calamity that approaches us.

It needs the right vision, economic competence and capability of understanding the population.

The House will recall that the population has re-elected this Government because of the professional manner it handled the economic crisis in 2008.

We are ready to face any new challenge. The Minister of Finance has set up the National Resilience Fund precisely to react swiftly and firmly to any deterioration of our economy especially on the employment front. In difficult times, flexibility and ability to act fast are the key stance to adapt.

In the present precarious international scenario, it is futile to discuss about the rhetoric of pro or anti-capitalism. Government has to adopt the bold measures that are required to safeguard the interest of the country and its population. **The fight against the loss of jobs should be our top national priority.**

In this regard the Minister of Finance has not hesitated to abolish the recently imposed taxes that could harm investment and saving culture. (Capital gains tax). A very good argument to attract foreign investors.

MODEL ECONOMIQUE : cassé en 2000-2005 Résultat catastrophique

En moins de 5 ans,

- 45000 emplois perdus
- Chômage 11%
- TVA augmentée 2 fois, 2001/2002 (de 10% à 12%, et de 12% à 15%). Et maintenant ils viennent se plaindre de la taxe de 10 sous sur les sms. Si ce n'est pas la démagogie, c'est quoi ?

The leader of the Opposition has qualified the Budget as containing only “measures confettis”. The Opposition is really baffled by the diversity and the innovativeness of the new measures announced in the Budget. In fact the Budget Contains about 178 new Budgetary measures. They will stimulate a paradigm shift in creating a better future for Mauritius.

Programmes such as: matching skills with the requirements of the economy, supporting SME’s through better access to capital, giving a push to emerging sectors, the development of the film industry, the setting up of the Housing

Development Trusts and the construction of 175 units for SME’s will also pave the way for greater development over the medium and long term. Other measures will have almost immediate effect.

One interesting measure announced in the Budget concerns the setting up of a mechanism to determine the accepted range of inflation. We all know the ill effect that inflation can have on the economy and the cost of living of the population.

However in period of economic crisis we have to strike the right balance between controlling inflation and maintaining a right level of GDP growth to keep on check the unemployment rate.

The agricultural sector has not been forgotten in the Budget 2012. The VAT refund scheme proposed for small planters and small breeders on the acquisition

of agricultural machinery, equipment and tools is most welcome. A new freight rebate scheme has also been proposed to encourage the export of non-sugar agricultural products in the context of the agro diversification programme.

In spite of funding all these measures, yet a new forward looking approach aiming at achieving current Budget balance as from 2012 has been introduced.

In addition a timetable for the implementation of the announced measures has been published for the first time.

While respecting the broad macro-economic parameters, this Government has not spared any effort in alleviating the financial difficulties of the poor and those in need

It has allocated more substantial resources to finance its social programme and this in spite of the present world economic problems.

New measures have been introduced in different sectors, such as: social housing, health care services, social and pension benefits and child protection, to offer a better social net to the population.

Rural development has not been neglected with the setting up of three District Councils which can provide better services to the local people.

To improve the quality of life of its citizens, Government is coming with an innovating programme of funding syndics on NHDC estates. On the other hand. In order to reduce the number of road accidents, duty on types has been removed and 25 new speed cameras will be installed across the country. We know the anguish and the sufferings where a member of a family has been involved in a serious road accident. We cannot remain indifferent to such human tragedies.

Major infrastructure works have been programmed for Rodrigues, including the launch process for Submarine fiber cable to the island and works at the port and the airport. La qualité de la vie des rodriguais va être transformée.

Mes autres collègues vont venir de l'avant avec l'écart entre les riches et les pauvres. Le Gouvernement est solidaire avec les gens qui sont dans la difficulté.