

THE ECONOMIC DEVELOPMENT BOARD BILL
(No. XI of 2017)

SECOND READING SPEECH

1. Madam Speaker, I move that the Economic Development Board Bill be read a second time.
2. Madam Speaker, the House will recall that at paragraph 22 of the 2017-2018 Budget Speech, I announced the setting up of an Economic Development Board (EDB) to support Government's efforts to foster higher economic growth for more and better jobs.
3. The core theme of Budget 2017/18 was to Rise to the Challenge of our Ambitions- namely to achieve the status of a high-income economy by the year 2023 and in the process, lift up the standard of living and quality of life for all our citizens.
4. There are various factors that would be decisive to ensure our success in attaining those ambitions, a most prominent one being an appropriate, strong and effective institutional framework.
5. Thus, the main purposes of the Bill are to create an institution with a three-fold mission:

- i. Firstly, provide strong support for strategic economic planning and ensure greater coherence and effectiveness in economic policy formulation.
 - ii. Secondly, promote Mauritius as an attractive investment and business centre, a competitive export platform as well as an international financial centre.
 - iii. And thirdly, facilitate both inward and outward investment and ensure a conducive business environment.
6. With hindsight, we know that the public-sector institutions and organisations that our country has set up over the past decades to support government policies have been crucial to our progress from a low income to an upper middle income country.
7. However, in a global context that has changed significantly, where competition for markets is increasingly tighter, where there is significant uncertainty and where we know that adverse shocks can happen much more frequently than in the past, it is imperative that we strengthen and adapt the institutions and organisations that support government policies.
8. In such a world, we need to have the capacity for quick policy responses – good expert capacity to analyse economic issues, assess the economic and social impact of global events, such as Brexit and the resurgence of

protectionism on our economy and to formulate and implement solutions.

9. We also need to have the capacity for holistic and coherent strategic economic planning be it at the macro and sectoral levels. Our economy has become more integrated. For example:
 - The ICT sector pervades all aspects of life.
 - Innovation has become a must to move up from an upper middle income to a high-income country.
 - And the demographic trend which our country is experiencing will impact on the education sector, on pension, on health care, on the labour market and various other aspects of life in our country.
10. Madam Speaker, these are but a few examples that bear out the absolute need for greater coherence and for taking a holistic approach in the formulation of economic strategies and policies.
11. Moreover, we cannot anymore have a fragmented approach to the promotion of our country abroad, be it to promote our exports or inward and outward investments. The present approach is fast becoming inefficient and cannot be relied upon to deliver on the kind of outcomes we need to take Mauritius on its new development lap.
12. The entire economic model needs therefore to be reviewed.

13. These, Madam Speaker, are some of the main reasons why the Economic Development Board Bill has been brought to the House.
14. Clause 4 delineates the main objects of the Bill.
15. The Bill also provides for a governance structure that will enable the EDB to function in the most efficient and effective manner. For this purpose, the functions and responsibilities of the EDB are well defined at Clause 5 of the Bill.
16. It is clear at Clause 5 (1) (a) that the EDB will be there to provide high-level strategic and policy advice to Government on policy formulation.
17. Clause 5 (1) (d) specifies the areas in which the EDB will advise Government, namely socio-economic development, trade development, export and investment promotion, infrastructure development, labour market improvement and business facilitation.
18. The EDB will also have the important function of monitoring and evaluation of outcomes of policies and projects. This is defined at Clause 5 (1) (f).
19. The EDB's function will also include identifying opportunities in new economic sectors and engaging with international partners to develop strategic alliances to create the appropriate ecosystem for these sectors.

20. Other subsections of Clause 5 (1) define clearly the powers and functions of the EDB with regards to:

- Improving the business environment
- Spearheading outward investment and assisting in developing joint ventures and partnership agreements
- acting as the single interface with all investors and liaise with all the relevant authorities
- facilitation of issues of licences or permits, or the granting of authorisations or clearances
- managing the various investment schemes, including the Film Rebate Scheme, the Integrated Resort Scheme, the Investment Hotel Scheme, the Mauritian Diaspora Scheme, the Property Development Scheme, the Real Estate Development Scheme or such other Scheme as the Minister may approve.

21. Clause 5 (2) (a), (b), and (c) empower the Board to set up directorates; Sub committees, technical committees, advisory council as may be necessary and to set up, or to hold shares in special purpose vehicles.

22. Madam Speaker, the way the Economic Development Board is itself structured will be crucial to its credibility, repute and effectiveness. That is why the Bill provides for a strong governance structure while at the same time

giving enough flexibility to the Board and Management to adapt and respond quickly to changing situations.

23. The Bill provides for a governance structure that ensures accountability, transparency and efficiency.
24. Thus, Clause 6 of the Bill provides for a Board comprising:
 - a. a Chairperson to be appointed by the President on the advice of the Prime Minister, after consultation with the Leader of the Opposition;
 - b. a Vice-Chairperson to be appointed by the Prime Minister; and
 - c. between 6 and 8 other members to be appointed by the Prime Minister, who are of high integrity among business, public sector and civil society from a broad spectrum of areas. The members of the Board should not be actively engaged in any political activity.
25. Clause 10 provides for the appointment of the Chief Executive Officer by the Board, with the approval of the Prime Minister.
26. Clauses 11 and 12 are about other administration provisions for the effective governance of the Economic Development Board.

27. Clause 13 to 27 make provision for business facilitation, registration of investors and issue of certificates and licenses.
28. Clauses 28 and 29 deal with financial provisions
29. Clause 30 to 40 deal with miscellaneous provisions, including declaration of assets, annual reports, confidentiality and offences.
30. Clause 41 repeals the provision relating to the Financial Services Promotion Agency in the Financial Services Act. It also repeals the Investment Promotion Act.
31. In the context of replacing the Board of Investment and Enterprise Mauritius by the EDB, Clause 42 make consequential amendments to the following enactments:
 - The Customs Act
 - Environment Protection Act
 - Fashion and Design Institute Act
 - Fisheries and Marine Resources Act
 - Freeport Act
 - Immigration Act
 - Income Tax Act
 - Jewellery Act
 - Land (Duties and Taxes) Act
 - Maritime Zones Act

- Morcellement Act
- Non-Citizens (Employment Restriction) Act
- Non-Citizens (Property Restriction) Act
- Planning and Development Act
- Public Procurement Act
- Registration Duty Act
- Small and Medium Enterprises Development Authority Act
- The Stamp Duty Act
- Statutory Bodies (Accounts and Audit) Act
- Sugar Industry Efficiency Act
- Transcription and Mortgage Act
- And the Value-Added Act

32. Madam Speaker, the integration of the BOI, FSPA and Enterprise Mauritius should not pose any threat to employees of these organisations. Transitional Provisions are made at Clause 43 to provide for:

- Every person who, at the commencement of this Act, is employed on the permanent and pensionable establishment or on contract by the BOI, EML and FSPA to be entitled to be transferred to the Economic Development Board on terms and conditions which shall be not less favourable than those of his previous employment; and

- the period of service and pension rights of permanent and pensionable employees to be fully protected;
33. Any person employed on the permanent and pensionable establishment of the BOI, EML and FSPA who, within 28 days of the commencement of this Act, does not accept to be transferred to the Economic Development Board may –
- at his request, be redeployed, so far as is practicable, to a Ministry, a Government Department or another statutory body, where vacancies in similar positions are available; or
 - opt for retirement on the ground of abolition of office and be paid his pension benefits in accordance with the Pensions Act or the Statutory Bodies Pension Funds Act and regulations made thereunder, as the case may be;
34. The Bill also ensures a smooth transition.
35. Any disciplinary inquiry, investigation or proceedings which are pending will continue.
36. The assets and funds of the BOI, EML and FSPA shall, at the commencement of this Act, vest in the Economic Development Board.
37. All rights, obligations and liabilities subsisting in favour of or against the BOI, EML and FSPA shall, at the commencement of this Act, continue to exist under the

same terms and conditions in favour of or against the Economic Development Board.

38. Any licence, certificate, permit or authorisation issued, registration made or application granted by the BOI, EML and FSPA, as the case may be, which is valid and in force at the commencement of this Act, shall be deemed to have been issued, made or granted by the Economic Development Board.
39. And where this Act does not make provision for any transition, the Minister may make such regulations as may be necessary for such transition.
40. I wish also to clarify that in Clause 2, in the definition of “investor” in paragraph (c), reference should in fact be made to the repealed Small Enterprises and Handicraft Development Authority Act.
41. The Act will come into operation on a date to be fixed by Proclamation and different dates may be fixed for the coming into operation of different provisions of this Act.
42. Madam Speaker, before concluding I would like to express again my gratitude to the Attorney General and his dedicated staff for having worked intensively and relentlessly during a relatively short period of time to finalise this Bill.
43. Madam Speaker, I am fully confident that this Bill will bring about a fundamental reform in the formulation of economic policies and investment promotion – a reform that reflects

the new spirit with which we need to engage the future – to be more adaptive and more proactive – so that we can join the league of highly competitive countries and to be among the highly performing nations of the world.

44. I now commend the Bill to the House.

P.K.J