

“A Land of Achievers and of Achievements”

Sir Anerood Jugnauth, GCSK, KCMG, QC

Budget Speech 2021-2022

BETTER TOGETHER

INTRODUCTION

Mr Speaker, Sir,

1. I move that the Appropriation 2021-2022 Bill No. X of 2021 be read a second time.
2. Mr Speaker, Sir, I was before this august Assembly almost exactly one year ago to unveil to the nation our response to the COVID-19 crisis and our recovery plan in the Budget Speech.
3. Our priorities then were to protect lives and livelihoods, maintain the production capacity and preserve the stability of our economy.
4. These priorities are today at the heart of this Budget.
5. We have gone the extra mile in whatever we did and we will continue to do so.
6. We have supported businesses and people to limit defaults, prevent bankruptcies and most importantly preserve jobs and livelihoods.
7. This has been our strategy.
8. According to the World Bank, Mauritius' COVID-response is the fourth largest in the world, amounting to 32 percent of our GDP.

9. Without this unprecedented Government support, the two consecutive contractions of our GDP in fiscal years 2019/20 and 2020/21 would have led to 100,000 unemployed people, that is 20 percent of our labour force.
10. Yet, we managed to keep unemployment at 9.2 percent.
11. Inflation has been kept under control.

Mr Speaker, Sir,

12. Vaccination is the game changer.
13. It brings hope throughout the world.
14. International institutions are forecasting a strong global recovery this year.
15. World GDP is expected to grow by 6 percent in 2021.
16. And as the world engages on the road to economic recovery, we are now beginning to see light at the end of the tunnel.
17. With the roll-out of vaccines in our country, we are setting the stage to emerge stronger.
18. This is why Budget 2021-2022 is about: **Recovery, Revival and Resilience.**
19. These are the three core strategies that will drive our actions, and shape our economic, social and environmental policies in this Budget.

20. Indeed, it is time to rise back.
21. We will recover from the crisis.
22. We will revive all our industries.
23. We will improve our social resilience.
24. We will be better, **TOGETHER.**

ACCELERATING ECONOMIC RECOVERY, TRIGGERING REVIVAL AND STRENGTHENING RESILIENCE

25. Let me first spell out our plan for the economy.
26. The COVID-19 pandemic has struck at the very foundations of our economic growth and development model.
27. This is why we need to accelerate the pace of recovery and build resilience to sustain a high long-term growth path.
28. Today, we are setting a new strategy, which will rest on three main pillars:
 - A. Giving an Exceptional Boost to Investment;**
 - B. Shaping A New Economic Architecture; and**
 - C. Restoring Confidence.**

A. EXCEPTIONAL BOOST TO INVESTMENT

Mr Speaker, Sir,

29. Today, we are facing exceptional challenges that require equally exceptional policies.
30. The path to economic recovery and long-term resilience must be solid and effective.
31. One that will generate more jobs and create more wealth.
32. We are therefore launching an unprecedented investment drive in our economy.
33. Government will invest some Rs 65 billion in priority projects over the next three years:
 - (a) Rs 11.7 billion for a National Flood Management Programme;
 - (b) Rs 12 billion for the Construction of 12,000 Social Housing Units;
 - (c) Rs 4 billion for projects under the Economic Recovery Programme;
 - (d) Rs 9.4 billion for the construction of Rivière des Anguilles Dam and its Treatment Plant;
 - (e) Rs 5.7 billion for Community Development Projects; and
 - (f) Rs 22 billion for land transport projects including roads and the Metro Express.

Flood Management Programme

34. Mr Speaker, Sir, just a few weeks ago, our country and our citizens have been under severe stress with flash floods in the South, South Eastern and the Central Region of the island.
35. Port Louis and the Northern part of the island have also been affected in the recent past.
36. Flash floods and unpredictable weather conditions have today become a recurrence.

Mr Speaker, Sir,

37. Whilst the risks can never be fully eliminated, we need to build up resilience to flash floods and cyclones.
38. We are therefore announcing an unprecedented 3-year National Flood Management Programme to the tune of Rs 11.7 billion.
39. This massive flood management programme will be spearheaded by the Land Drainage Authority.
40. It will consist of the construction and upgrading of some 1,500 drain projects across the island over the next three years, starting with high-risk flood-prone areas, including:
 - (a) Rs 343 million for Pailles, Plaine Lauzun, Cite Richelieu, Pointe aux Sables and La Tour Koenig;
 - (b) Rs 479 million for Port-Louis along Ruisseau du Pouce, the City Centre, Tranquebar, Vallée Pitot and Ward 4;

- (c) Rs 383 million for Plaine Verte, Roche Bois and Canal Anglais;
- (d) Rs 559 million for Chitrakoot, Vallée des Prêtres, Sainte Croix, Crève Coeur, Congomah, Riche Terre and Terre Rouge;
- (e) Rs 872 million for Baie du Tombeau, Pointe aux Piments, Terre Rouge and Pamplémousses;
- (f) Rs 383 million for Fond du Sac, Grand Baie, Pereybère, Petit Raffray, Goodlands, Grand Gaube, Poudre d'Or, Roche Terre and The Vale;
- (g) Rs 1.1 billion for Amaury, Belle Vue Maurel, Cottage, Piton, L'Amitié, Mapou, Petite Julie, Plaine des Roches, Plaines des Papayes, Poudre d'Or Hamlet and Rivière du Rempart;
- (h) Rs 726 million for Camp Thorel, Quartier Militaire, L'Espérance, Verdun, Dagotière, Saint Pierre, Moka, L'Avenir, La Laura and Nouvelle Découverte;
- (i) Rs 401 million for Centre de Flacq, Poste de Flacq and Queen Victoria;
- (j) Rs 569 million for Montagne Blanche, Médine Camp de Masque, Melrose, Clemencia, Bramsthan and Bel Air;
- (k) Rs 1.5 billion for Anse Jonchée, Bambous Virieux, Bois des Amourettes, Grand-Port, Rivière des Créoles, St Hilaire, St Hubert, Cluny, Rose-Belle, Gros Billot, New Grove, Nouvelle France, Providence and Union Park;

- (l) Rs 594 million for Petit Bel Air, Grand Bel Air, Mahebourg, Mare Tabac, Plaine Magnien and Trois Boutiques;
- (m) Rs 780 million for Chateau Bénaires, Britannia, L'Escalier, Riviere des Anguilles, Tyack, Camp Diable, Bois Cheri, Grand Bois, La Flora, Riviere du Poste, Souillac and St Aubin;
- (n) Rs 572 million for Albion, Bambous, Black River, Chamarel, Chamouny, Chemin Grenier, Surinam, Cité La Ferme, Cotteau Raffin, Flic en Flac, and Pierrefond;
- (o) Rs 172 million for Hermitage and Vacoas;
- (p) Rs 461 million for Glen Park, Henrietta, La Marie and Malakoff;
- (q) Rs 339 million for Dubreuil, Midlands, Eau Coulée, Curepipe and Forest Side;
- (r) Rs 419 million for Quatre-Bornes, La Source, Sodnac, Palma and Belle Rose;
- (s) Rs 382 million for Rose Hill including Berthaud Avenue, Plaisance, Camp Le Vieux, Avenue Hugnin and Cité Trèfles;
- (t) Rs 462 million for Beau Bassin, Chebel, Coromandel, Mont Roches and Petite Rivière; and
- (u) Rs 224 million for Rodrigues.

41. For this exceptional and critical project for our country, parastatal bodies will contribute Rs 8.5 billion from their excess accumulated cash balances.

Economic Recovery Programme

Mr Speaker, Sir,

42. In November last year, we announced an Economic Recovery Programme focusing on the upgrading of roads, education and health infrastructure, community amenities as well as sewerage networks.

43. The implementation of these projects to the tune of Rs 4 billion are now underway. These include:
 - (a) Rs 2.8 billion in Infrastructure Development, comprising, amongst others, the construction of roads, sports amenities, water projects, rehabilitation of public buildings, improving road safety and projects in Rodrigues and Agalega;

 - (b) Rs 250 million for embellishment of beaches, cleaning of rivers and canals, rehabilitation of heritage and tourist sites, greening of towns and villages and upgrading of sewerage infrastructure;

 - (c) Rs 650 million in Renewable Energy Projects through the installation of solar panels on rooftops of Government Buildings including hospitals and educational institutions as well as provision of solar water heaters to some 2,000 households;

(d) Rs 120 million for Water Distribution, including:

- Replacement of 281 water production meters at reservoirs and pumping sites;
- Acquisition of 10 water tankers;
- Installation of 7 inflatable reservoirs and 25 heavy capacity tanks; and
- Upgrading of irrigation systems.

(e) Rs 180 million for Public Service Delivery by acquiring modern tools and equipment for hospitals and local authorities.

Water Supply

Mr Speaker, Sir,

44. Government remains committed to deliver on its engagement to provide regular water supply to the population.
45. Rs 9.4 billion will be invested in the construction of the Rivière des Anguilles Dam and its water treatment plant.
46. This will ensure reliable water supply in the southern region of the country.
47. In order to address the long-standing water shortage in Rodrigues, Rs 1 billion is being invested by the Mauritius Investment Corporation.

48. We will further invest Rs 3.2 billion over the next three years to expand our water storage and treatment facilities through the:
- (a) Upgrading of La Ferme and Mare aux Vacoas Reservoirs;
 - (b) Construction of six service reservoirs at Alma, Sorèze, Cluny, Riche en Eau, Salazie and Eau Bouillie;
 - (c) Installation of 18 pressure filtration plants to secure constant water supply at Black River, Montagne Blanche, Calebasse, Saint Pierre, Barlow, Rivière du Poste, Albion, Tyack, The Mount, Piton du Milieu, Chamouny, Amaury and Henrietta;
 - (d) Replacement of 300 kms of defective pipes; and
 - (e) Installation of 2,600 smart meters to allow for automatic reading of water usage for large consumers.

Social Housing

Mr Speaker, Sir,

49. One of Government's main priorities is to ensure that every family in our country has a decent home.
50. Last year, we made a commitment to invest in 12,000 social housing units.
51. Our commitment to this policy is undiminished and the project will be completed by 2024.

52. Over and above, 1,285 social housing units will be completed in the upcoming financial year at Mare Tabac, Dagotière, Mare d'Albert and Gros Cailloux.
53. The construction of an additional 2,025 social housing units in Wooton, Cascavelle, Baie du Tombeau, La Valette, Plein Bois, Argy, Mon Goût, Bassin and Petit Bel Air will start in 2021-2022.

Land Transport

Mr Speaker, Sir,

54. We will continue in our endeavour to expand and modernise our road and land transport networks.
55. The Metro should be operational in Quatre Bornes by the end of this month and in Curepipe by the end of 2022.
56. I am providing some Rs 4.5 billion to extend the Metro from Rose Hill to Reduit through Ebene.
57. To expand our road network, investments will be made in the following projects:
 - (a) Motorway M4 between Bel Air and Forbach;
 - (b) Flyovers at Wooton, Ebene, Quay D and Terre Rouge;
 - (c) La Vigie - La Brasserie - Beaux Songes Link Road;
 - (d) Bypass roads at Verdun, Hermitage, Flic-en-Flac, Bois Cheri; and
 - (e) Upgrading of roads at Beau Champ, Anse Jonchée, Palmerstone, and Chemin Vingt Pieds at Grand Baie.

58. A feasibility study will be conducted for the construction of a road between Dubreuil and Montagne Blanche.

Community Development Programme

59. Government is also investing Rs 5.7 billion over the next three years in addition to the Rs 1 billion under the Economic Recovery Programme in community development projects across Mauritius to improve the quality of life of our citizens.
60. Projects under these Programmes include:
- (a) Promenade Farquhar at Quatre Bornes;
 - (b) Market fairs at Nouvelle France and Belle Rose;
 - (c) A Mini Traffic Centre at Bel Air;
 - (d) A modern Sports Centre at Plaine Verte;
 - (e) An esplanade and walk way at Quartier Militaire;
 - (f) 4 MUGA Projects at Pointe aux Sables, Rivière du Rempart, Ste Croix and Flacq;
 - (g) 2 Integrated sports amenities at Quatre Bornes and Dubreuil;
 - (h) 6 Multipurpose complexes at Roches Brunes, Surinam, Amaury, Tranquebar, Amitié and Goodlands;
 - (i) 5 Sub-Halls at St Julien D'Hotman, Dagotière, Résidence Vignol, Rivière du Poste and Bénarès; and
 - (j) Construction and upgrading of 25 children's playgrounds, 35 mini soccer pitches, 20 football grounds, 20 gymnasia, 10 volleyball pitches, 5 pétanque courts and 3 health tracks across the island.

61. Rs 220 million is being allocated for the revamping of 10 Social Welfare Centres into Family and Community Centres.
62. Furthermore, preliminary works will start for the construction of a Market Fair at Curepipe.

Mr Speaker, Sir,

63. We are also creating a conducive environment to unlock private sector investment over the next three years
64. Rs 8 billion will be invested in the development of Urban Terminals at Vacoas, Rose Hill, Quatre Bornes and Curepipe.
65. Moreover, the measures that we are announcing today are expected to generate an additional Rs 27 billion of private investment.

Transformation and Modernisation

66. As such, we need to support the transformation and modernisation of our industries.
67. We will therefore set-up a Rs 5 billion Modernisation and Transformation Fund, which will be managed by a new Industrial Financial Institution (IFI).
68. The IFI will take over the activities of the ISP Ltd and SME Equity Fund and cater for industries in manufacturing, agriculture and fisheries amongst others.

69. The Modernisation and Transformation Fund will be instrumental in re-igniting industrial development.
70. Projects eligible under this Fund will benefit from leasing facilities at a preferential rate of 2.5 percent per annum over an extended period of up to 9 years.
71. In addition, I am reducing the annual interest rate for the existing Leasing Equipment Modernisation Scheme (LEMS) as follows:
- LEMS I, from 3.9 percent to 2.9 percent for companies with turnover up to Rs 50 million;
 - LEMS II, from 4.25 percent to 3.25 percent for companies with turnover between Rs 50 million and Rs 250 million; and
 - LEMS III, from 4.75 percent to 3.75 percent for companies with turnover above Rs 250 million.
72. The Credit Guarantee Scheme (CGS) will be extended for SMEs to cover 5 percent of the default amount on leases contracted from private leasing companies.
73. The IFI will also be implementing the Credit Guarantee Scheme in collaboration with the Fonds de Solidarité Africain.
74. I am increasing the maximum investment through licensed crowd lending platforms by the IFI from Rs 200,000 to Rs 1 million per project.
75. A 200 percent deduction from taxable income will be allowed on the acquisition of specialised software and systems.

Ease of Doing Business

Mr Speaker, Sir,

76. Investment in our economy is dependent on our business environment.
77. We have made significant progress in the recent years and we will build on this success.
78. Government is coming up with a major reform in our doing business environment.
79. We shall introduce a Regulatory Impact Assessment Bill.
80. This legislation will require Regulatory bodies, amongst others, to submit an impact of upcoming regulations on the business environment.
81. To oversee and monitor the quality of assessments, a RIA Office will be established under the purview of the PMO.
82. The 'silence is consent' principle will apply to licenses and permits as may be prescribed.
83. We are also streamlining some sixteen different incentives schemes under three certificates issued by the EDB, namely,
 - (a) the Investment Certificate;
 - (b) the Export Development Certificate; and
 - (c) the Premium Investor Certificate.

84. The Premium Investor Certificate will allow companies investing at least Rs 500 million to benefit from negotiable incentives, upon recommendation of a Technical Committee and approval by the Minister.
85. All businesses will be required to register with the Economic Development Board to avail of incentives and schemes introduced by the Government. In this respect, the Economic Development Board will:
- (a) set up a Business Support Facility that will provide facilitation and advisory services to all businesses in Mauritius.
 - (b) dedicate an accounts manager to all registered businesses.
 - (c) implement an information sharing platform with the MRA and CBRD to facilitate exchange of information between these institutions.
86. Furthermore, to keep abreast of all business and economic developments, issues and opportunities, the EDB will set up commissions on:
- (a) Trade and Business Facilitation.
 - (b) Export Development.
 - (c) Investment.
 - (d) Sectoral Development.
 - (e) Financial Services.

87. We will further pursue our strategy to automate public service delivery through the:

- Development of a new Companies and Businesses Registration Integrated System;
- Development of a Notice-Based registry under the Mauritius E-Registry system; and
- Upgrading of the E-Judiciary system.

88. I will also come up with an Insolvency (Amendment) Bill to factor in developments in insolvency practices since 2009 with a particular focus on preserving businesses amidst the COVID-19 pandemic.

89. The Attorney General's Office will work with the Judiciary to undertake a review of court procedures in view of expediting commercial disputes.

B. SHAPING A NEW ECONOMIC ARCHITECTURE

90. I will now elaborate on the second pillar of our strategy, which is about shaping a new economic architecture.

Green Energy Industry

Mr Speaker, Sir,

91. Today, we are announcing a new economic growth pole - the Green Energy Industry.

92. It is an industry which will have a significant impact on our economy, boost our GDP growth and most importantly, create new job opportunities.
93. There is already a guaranteed local demand of some Rs 20 billion for energy in our economy– most of which are imported as fossil fuel.
94. We have all the renewable sources needed to produce our own energy, be it biomass, solar, wind or wave.
95. We have the human resources, expertise and means to do so.
96. We must produce 60 percent of our country's energy needs from green sources by 2030.
97. The use of coal will be totally phased out before 2030.
98. In line with this strategy, CEB will invest some Rs 5.3 billion over the next 3 years to: -
 - Raise tenfold the absorption capacity of intermittent renewable energy through increased battery capacity to some 40 MW from the current 4 MW;
 - Set up 10 Gas Insulated Switchgear (GIS) substations to improve reliability and increase the share of renewable energy;
 - Implement the various renewable energy schemes of the CEB for Households, businesses, SMEs, Religious Bodies and NGOs;
 - Implement the Net Billing Project; and
 - Set-up a solar farm of 10 MW at Tamarind Falls, Henrietta.

99. CEB will also launch a Request for Proposal to set up a 40 MW wind farm that will require some Rs 2.4 billion of investment.

Mr Speaker, Sir,

100. The CEB will also allow for integrated green energy projects, combining the use of biomass, wind and solar energy.

101. We will further enable companies and individuals to provide renewable energy directly to the CEB, if the price is below the maximum tariff set.

102. To enable households to purchase solar kits for domestic use, the DBM will provide a concessionary loan of 2% up to an amount of Rs 100,000.

103. To support the development of this industry, the CEB's "Centre de Formation et de Perfectionnement Professionnel" will become an accredited centre to provide training in the fields of Renewable Energy and Energy Efficiency.

Supporting Electric Vehicles

Mr Speaker, Sir,

104. Over the last years, we have incentivised the use of electric vehicles by making its purchase duty-free, and reducing registration duty and road tax.

105. This makes it economically more attractive to a consumer to buy an electric vehicle than a conventional one.

106. We are removing the 5 percent excise duty on Electric Vans of up to 180 kW used for the transport of goods.
107. To further promote demand for electric vehicles, owners will be allowed to install a Photo Voltaic system not exceeding 10 kW to charge their vehicles and export any surplus to the grid.
108. On one hand subsidies and incentives for the importation of diesel buses are being phased out.
109. On the other hand, the subsidy for the purchase of electric buses is being increased:
- from Rs 1 million to Rs 1.2 million for 9-meter buses; and
 - from Rs 1.3 million to Rs 1.5 million for buses above 9 meters.
110. Operators acquiring electric buses will be eligible to a lease under the Transformation Fund.
111. We are purchasing 25 electric buses for the NTC to renew its fleet.

Mr Speaker, Sir,

112. A major source of renewable energy is biomass.
113. It is readily available and intrinsically linked to our country's economic history.
114. It is already the largest source of green energy, accounting for 11 percent of the country's electricity.

115. Today, we are announcing the setting up of a National Biomass Framework.

116. Bagasse will henceforth be remunerated at Rs 3.50 per kWh for all planters and producers.

Tourism

Mr Speaker Sir,

117. The travel and tourism industry has been the most severely hit by the pandemic.

118. We have provided substantial support to maintain the capacity for this industry to bounce back.

119. In fact, more than Rs 8.5 billion have already been spent to assist some 50,000 individuals in the sector through the Wage Assistance Scheme and Self-Employed Assistance Scheme.

Mr Speaker, Sir,

120. One of the components to relaunch the tourism sector is the reopening of our borders.

121. To this end, the Deputy Prime Minister and Minister of Tourism, as well as the Minister of Health and Wellness held extensive consultations with a broad range of stakeholders to establish a calendar as well as the appropriate protocols to ensure the safe and productive opening of our country to the world.

122. A Ministerial Committee, under the chairmanship of the Prime Minister, deliberated on the recommendations.
123. I have therefore the pleasure to announce that:
- (a) As from the 15th of July 2021, Mauritius will be open to all vaccinated visitors for resort tourism. A tourist will be allowed to leave the hotel after 14 days with a negative PCR test; and
 - (b) As from the 1st of October 2021, subject to preconditions being met, all vaccinated tourists with a negative PCR test will be allowed on the Mauritian territory without any restrictions.
124. We are preparing for a gradual and sustained recovery of the sector aiming at 650,000 tourists over the next twelve months.
125. To this end, a total amount of Rs 420 million is being allocated to the Mauritius Tourism Promotion Authority (MTPA) for the:
- (a) Promotion and destination marketing in France, Reunion, UK, Germany, Italy, South Africa and China;
 - (b) Organisation of cultural tourism events locally and internationally;
 - (c) E-promotion through e-marketing, online events and virtual road shows; and
 - (d) Joint Marketing with tour operators and airline companies; amongst others.

126. The EDB will set up a special desk aiming to attract at least 50,000 foreign retirees in Mauritius during the next financial year, through a targeted marketing campaign in collaboration with MTPA.
127. A dedicated portal for foreign retirees will be launched.
128. It will provide practical information on accommodation facilities, cultural and leisure activities, and healthcare services; amongst others.

Mr Speaker, Sir,

129. We are upholding our support to this sector by:
 - (a) Extending the Wage Assistance and Self-Employed Assistance Scheme to tourism-related companies for the three-month period up to September 2021;
 - (b) Deferring the payment of lease on state lands to June 2022; and
 - (c) Waiving the rental fee of counters by hotels and operators at the airport for the period April to September 2021.
130. We are reducing the registration tax on transfer of lease of state lands from 20% to 10% for hotels for a two-year period.
131. The DBM will introduce a Tourism Business Continuity loan for SMEs at a rate of 0.5 percent per annum.

Mr Speaker, Sir,

132. With a changing tourism landscape, we need to reposition the industry to cater for new business segments. The UNDP is assisting Mauritius in this endeavour.

133. Increasingly, the tourism industry should aim at more long-term visitors. To this end, the Invest Hotel Scheme will be amended to:

(a) Allow the sale of up to 80% of the units with the possibility for the owner of a room to stay for a maximum of 6 months annually; and

(b) Reduce the minimum selling price of a standalone villa from USD 500,000 to USD 375,000.

134. To promote local tourism and talents, 5 "*Fêtes l'Art dan Vilaz*" will be organised.

135. We will also provide for the upgrading of leisure facilities on a phased basis in 4 major public beaches namely Mon Choisy, Flic en Flac, Belle Mare and La Prairie.

Agriculture

Mr Speaker, Sir,

136. In line with the vision of our Prime Minister, we shall continue to support and further develop the agricultural sector.

137. I announced earlier the introduction of the biomass framework which will enable sugar cane planters to benefit from Rs 3.50 per kWh of electricity.
138. Thus, all planters and producers will benefit from a remuneration of Rs 3,300 per tonne of sugar for bagasse.
139. Furthermore, we will provide:
- (a) A guaranteed price of Rs 25,000 per ton for planters producing up to 60 tons of sugar for Crop 2021;
 - (b) A waiver on insurance premium payable to Sugar Insurance Fund Board by planters producing up to 60 tons of sugar for crop 2021;
 - (c) A 50% subsidy on fertiliser for Crop 2021 for planters producing up to 60 tons of sugar;
 - (d) A 50% refund on the costs related to certification, testing and accreditation with a view to achieving standards such as Bonsucro;
 - (e) A Cane Replantation Scheme for **small** planters; and
 - (f) A modern sugar storage facility of 150,000 tons at Riche Terre.
140. I will now elaborate on measures to boost non-sugar agricultural production.
141. Landscape through the Centralised Digital Land Bank will make available some 1,000 arpents of land to private growers with a view to boosting agricultural production.

142. Rs 36 million will be provided to renew the fleet of tractors of the Agricultural Management Unit under the MCIA.
143. Moreover, planters having recourse to MCIA registered private tractor operators will also benefit from the Land Mechanisation Support Scheme.
144. Tea cooperatives will be provided with a grant of Rs 10,000 on the purchase of tea harvesters.
145. Tea growers will continue to benefit from the winter allowance.
146. I am maintaining the 50% subsidy on prices of potato and onion seeds.
147. This subsidy will be extended to seeds for the production of garlic and pulses.
148. The AMB is coming up with a guaranteed price mechanism for onion, garlic and potatoes for producers.
149. I am extending the Sheltered Farming Scheme to charitable institutions, primary schools and colleges.
150. I am also increasing the maximum loan under the DBM Backyard Gardening Loan Scheme from Rs 20,000 to Rs 100,000.
151. Planters will be eligible to the following loan schemes from the DBM:
 - (a) Rs 100,000 interest free loan for cashflow issues; and
 - (b) A 0.5 percent COVID-19 Special Support Scheme of up to Rs 1 million.

152. Planters will be eligible to leasing facilities under the Transformation Fund from IFI for the acquisition of Single/Double Space Cabin Vehicles.
153. For planters facing difficulties in repaying long-overdue loans, the DBM is coming up with an amnesty programme.

Promoting the Agro-Processing Sector

154. Mr Speaker Sir, the African Development Bank is assisting Government to set-up an Agro-Processing Zone at Wooton.
155. The zone will include the relevant infrastructure and equipment for processing, food testing, and warehousing.
156. These facilities will be put at the disposal of SMEs, cooperatives and businesses.

Encouraging Animal Breeding and Livestock Production

Mr Speaker, Sir,

157. Livestock production and animal breeding have a significant potential for further growth, investment and job creation.
158. The subsidy on animal feed will be doubled from Rs 4 per Kg to Rs 8 per Kg.
159. We will increase the financial incentive from Rs 5,000 to Rs 7,500 per calf under the Calf Productivity Scheme.
160. We will promote the production of venison in order to reduce our dependence on import of meat.

161. Henceforth, mobile slaughterhouse facilities will be authorised for deer breeders.
162. For breeders facing difficulties in repaying long-overdue loans, the DBM is coming up with an amnesty programme.
163. For the emergence of a breeding industry in Mauritius, I am zero-rating VAT and exempting import duties on animals for the purpose of training, breeding and re-export.
164. These activities will also be exempted from registration duty.
165. In addition, the pasture scheme will be extended to cover areas up to 50 arpents.

Blue Economy

Mr Speaker, Sir,

166. We also need to maximise the potential of the fisheries sector.
167. I am coming up with the following measures:
 - (a) An additional 500 Fishermen Cards will be provided;
 - (b) The Bad Weather Allowance will be increased from Rs 425 to Rs 475;
 - (c) Every fisherman aged 65 and above will receive a lump sum of Rs 52,500 if they return their fishermen card or transfer it; and

- (d) Some 1,800 artisanal fishers will be provided with an annual financial assistance to the tune of Rs 2,500 for the purchase of hooks.
168. Fishermen will also be eligible to the following loan schemes from the DBM:
- (a) Rs 100,000 interest free loan for cashflow issues; and
 - (b) A 0.5 percent COVID-19 Special Support Scheme of up to Rs 1 million.
169. For fishers facing difficulties in repaying long-overdue loans, the DBM is coming up with an amnesty programme.
170. The IFI will provide leasing facilities at an annual interest rate of 2.5 percent for acquisition of Semi-Industrial Fishing Vessels up to a maximum of Rs 10 million.
171. Navigation aids will be installed in 22 sites to promote safe navigation.
172. The use of fiberglass vessels of 24 meters and above will henceforth be authorised for fishing activities.

Biotechnology and Pharmaceutical Industry

Mr Speaker, Sir,

173. I now come to the Biotechnology and Pharmaceutical Industry.

174. Globally, the pharmaceutical industry alone generates more than one trillion dollars annually and its growth rate is surging.
175. We can create a major new manufacturing industry in our country, that of vaccine and pharmaceutical production.
176. We will encourage private companies to construct purpose-built factories for manufacturing of pharmaceutical products and medical devices as well as for clinical and pre-clinical trials.
177. To this end, developers will be able to benefit from exemption on:
 - (a) Registration duty and land transfer tax;
 - (b) Land conversion tax; and
 - (c) VAT on construction.
178. All companies engaged in the manufacture of pharmaceuticals and medical devices will be eligible to a premium investor certificate.
179. Biotechnology and pharmaceutical companies will be allowed a full tax credit on the costs of acquisition of patents.
180. Companies engaged in the medical, biotechnology and pharmaceutical sector will be taxed at 3% instead of 15%.
181. Government will provide a seed capital of Rs 1 billion to the Mauritius Institute of Biotechnology for the setting up of a manufacturing plant for the local production of COVID-19 vaccines and other pharmaceutical products.

182. To this end, we will invite renowned pharmaceutical companies and potential investors to participate in this undertaking.

Construction and Real Estate

Mr Speaker, Sir,

183. The surge in public sector investment over the next three years will be a tremendous stimulus to the construction industry.

184. We are also giving a boost to residential construction projects.

185. The measures that I will announce will support Government's vision of a more inclusive society by making home ownership affordable for all.

186. In addition to the 12,000 social housing units being constructed, we are earmarking Rs 2 billion to support the purchase of residential land and property as well as the construction of housing units by individuals.

187. An individual buying a house, apartment, or land to construct his residence in the financial year 2021/2022 will benefit from a refund of 5 percent of the cost of the property, up to a maximum of Rs 500,000.

188. Those contracting a Home Loan to construct their residence will benefit from a refund of 5 percent of the Home Loan, up to a maximum of Rs 500,000.

189. I am also reviewing the exemption of registration duty for first time buyers.
190. Henceforth, the exemption shall apply on the first Rs 5 million of the cost of a built-up residential property.
191. Previously, this exemption was restricted to properties whose value is below Rs 5 million.
192. Furthermore, some 2,000 lots will be put on sale by the SIC and Rose-Belle Sugar Estate for residential purposes.

Mr Speaker, Sir,

193. Whilst promoting home ownership, we need to ensure that access to finance is easy, swift and efficient.
194. I am announcing today a new policy to stand behind homebuyers.
195. Government will work with commercial banks to introduce a mortgage scheme to cover: -
- (a) 80% of housing loans for Self-Employed individuals and contractual employees; and
 - (b) 100% of housing loans for other individuals.

Shaping the Digital Future

Mr Speaker, Sir,

196. Despite the pandemic, the ICT/BPO sector has performed well with a growth rate of 5.9 percent in 2020.

197. The METISS cable connecting Mauritius to South Africa is now a reality since March 2021.
198. It will expand our new digital highway to the rest of the world.
199. In order to further enhance the sector's development and resilience, I am announcing a series of measures:
- (a) A Digital Industries Academy will be set up by the EDB. Trainees will benefit from a total stipend of up to Rs 15,000 equally shared between HRDC and the private sector;
 - (b) Digital transformation initiatives and business advisory services will be eligible activities under the training fund of the Human Resources Development Council;
 - (c) Government will introduce mobile and contactless payment systems, starting with the Registrar-General, NLTA and the Companies Division.

Resilience of the Financial Services Industry.

200. I now come to the Financial Services Sector which is one of the few sectors which has registered a positive growth in 2020.
201. The strategy for the Financial Services Sector is two-fold.
202. First, to enhance the status of our financial centre as a jurisdiction of highest global standards.
203. Second, to continue to improve and deepen the service offerings of our financial centre.

Mr Speaker, Sir,

204. We remain committed to be fully compliant on AML/CFT matters.
205. Government is sparing no efforts to complete the implementation of the FATF Action Plan for an early exit of the FATF list of jurisdictions under increased monitoring.
206. Various measures including supervisory, regulatory and law enforcement have been introduced to further strengthen the sustainability and effectiveness of our AML-CFT system.
207. To enhance our AML-CFT legislative framework and its implementation:-
- (a) Relevant legislations were amended to meet the requirements of the FATF Recommendations on AML-CFT;
 - (b) New personnel have been recruited to strengthen our compliance capacity; and
 - (c) Financial Crimes Divisions have been set-up at the Supreme Court and the Intermediate Court with a view to ensuring that financial crime cases are dealt with expeditiously.
208. To continue on this path, the AML/CFT Core Group is being given legal force under the FIAMLA.
209. The Financial Crime Commission will be established for a more effective management in the fight against financial crime.

210. Furthermore, a new Bank of Mauritius (BOM) Bill and Banking Bill will be introduced reflecting best international practices.

Mr Speaker, Sir,

211. To sustain the development of this sector:

- (a) A Securitisation Bill will be introduced;
- (b) The tax holiday for Family Offices as well as Fund and Asset Managers will be extended from 5 to 10 years;
- (c) A new Securities Bill will be introduced;
- (d) A new legislation for virtual assets will be enacted;
- (e) The Bank of Mauritius will roll-out a Central Bank Digital Currency – The Digital Rupee - on a pilot basis;
- (f) The Bank of Mauritius will introduce a dedicated QR Code at national level to facilitate digital payments;
- (g) The Bank of Mauritius guidelines allowing the setting up of regional offices by international banks will be revamped in line with latest international trends;
- (h) The Bank of Mauritius and the FSC will set up respectively an Open-Lab for banking and payment Solutions and a FinTech Innovation Lab to encourage an entrepreneurship culture;

- (i) The FSC will also implement a digital centralised information exchange system to facilitate motor insurance claim recoveries;
- (j) The FSC One platform will be launched as an online licensing portal as from 1st July 2021;
- (k) The Stock Exchange of Mauritius will introduce rules for the setting up of Special Purpose Acquisition Companies; and
- (l) The BOM and the FSC will launch a one-year training programme on AML and related matters for a minimum of 100 graduates with a monthly stipend of Rs 15,000.

Building A Resilient Industrial Base

Mr Speaker, Sir,

212. As we recover, we need a more resilient manufacturing base.

213. This year has been historic with four trade agreements coming into operation.

214. The CECPA with India, the China FTA, the UK-ESA Agreement and the African Continental FTA open new windows of opportunities for Mauritian businesses.

215. A Trade Development and Intelligence Cell will be set up at the level of the EDB which will operate as a one stop desk for all trade related matters.

216. The EDB will also introduce an Export Development Programme to improve export readiness of enterprises to tap into the potential under the new trade agreements.
217. To maintain competitiveness of our exports,
- (a) The Freight Rebate Scheme is being extended until June 2022;
 - (b) We are increasing the maximum refund from 0.2 to 0.5 percent under the Export Credit Guarantee Scheme up to June 2022;
 - (c) The 50 percent reduction in port dues and terminal handling charges for export will be extended for 2 more years;
 - (d) Vessels calling at outer anchorage solely for bunkering services will be granted a 75 percent reduction in anchorage dues for the first 24 hours and 50 percent reduction for the next 48 hours; and
 - (e) The cap on Gross Tonnage for computing vessel fees calling at anchorage will be reduced from 100,000 tonnes to 35,000 tonnes.
218. The EDB will launch an e-export Directory to display to the world products manufactured by Mauritian entrepreneurs.
219. The directory will be a matchmaking platform to facilitate movement of goods between Mauritius, Africa and Asia.

220. The Freeport will play a greater role in positioning Mauritius as a trade hub. To this end: -

- (a) Third party freeport developers will be authorised to rent space to an enterprise outside the Freeport zone for manufacturing and storage of goods.
- (b) Display showrooms will be added to the list of authorised Freeport activities.

Mr Speaker, Sir,

221. The pandemic has shown the ingenuity of the Mauritian industry to shift production lines and build new products.

222. Masks and sanitisers are a few examples.

223. To support the industry, the minimum shelf space for locally manufactured products will be increased from 10% to 40% within a period of one year.

224. We are also favouring procurement of goods manufactured locally by:

- (a) Increasing the bid price preference of 20% to 30% for products such as tea, fruit juices, margarine and medical gas produced locally; and
- (b) Adopting a Mauritius First policy for the procurement of sanitisers, masks, PPEs, medical devices and medical gas, amongst others.

Developing the Knowledge Industry

225. Mr Speaker Sir, we will also develop the Knowledge Industry.
226. Some 3,500 foreign students were studying in Mauritius in 2020 in contrast to just 600 ten years ago.
227. We want international students to think of Mauritius as a preferred destination to study, work, invest and live.
228. International students enrolled in a recognised educational institution in Mauritius will benefit automatically from: -
- (a) A 20 hours per week work permit; and
 - (b) A 10-Year renewable Young Professional Occupation Permit upon graduation.
229. The construction, and expansion of student campuses will be exempted from land transfer tax and registration duty.
230. We will also provide a concessional 3 percent corporate tax rate to private universities set-up in Mauritius.
231. The 50 Government scholarships for African students will be open to students attending public universities.
232. The Higher Education Desk of the Ministry of Education will work closely with the EDB to promote Mauritius as a study destination for international students.

Mr Speaker, Sir,

233. Research is key to the knowledge industry.

234. The Mauritius Research and Innovation Council (MRIC) will have broader mandates for fostering research and innovation.

235. A pool of researchers will be mobilised to effectively respond to the research needs of businesses and Government.

236. A total sum of Rs 125 million is being earmarked for Ministries to finance research projects in priority fields.

237. The Emerging Technologies Council which is being set up, will be a prominent addition to the research landscape, especially in new technologies such as Blockchain, AI and IoT.

C. RESTORING CONFIDENCE

Mr Speaker, Sir,

238. I now come to the third pillar which is about restoring confidence.

239. It is a sine-qua-non condition for socio-economic development.

240. This Government's philosophy has always been to put people at the heart of its strategy.

241. We will continue to stand by our people so that they can look to the future with confidence.

242. This will ensure a stronger, more inclusive and sustainable society.

Skills and Talents

Mr Speaker, Sir,

243. We must enhance the skills of our labour force to match our economic ambitions.

244. Our aim is to provide training and re-skilling to some 10,000 individuals over the next financial year. To this end:

- (a) The National Training and Reskilling Scheme will cater for some 6,000 unemployed individuals;
- (b) A National Apprenticeship Programme will be launched for the training of some 750 apprentices with a monthly stipend of Rs 5,000 and a travelling allowance of Rs 1,000;
- (c) The Youth Employment Programme will be extended for another year for some 2,250 individuals;
- (d) The SME Graduate Scheme will cater for some 1,000 students, and will also cover vocational training; and
- (e) The Dual Training Programme will be renewed to cover 60% of academic fees of employees.

Mr Speaker, Sir,

245. Mauritius has always been a welcome home for professionals and international talents.

246. As a small open economy faced with a demographic challenge, it is imperative that we further open-up our country.
247. To complement the series of reforms to our openness strategy we announced last year, we are, in this Budget, introducing a new set of policies.
248. The occupation permit will be reviewed as follows:
- (a) The validity period for an Occupation Permit for Professionals is being extended from 3 years to 10 years.
 - (b) Spouses of OP holders wishing to invest or work in Mauritius will be exempted from applying for an Occupation Permit or a work permit.
 - (c) The maximum age limit of 24 years for dependents will be waived.
249. Furthermore, we are introducing a new category under the Occupation Permit Regime, the 10-Year Family Occupation Permit for those contributing USD 250,000 to the COVID-19 Projects Development Fund.
250. The EDB will set up a dedicated concierge service to provide a seamless experience to investors and retirees entering Mauritius.
251. In addition, a privilege club scheme will be implemented providing a range of incentives to Occupation Permit holders and retirees, ranging from privilege access to hotels, golf courses, restaurants, private medical institutions, amongst others.

SMEs, MMEs and Entrepreneurship

Mr Speaker, Sir,

252. SMEs represent one in two jobs in the country.
253. They have been severely affected by the pandemic.
254. Lifting the confidence of our entrepreneurs is key to a strong and sustainable economic recovery.
255. To support SMEs as they ride out the current crisis and so that they can embrace the future with confidence, Government will:
- (a) Sustain the payment of wages through the financing of the salary compensation of Rs 375 monthly for fiscal year 2021/22.
 - (b) Extend the exemption on trade fees not exceeding Rs 5,000 for an additional 5 years.
 - (c) Grant an amnesty on trade fees and related penalties and interests that were due before 1st January 2020.
 - (d) Extend the Tax Arrears Settlement Scheme for SMEs up to December 2021.
 - (e) Increase the total maximum grant across all schemes implemented by SME Mauritius Ltd from Rs 150,000 to Rs 200,000.

256. To encourage large manufacturers to procure from SMEs, a 110 percent deduction will be allowed on the taxable income for the direct expenditure incurred on the purchase of products manufactured locally by SMEs.
257. The DBM Ltd will:
- (a) Provide a rebate of up to 30 percent on the annual rental of industrial space to SMEs engaged in the manufacturing sector over the next 3 years.
 - (b) Construct an SME Industrial Park of 5,000 square metres at Solferino in addition to Plaine Magnien and Vuillemin.
 - (c) Allocate 20 percent of spaces in these upcoming parks rent-free to start-ups for the first three years of operation.
258. SMEs will also be eligible to the following loan schemes from the DBM:
- (a) Rs 100,000 interest free loan for cashflow issues; and
 - (b) A 0.5 percent COVID-19 Special Support Scheme of up to Rs 1 million.
259. We will also support SMEs and Mid-Market Enterprises who have been impacted by the current crisis. To this end, the DBM will earmark an amount of Rs 1 billion to provide loan facilities of up to Rs 5 million to retailers with turnover of up to Rs 250 million at a concessional rate of 3.5 percent per annum.
260. The EDB will set-up an online marketplace for start-ups to showcase their products and services.

Social Coherence

Mr Speaker, Sir,

261. Economic development and social development are two sides of the same coin.

262. Our long-term economic recovery can only be sustainable if it includes one and all.

263. Our future can only be better, if it is built together.

Education

Mr Speaker, Sir,

264. This is why we need to invest in quality education for our children.

265. Since 2015, Government has embarked on a transformation agenda across all levels.

266. The objective is to prepare our youth to become responsible citizens and a driving force of our society.

267. This year, I am providing Rs 17 billion in the budget for the education sector, an increase of some Rs 2 billion as compared to last year.

268. The branding process of our schools towards a more conducive teaching and learning environment for both teachers and students will include: -

(a) The upgrading and embellishment of our school infrastructure. This year, we will start with 20 public pre-primary schools, 70 primary schools and 30 secondary schools.

(b) Investment in a Comprehensive Facility Maintenance Programme led by Mauri-Facilities Management Company Ltd.

(c) The recruitment of:

i. 257 Surveillants, 257 Library Officers and 34 Educational Psychologists for primary and secondary schools;

ii. 10 Coordinators and 10 Assistant Coordinators for pre-primary schools. and

iii. 235 additional support teachers for the extension of the Early Support Programme to all primary pupils.

269. Early Childhood Care and Education sets a critical foundation for a child's educational journey.

270. We are therefore increasing the monthly per-capita grant for children attending private pre-primary schools from Rs 200 to Rs 400.

271. This measure will benefit some more than 22,000 children annually.

Mr Speaker, Sir,

272. We will also be giving more support to Special Education Needs (SENs) students

273. The Grant to NGOs running SEN schools will be increased from Rs 138 million to Rs 151 million to cater for:

- (a) An increase from Rs 5,400 to Rs 6,000 for the Basic Grant component in the Grant-in-aid formula for each student;
- (b) An increase in the meal allowance for students attending SEN schools from Rs 60 to Rs 75 per day; and
- (c) A grant to new registered NGOs to support SEN students with autism and those suffering from visual and hearing difficulties.

274. In addition, Resource and Development Units will be set-up in five SEN schools at Rose Belle, Curepipe, Quatre Bornes, Port Louis and Black River to facilitate access to paramedical services and therapy.

275. Activity books of grades 1 to 6 will be adapted for learners with visual, hearing, intellectual impairment, as well as for autism.

276. Braille notes will be acquired for secondary school students with severe visual impairments.

Secondary education

Mr Speaker, Sir,

277. This year, academies under the Nine-Year Continuous Basic Education Reform will be operational.
278. In this regard, some Rs 850 million is being provided for the construction of a new school at Rivière du Rempart and the extension of 15 schools over the next 3 years.
279. Multipurpose halls and playfields will be constructed in secondary schools at Goodlands, Floreal, Sodnac, Vacoas, Bell Village and Ebène, at a cost of some Rs 490 million.
280. These sport facilities will be made available to the general public after school hours and during week-ends.
281. Rs 170 million are being provided for the deployment of wireless local area network in 155 secondary schools in Mauritius and Rodrigues.

The TVET sector

282. To modernise our Technical and vocational education and training (TVET) sector:
- (a) An Institute of Technical Education and Technology will be set-up to provide technical education at Grades 10 and 11;
 - (b) A New Technical Education Centre will be constructed at Ebene; and
 - (c) The Polytechnics Mauritius Ltd campus at Reduit will be expanded.

Tertiary Education

Mr Speaker, Sir,

283. To support online learning, the University of Mauritius, University of Technology and l'Université des Mascareignes will invest some Rs 33 million in an e-Learning Management System.

284. I am also providing this year Rs 70 million for the construction of the Civil Service College at Reduit.

Healthcare

Mr Speaker, Sir,

285. The COVID-19 pandemic has put healthcare resilience around the world to the test.

286. Our healthcare professionals have made a formidable effort in dealing with the pandemic in Mauritius.

287. We will continue to provide all the required infrastructure and equipment to protect our healthcare personnel and better respond to the needs of our population.

288. To this end, we have increased the public health budget to Rs 14.5 billion.

289. This includes an amount of Rs 2.3 billion for the construction of:

- (a) A Cancer Centre at Solferino;
- (b) A new hospital at Flacq;
- (c) An Eye Hospital at Reduit;

- (d) 6 mediclinics at Quartier Militaire, Stanley, Coromandel, Bel Air, Grand Bois and Chemin Grenier;
- (e) 5 Community Health Centres at St Francois Xavier, Roche Bois, Grand Baie, Pointe aux Sables, and Trou d'Eau Douce;
- (f) 4 Area Health Centres at Henrietta, Cap Malheureux, New Grove, and Plaine Magnien; and
- (g) A modern Cardiac Centre at Cote d'Or.

290. This amount will also cater for:

- (a) The acquisition of high-tech medical equipment including a CT Scan for Souillac Hospital;
- (b) The acquisition of 80 Haemodialysis equipment for the Souillac Hospital and the five regional hospitals; and
- (c) Upgrading works and setting up of day care wards for autistic children at the five regional hospitals.

291. In addition, a Cyberknife Robotic Radiosurgery System for advanced cancer treatment will be installed in the New Cancer Centre.

292. The Overseas Treatment Scheme will be reviewed as follows:

- (a) The income eligibility criteria for households will be increased from Rs 50,000 to Rs 100,000; and
- (b) A framework will be established with private clinics to allow patients to undergo treatment locally under the scheme, if treatment is not available in public hospitals.

293. A special zero-interest loan to patients undergoing treatment in private hospitals will be introduced.
294. Private health institutions will also benefit from a double deduction for expenses related to international accreditation.
295. The Medical Council Act and Dental Council Act will be amended to facilitate registration of foreign practitioners.
296. With a view to discouraging the excessive consumption of alcohol and tobacco products, I am increasing with effect as from tomorrow, the rates of excise duty by 10 percent.
297. I will be moving for a financial resolution to that effect.

Social Security and Integration

Mr Speaker, Sir,

298. The fight against poverty, the integration of the most vulnerable of our society and the improvement of the quality of life of the disabled and our elderly is our '*raison d'être*'.
299. To eradicate absolute poverty in Mauritius, our Prime Minister introduced in the 2016/2017 budget, a historic monthly subsistence allowance for a family of two adults and three children with a maximum threshold of Rs 9,520.
300. These families are the most vulnerable of our society.

301. We are therefore reviewing this threshold for eligibility under the Social Register of Mauritius as follows: -
- (a) An increase from Rs 2,720 to Rs 3,000 for an adult; and
 - (b) An Increase from Rs 1,360 to Rs 1,500 for a child.
302. In fact, the maximum threshold will increase from Rs 9,520 to Rs 10,500 as from the 1st of July 2021.
303. Moreover, the Free Broadband Internet facilities will be extended for another year to eligible households registered under the Social Register of Mauritius (SRM).
304. Households earning a monthly income between Rs 10,500 and Rs 14,000 will be eligible to register for support under the National Database for Vulnerable Groups.
305. The monthly orphan pension will be increased to Rs 8,000 for those aged up to 23 years old.
306. We are extending the incontinence allowance currently paid at the age of 70 years and above to all eligible bedridden persons irrespective of age.
307. Moreover, the monthly incontinence allowance will be increased from Rs 900 to Rs 1500.
308. The National Social Inclusion Foundation will provide a grant of some Rs 845 million to NGOs to support programmes and projects to alleviate poverty and for a more inclusive society.

309. In addition to the existing grant under the Per Capita Subsidy Scheme and the Fixed Grant Scheme, we are also providing a one-off assistance of Rs 10 million to religious bodies.

Mr. Speaker, Sir,

310. Despite the difficult situation, we have decided to maintain the basic pensions at Rs. 9,000 monthly for those aged 60 years and above.

311. This is in line with our philosophy.

312. In fact, Government has increased the budget for basic retirement pensions three-fold from Rs 9.1 billion in 2014 to Rs 28.9 billion in 2021.

313. To ensure a fairer and more sustainable pension system, we introduced, last year, the Contribution Sociale Généralisée (CSG) system.

314. To fully implement the CSG, a comprehensive legislation will be introduced shortly to cater for payment of contribution and benefits.

315. Under the NPF, Self-Employed individuals were not eligible to benefits in case of injury at work.

316. With the CSG, they will now be eligible to those benefits as long as they are registered with the MRA and contributing to the CSG.

317. This will also allow them to benefit from any government assistance as is the case for employees in the formal sector.

Gender Equality and Child Protection

Mr Speaker, Sir,

318. Our priority remains upholding gender equality, empowering women and protecting our children for a fairer society.

319. The Government will relentlessly work towards providing equal opportunities and support to everyone.

320. In line with the Children's Act, I am providing for:

(a) An increase in the monthly foster care allowance from Rs 5,250 to Rs 8,000;

(b) The setting up of a Children's Court;

(c) The services of Guardian Ad Litem to children during their court proceedings;

(d) Pre-trial and post-trial psychological support to children victims of violence; and

(e) A Community Child Protection Programme in vulnerable areas to sensitize community members on the detection of child abuses.

321. Furthermore, an "Accompagnement des familles" programme will be set up to educate vulnerable couples on family matters.

322. The Protection from Domestic Violence Act will be amended to include "recordings-sound-video" as a recognised form of testimony.

323. In addition, to support women entrepreneurship, they will be eligible to the following loan schemes from the DBM: -

(a) Rs 100,000 interest free loan for cashflow issues; and

(b) A 0.5 percent COVID-19 Special Support Scheme of up to Rs 1 million.

324. To increase women participation in the economy, women aged 30 and above will now be eligible under the Back to Work Programme instead of 35 years.

325. Moreover, the monthly stipend will be increased to Rs 10,575.

Law and Order

Mr Speaker, Sir,

326. This Government, under the leadership of the Honourable Prime Minister, has adopted a zero-tolerance approach in the relentless fight against drug trafficking and criminality.

327. Our efforts are paying off and we are continuously stepping up our fight.

328. In this budget, we will give additional means to the police force, which has been working tirelessly for a safer Mauritius.

329. We are devoting Rs 10.3 billion to the police force.

330. This represents an increase of Rs 1.9 billion over last year's budget.

331. Over the next three years, we will:

- (a) Recruit 4,000 police officers;
- (b) Promote 1,457 police officers to the rank of police sergeants;
- (c) Acquire a Passenger Variant Dornier and an Advanced Light Helicopter;
- (d) Construct the Mauritius Disciplined Forces Academy at Cote D'Or;
- (e) Replace the Coastal Surveillance Radar Systems; and
- (f) Acquire:
 - i. High Patrol Vessels for the National Coast Guard;
 - ii. 60 police vehicles;
 - iii. 12 Light Armoured Personnel Carriers; and
 - iv. Special vehicles and equipment for the Anti-Drug and Smuggling Unit.
- (g) Construct Police Stations at L'Escalier and Vallée des Prêtres.

332. Government is thankful to Japanese authorities for the donation of the Maritime Surveillance System which will enhance our maritime security.

333. I am also providing Rs 500 million for the construction of a complex at La Vigie to house the Forensic Science Laboratory.

Youth, Physical Activity, Sports and Leisure

Mr Speaker, Sir,

334. The promotion of sports, physical activity and leisure for our citizens is high on our agenda.
335. The vision of the Honourable Prime Minister is to create the opportunities for everyone to participate fully in the socio-economic development of our country whilst building a healthier community.
336. Hence, we will continue to invest in modern sports infrastructure across the island:
- (a) Rs 225 million for the construction of a Multi-Sports Complex at Triolet;
 - (b) Rs 30 million for the upgrading of existing sports infrastructure, which include 5 Swimming Pools, the Glen Park Sports Complex and the Beau Bassin Sports Complex.
 - (c) Rs 60 million for the upgrading and modernisation of the Rose Hill Sport Complex into a Dynamic Youth Park; and
 - (d) Rs 12 million for the construction of the Blue Bay Arena which will be used for the 2022 Jeux de la Commission de la Jeunesse et des Sports de l'océan Indien (CJSOI).

Mr Speaker, Sir,

337. Our youth is our future and their needs, interests, and hopes have to be at the centre of our decision making.
338. In order to deliver on the priorities of our youth, the National Youth Council will be strengthened to transform current youth centres into modern youth hubs over the next three years at the cost of Rs 165 million.
339. The hubs will be community focal points, delivering and matching our youth to appropriate programs, activities, counsellors, careers and sports to further enhance their lives.
340. The Youth Hubs will also engage our youth in issues related to the environment.
341. To this end, the National Youth Environment Council will be provided with a seed capital of Rs 5 million.
342. Furthermore, to ensure that our youth develop a positive relationship with their surroundings, we will introduce Outdoor education programs in the secondary school curriculum for all students in grades 10 to 12.
343. To deliver this program in secondary schools, Rs 32 million will thus be invested to convert the four existing Outdoor Centres into:
- (a) A National Outdoor Education and Recreation Centre at Pointe Jerome; and
 - (b) Three Regional Outdoor Education and Recreation Centres at Flic en Flac, Belle Mare and Anse la Raie.

344. The Natation Scolaire Programme will be fully integrated in the school curriculum to ensure that all primary school leavers have acquired swimming skills and are able to enjoy our lagoons safely.
345. The Sport Facilities Mauritius Unit will supervise the maintenance and long-term strategy of our national portfolio of sport facilities, youth hubs, outdoor education and recreation centres.

Mr Speaker, Sir,

346. Our elite athletes have achieved remarkable results in recent years.
347. We will continue to support them by providing a one-off grant of Rs 10,000 to 125 young high-level athletes for the purchase of sport equipment.
348. We are earmarking Rs 23 million for the High-Performance Centre at the Cote d'Or National Sports Complex to provide the latest sports science, medical and technological support for our athletes.
349. We are also providing Rs 15 million for the hosting of the CJSOI 2022.
350. To prepare our athletes for the next Jeux des Iles de l'océan Indien in 2023, I am allocating a budget of Rs 10 M for the upcoming financial year.

351. The Mauritius Paralympic Committee will bid for the hosting of the 4th World Para-Athletics Junior Championship at the National Cote D'Or Complex to be held in August 2023.
352. A Recreation Council will be set up for the organisation of recreation programmes at national level.

Arts and Culture

Mr Speaker, Sir,

353. Government will pursue its objective of broadening and deepening skills and talents in the arts and culture eco-system.
354. For the professionalisation of artists, the Status of Artist Bill is being finalized and will be introduced soon.
355. The EDB will act as a one-stop-shop to register and assist our local artists as well as promote the sector internationally.
356. Preservation of our heritage buildings and museums is another key initiative to safeguard, promote and revive the history of our country. To that end:
- (a) The National Heritage Fund will henceforth engage with the private sector to better preserve, protect and promote national heritage sites; and
 - (b) Rs 50 million are being provided for implementation of Phase II of the Intercontinental Slavery Museum Project over two years.

357. The list of areas of intervention under the CSR Programme will include the restoration of a building designated as a national heritage.
358. We will introduce four special lotto draws for the financing of restoration of designated historical sites and museums.
359. In addition, a series of events will be organised during the year to promote arts and culture across the island, including:
- (a) La nuit du conte et du slam;
 - (b) A karavan zistwar; and
 - (c) A National Artist of the Year Award.

Public Service and Governance

Mr Speaker, Sir,

360. To achieve our goals for the economy, we need a strong, resilient and efficient public service.
361. In addition to the construction of the Civil Service College, we are providing funds this year for the implementation of the PRB Report.
362. This year, we will also recruit some 4,450 new public officers.
363. We will also organise for the first time an annual event to mark the UN Public Service Day to acknowledge the contribution of public officers in the socio-economic development.

364. Continuous improvement in public service delivery is at the core of our strategy for a better Mauritius.
365. To further strengthen accountability and transparency in the management of public funds, we are changing the format of the Budget Estimates to provide strategic information in line with the principles of performance-based budgeting.

Green Mauritius

Mr Speaker, Sir,

366. Meeting the needs of the present generation without compromising on the future generation entails preserving our pristine ecosystem.
367. This Budget sets the stage for a sustainability transition programme.
368. In addition to our green energy strategy, we are engaging in the rehabilitation of our coastlines, the cleaning and embellishment of our country, and the promotion of a circular economy.
369. To this end, Rs 2.2 billion is being allocated to the National Environment Fund (NEF).
370. Some Rs 1.2 billion will be invested over the next three years for the rehabilitation and protection of our coastlines against the consequences of climate change, including:
- (a) Works between Pointe aux Feuilles and Vieux Grand Port;

- (b) A walkway, jetty, slipway, boat passage and coastal restoration at Vieux Grand-Port and Rivière des Creoles;
- (c) 15,000 mangroves will be planted in the South Eastern coast from Quatre Soeurs to Rivière des Creoles as well as the Western region from Tamarin to Riviere Noire and Case Noyale to Baie du Cap; and
- (d) Major landslide stabilization works at Chamarel, Coromandel, Rivière des Creoles, Baie du Cap, Montagne Ory, Batelage Souillac, Souillac Bridge and Maconde Cliff.

371. I am providing for the establishment of the National Environment Cleaning Authority (NECA) with a seed funding of Rs 100 million.

372. The Authority, under the aegis of the Prime Minister's Office will spearhead the national cleaning agenda.

373. An additional Rs 790 million will be earmarked for cleaning, embellishment as well as solid waste management. These funds will be used, amongst others, to:

- (a) Replace and modernize the cleaning equipment;
- (b) Clean and embellish some 110 public and other sites, including places of worship, children's playgrounds, and health tracks;
- (c) Embellish road reserves along M1 and M2 Motorways; and
- (d) Clean, rehabilitate and upgrade drains, bridges and rivers at Ruisseau du Pouce, Canal Kitchree, Tranquebar, Rivulet Terre Rouge, Roche Bois, Canal Anglais, Magenta Canal, Poste de Flacq, Midlands, Rose Belle, and Mahebourg.

374. To further promote the circular economy, we are providing some Rs 200 million which will include:

- (a) Investing in three additional Civic Amenity Centres at Poudre D'Or, Roche Bois and La Brasserie Transfer Stations;
- (b) Setting up of 6 composting plants with a total capacity of 12,000 tons of green wastes at Henrietta, Salazie, La Martinière, La Chaumière, Pamplémousses Botanical Garden and Bras D'Eau National Park;
- (c) Providing for the installation of some 400 eco-bins around the island and 50,000 bins to households; and
- (d) Introducing a sustainable public procurement framework to promote green procurement by public bodies.

Rodrigues and Outer Islands

Mr Speaker Sir,

375. The development of Rodrigues has always been high on the agenda of this Government.

376. As part of the transformational development of Rodrigues, and to enable the development of more economic activities on the island:

- (a) Airport of Mauritius Ltd will invest some Rs 4 billion for the construction of a Runway at Plaine Corail Airport over the next three years;

- (b) Rs 1 billion will be invested by MIC to provide for a regular distribution of water;
 - (c) DBM will provide a loan of up to Rs 200,000 to registered planters and farmers to construct their own water storage facility and invest in new irrigation systems; and
 - (d) Rs 200 million will be provided for the construction of track roads around Rodrigues.
377. To support the tourism industry, the subsidy on Special Rodrigues Holiday Package and Subsidy on Airfare will be maintained.
378. The cost of freight between Mauritius and Rodrigues is being reduced by 20 percent.
379. As regards Agalega, the new jetty and airstrip will be completed during the next financial year 2021/22.
380. The improved air and sea connectivity will definitely boost up the socio-economic development of the population of Agalega.

CHAGOS

Mr Speaker, Sir,

381. Late Sir Anerood Jugnauth will always be remembered for his invaluable contribution to what he called, I quote, “the sacred endeavour to complete the decolonisation process of our country”. Unquote.

382. Under his leadership, our sovereignty over the Chagos Archipelago has been recognised by the UN General Assembly.

383. It is our duty to pursue relentlessly his fight for the completion of our decolonisation so that Mauritius can fully and effectively exercise its sovereignty over the Chagos Archipelago.

384. This year, I am introducing a special budgetary item of Rs 50 million under the Prime Minister's Office to raise global awareness to the unlawful detachment of the Chagos from the Republic of Mauritius.

385. I am also providing Rs 50 million for the organisation of a trip to the Chagos which will be led by the Honourable Prime Minister.

Better Together

Mr Speaker, Sir,

386. I will now address each and everyone.

387. Government has been at your side through thick and thin, and we will continue to do so- relentlessly.

388. Caring for our people is our priority.

389. Employment, Healthcare and the Standard of Living are the triptych of our strategy.

Employment

390. To preserve jobs and sustain livelihoods of our citizens, Rs 23.5 billion have been disbursed through the Wage Assistance Scheme and the Self-Employed Assistance Scheme.
391. These schemes have supported some 450,000 of our fellow citizens.
392. We are conscious of the plight and difficulties faced by those working in tourism and SMEs, which are the most affected sectors.
393. This path is one that we will walk on together.
394. We will stand by your side and extend these exceptional assistances for tourism and SMEs.
395. Furthermore, to preserve jobs, we will continue to pay the salary compensation of Rs 375 monthly for SMEs for the next financial year.
396. In addition, we are creating new employment opportunities for some 4,450 people in the police force, education sector, and healthcare sector amongst others.
397. This budget also sets the agenda for renewed dynamism and restored confidence for the private sector to invest further.

398. This will generate more job prospects for our youth in the knowledge economy, pharmaceuticals, biotechnology, renewable energy and digital industry amongst others.

Mr Speaker, Sir,

399. There is still uncertainty on how long the pandemic will be.

400. Henceforth, to benefit from future Government support, we are appealing to Self-Employed individuals to register themselves with the MRA.

401. This will ensure that Self-Employed individuals get a quantum of support based on their revenue.

Healthcare

Mr Speaker, Sir,

402. COVID-19 has dramatically and permanently disrupted our way of life.

403. Adaptation is key in these testing times.

404. This is why Government is leaving no stone unturned to achieve herd immunity by September this year.

405. Government has spent some Rs 550 million on the acquisition of vaccines up to now.

406. I take this opportunity to thank all those who have shown great solidarity by contributing to this effort.

407. Going forward, we know that we will still have to live with the COVID-19.
408. Hence, vaccination programs will have to be rolled out on a regular basis to continuously protect the health of our citizens.
409. In order to bear the cost in a sustainable manner, we are introducing a levy of Rs 2 per litre on mogas and diesel for the purchase of vaccines.
410. Thus, making vaccination free for all.
411. Furthermore, Government is committed to leave no one behind concerning access to quality healthcare.
412. The threshold for eligibility for the Overseas Treatment Scheme is being increased from Rs 50,000 to Rs 100,000 for a household.
413. In addition, to reduce the stress of travelling overseas, we are developing a framework to facilitate foreign doctors to provide treatment in Mauritius.
414. And, a special zero-interest loan to patients undergoing treatment in private hospitals will be introduced.

Standard of Living and Well Being

Mr Speaker, Sir,

415. Under the leadership of the Prime Minister, our philosophy is to continuously enhance the standard of living of each and every Mauritian.

416. Through this Budget we are making yet another major stride in facilitating the access to ownership of residential properties.
417. Government will refund up to Rs 500 000 of the cost of acquisition of any residence or land in the country and the construction cost of a house.
418. Furthermore, as a caring Government we take pride in making basic necessities affordable to all.
419. Henceforth, to maintain the retail price of bread of 100 grams, Pain Maison, we are extending the subsidy on the price of white flour for 25 kg bags to Rs 155.50 for one additional year.
420. In the same vein, to promote healthy lifestyles, I am providing for an additional subsidy of Rs 19.50 per 25 kg bag to align the price of wheat flour to that of white flour.

Mr Speaker, Sir,

421. This Government has been and will continue to be people-centric.
422. We will ensure that no one is left behind and that no one is denied opportunities.
423. For children from families registered under the Social Register of Mauritius, we will:
- (a) Waive the payment of MITD exam fees for financial year 2021/2022;
 - (b) Provide free sanitary towels from grade 6 to grade 13; and
 - (c) Provide free optical glasses for those aged up to 21 years old.

424. We will also provide for the upgrading of facilities in 4 major public beaches namely Mon Choisy, Flic en Flac, Belle Mare and La Prairie, to make them accessible for the disabled.

425. Furthermore, I am: -

- (a) Increasing the maximum exemption in respect of a child pursuing tertiary education to Rs 225,000, irrespective of the place of study of the child and total income of the household;
- (b) Increasing the maximum allowable deduction for medical insurance premiums from:
 - i. Rs 15,000 to Rs 20,000 for an individual and his first dependent; and
 - ii. Rs 10,000 to Rs 15,000 for every other dependent.
- (c) Allowing for an exemption in respect of donations made to an approved charitable NGO or religious bodies up to an amount of Rs 30,000.
- (d) Allowing for an exemption of an amount of up to Rs 30,000 in respect of an individual pension scheme.

Mr Speaker, Sir

426. We also want to give our youths a taste for reading to enhance their creativity and desire to learn.

427. I am pleased to announce that Government will give a one-off Rs 500 voucher to children aged 15 to 18 to buy books.

Budget Outturn and Prospects

Mr Speaker, Sir,

428. As we steer our way to economic recovery and protecting the lives and livelihoods of the population, we will ensure that our public finances remain sound.

429. With the unprecedented support to businesses and individuals, coupled with a decrease in revenue, the budget deficit for fiscal year 2020/2021 is expected to reach 5.6 percent.

430. Countries across the world have faced a similar situation.

431. Our public sector debt will be 95 percent of GDP in June 2021 due to two consecutive GDP contractions.

432. Interest payments to GDP remains at around 2.8 percent during fiscal year 2020/2021.

433. This is within the target of 3.5 percent we had set last year.

Mr Speaker, Sir,

434. Measures announced in this Budget will accelerate our economic recovery, and boost our GDP Growth, and place our public sector debt on a downward path.

435. For fiscal year 2021/2022, we are expecting a GDP growth of 9 percent.
436. Total expenditure will represent 32.5 percent of GDP and total revenue 27.5 percent of GDP.
437. The Budget deficit will be contained at 5 percent of GDP.
438. Our public sector debt to GDP ratio will be reduced by around 4 percentage points to 91 percent.
439. Our objective is to bring it down to less than 80 percent of GDP by end June 2025 and to 70 percent by end June 2030.

Mr Speaker, Sir,

440. The preparation of this Budget has required much effort.
441. For the smooth implementation of the measures announced: -
- (a) A Project Implementation and Monitoring Agency will be set-up to under the Ministry of Finance, Economic Planning and Development to monitor, oversee, coordinate and assist in the implementation of budgetary measures, projects, and programmes including those under the Covid-19 Project Development Fund;
 - (b) The Agency will report on progress on a monthly basis to a Coordination Committee under the chairmanship of the Prime Minister; and

(c) The High-Level Committee on private sector investment projects will meet on a monthly basis under the chair of the Honourable Prime Minister.

442. Before concluding, I would like to seize this opportunity to thank the Prime Minister for his continuous and unflinching support for the preparation of this Budget as well as the valuable input of my colleague Ministers.

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

444. On behalf of the Government and on my own behalf, I would like to thank the various organisations and citizens of our country who have shared their views and contributed to the preparation of this budget.

445. We have given due consideration to their suggestions.

CONCLUSION

Mr Speaker Sir,

446. I will now conclude.

447. Budget 2021-22 is about meeting the challenges of economic recovery and social resilience.

448. It is about supporting the population and businesses during these unprecedented times.

449. It is about promoting inclusiveness so that no one is left behind.

450. It is about leaving a green legacy to our future generation.
451. It is a Budget which follows the philosophy of Sir Anerood Jugnauth.
452. His thinking, his vision, his culture of hard work – of always striving and never letting up - no matter how tough the challenge- and his achievements have left an indelible proud legacy for us and for generations to come.
453. Sir Anerood Jugnauth had a great vision for Mauritius – a vision which he stated in his Budget Speech in 1991 when he expressed wholeheartedly his wish for Mauritius to be “A land of achievers and of achievements.”
454. His vision lives on.
455. Together, we will continue to build on his legacy.
456. Together, we will be better.
457. I now commend the Bill to the House.
458. Thank you.