

CABINET DECISIONS - 7 AUGUST 2015

1. Cabinet has agreed to the transfer of part of the undertaking of BAI Co. (Mtius) Ltd and its related companies to the National Insurance Co. Ltd, the NIC General Insurance Co. Ltd and their related entities. To date, policyholders of Super Cash Back Gold (SCBG) Scheme and investors in the Bramer Asset Management Ltd (BAML) have been paid Rs6 billion by the National Property Fund Ltd (NPFL). The NPFL would settle the remaining liabilities of SCBG and BAML towards policyholders and investors by way of redeemable debentures, which would be issued on an annual basis in five equal instalments as follows: 30 June 2016, 30 June 2017, 30 June 2018, 30 June 2019 and 30 June 2020.

Cabinet has taken note of the proposal of the employees of Iframac to create a company and enter into a management contract with the NPFL. Cabinet has agreed to a Business Plan being prepared and submitted, and the issue of the transfer of franchise agreement in respect of Mercedes, Peugeot and Mitsubishi being discussed with the respective foreign companies before a final decision is taken.

With regard to the sale of Courts (Iframac Retail), Cabinet has agreed to the Financial Services Commission (FSC) and the Special Administrator proceeding with the retained bid of Mammouth (Mauritius) Ltd as that was the best offer in respect of the employees of Courts.

Cabinet has agreed to the FSC and the Special Administrator proceeding with the transfer of Apollo Bramwell Hospital to the National Insurance Co. Ltd.

Cabinet has agreed to the appointment of Mr Mushtaq Oosman, Special Administrator, being terminated in the light of the manner in which he has dealt with issues relating to Iframac, Courts and Solis Indian Ocean Ltd.

2. Cabinet has taken note that HE Mr John Dramani Mahama, President of the Republic of Ghana would be on an official visit to Mauritius from 24 to 26 August 2015.

3. Cabinet has agreed to the development of the Marshall Plan on Poverty Alleviation being entrusted to the United Nations Development Programme (UNDP). The main objective of the Plan is to provide policy directions and strategies for inclusive economic growth, combating poverty, promoting social inclusion and gender equality, proposing measures for economic empowerment of the most vulnerable groups, and mainstreaming poverty-environment objectives to improve investment opportunities in pro-poor environmental and natural resource management.

4. Cabinet has agreed to pilgrims proceeding to Hadj pilgrimage being exempted from the payment of the Terminal Expansion Fee and the Passenger Solidarity Fee, in addition to the Passenger Service Charge and the Passenger Fee.

5. Cabinet has agreed to the setting up of a Steering Committee to prepare a Strategic Plan to boost and diversify our exports to the United States following the enactment of the Trade Preferences Extension Act 2015. The Committee will comprise representatives of the public and the private sectors. The main objective of the Strategic Plan would be to support the capacity of Mauritian firms to successfully sell into the US market. The AGOA provides duty free and quota free access to around 6,400 product lines from eligible Sub-Saharan African countries, subject to the rules of origin requirements. The major items of export to the US are textiles and apparel, diamonds and sunglasses.

6. Cabinet has taken note that the Methadone Substitution Therapy and the Needle Exchange Programmes are being reviewed to, inter alia, improve the services offered to beneficiaries, as well as provide an alternative with a greater chance for detoxification. With regards to the Methadone Programme, all beneficiaries, currently on the programme, will continue to receive their daily doses. Other components, like psychological support including detoxification, would be introduced to facilitate their rehabilitation. Henceforth, Injecting Drug Users, not on the Methadone Substitution Therapy Programme but who wish to be enrolled on a treatment and rehabilitation programme, would be offered a new therapy based on international standards. The treatment would be a combination of suboxone, a highly recommended detoxifying agent, followed by naltrexone as a relapse prevention medication. The Needle Exchange Programme is also being reviewed to standardize services offered by non-governmental organisations.

7. Cabinet has taken note that a monthly programme, entitled "**Cancer - Le Défi**" would be broadcast on MBC TV on the first Tuesday of each month with a view to sensitizing the public on cancer and its risk factors. In Mauritius, Cancer has become a major health concern after diabetes and cardiovascular diseases. In 2012, a total of 1,943 new cases of cancer had been reported, indicating an increase in the incidence of the disease. The most common Cancer in females is breast cancer, whereas colorectum, and prostate cancer are most common in males, and leukaemia in children.

8. Cabinet has taken note of the Award of the Independent Arbitrator, Mrs Premila Balgobin, former Puisne Judge, on the labour dispute between the Mauritius Sugar Producers' Association and the Joint Negotiating Panel. The Arbitrator has recommended, among others, –

- (a) an overall increase in wages from the interim rate of 13 per cent, already agreed upon by both parties, to 17.5 per cent to be paid on a staggered basis;
- (b) the 40-hour week on six days during crop season being maintained;
- (c) the funeral grant being increased from Rs4,500 to Rs6,500;
- (d) casual/contractual/seasonal workers being provided with uniforms and protective equipment as required for the performance of their duties;

- (e) casual/contractual/seasonal workers, reckoning not less than two months and not more than six months' service, being entitled to one day's sick leave and one day's annual leave up to a maximum of four days;
- (f) casual/contractual/seasonal workers completing a minimum of three continuous months of service but not more than twelve months' service being entitled to one day's compensation for every completed month of service; and
- (g) the issue of increase of allowance being referred to the National Remuneration Board.

9. Cabinet has agreed to the Ministry of Labour, Industrial Relations, Employment and Training signing with the French Authorities, the following –

- (a) *Convention Cadre de Coopération portant sur la Restructuration du Service Public de l'Emploi Mauricien*; and
- (b) *Convention spécifique d'Accompagnement à la Restructuration du Service Public de l'Emploi de la République de Maurice de la Convention Cadre*.

The Agreements provide for assistance and capacity building for the re-engineering of the Employment Information Centres in Mauritius.

10. Cabinet has taken note of the Report of a Study by the World Bank on Electricity Supply. The main objectives of the Study were to assess the ability of the generation system to meet the demand for electricity, and recommend measures to ensure the adequacy of supply in the short and long terms. The Central Electricity Board is already implementing the short term measures, and has initiated action for the modernization of methodologies, procedures and computational tools as proposed by the World Bank. As regards the long term power generation projects, various possibilities, including production of energy from renewable sources, are being envisaged in order to ensure that electricity supply meets demand without interruption. A plan of action in this respect is being finalized.

11. Cabinet has taken note of the Report of the independent expert appointed by the Central Water Authority to assess the causes of leakages at Pailles Water Treatment Plant, and of remedial actions being taken to ensure the structural integrity of the Plant. The remedial works, which are expected to be completed by September 2015, would restore the structural integrity of the Plant for the next 50 years. Works are being undertaken at no additional cost to the Central Water Authority. Moreover, the Central Water Authority Board is seeking legal advice on actions that would be initiated with regard to shortcomings reported in the implementation of the Project.

12. Cabinet has taken note that, according to the last monthly report published by the Ministry of Tourism and External Communications, 95,569 tourists visited Mauritius in July 2015 as compared to 81,935 in July 2014, i.e., an increase of 16.6%. For the period January to July 2015, tourist arrivals reached 629,751 as compared to 572,632 during the same period in 2014, i.e., an increase of 10%. Positive growth had been registered in arrivals from France (+19%), UK (+18.5%), Germany (+27%), Switzerland (+18.2%), China (+47%), India (+12.5%), the Middle East (+48.9%), Reunion Island (+8.4%) and South Africa (+0.1%).

13. Cabinet has taken note of the performance of the Export-Oriented Enterprises Sector for the period January to June 2015 as compared to the corresponding period in 2014. Based on provisional exports figures, the value of exports reached Rs24.75 billion as compared to Rs24.45 billion in 2014, representing an increase of 1.2%. Increase had been recorded in the value of exports of Textiles and Clothings (+2.3%), Textiles (Yarns and Fabrics) (+5.7%), T-Shirts (+0.5%), Shirts (+10.9%), Trousers (+1.0%), jewellery, pearls, precious and semi-precious stones (+15.4%) and medical devices (+2.2%). Increase had been recorded in exports to the UK (+9.0%), the Netherlands (+51.8%), USA (+7.3%) and South Africa (+8.6%).

Cabinet has also taken note that the Ministry of Industry, Commerce and Consumer Protection has taken a number of initiatives to further boost exports, namely finalization of the Export Development Plan, preparation of the comprehensive National Export Strategy, and a study on the scope of producing technical textile in Mauritius.

14. Cabinet has taken note that the Ministry of Ocean Economy, Marine Resources, Fisheries, Shipping and Outer Islands, in collaboration with the Ministry of Labour, Industrial Relations, Employment and Training, would organise an Open Day at the Mauritius Maritime Training Academy on 13 and 14 August 2015. The main objectives of the Open Day are to –

- (a) highlight the various job opportunities in the maritime sector;
- (b) encourage youngsters to join the Shipping Sector;
- (c) inform the public of the relevant courses being run by the Training Academy;
and
- (d) encourage private operators to also involve in training in the Shipping Sector.

Recruitment in the Sector are expected to turn around 5,000 yearly and increase in the future.

15. Cabinet has taken note with satisfaction the logistics deployed to search any debris of the Malaysian Airlines MH370 that had disappeared on 8 March 2014.

16. Cabinet has taken note that a delegation, headed by Mr Aeneas Chapinga Chuma, Assistant Director General and Regional Director for Africa of the International Labour Organisation (ILO), would visit Mauritius from 29 September to 3 October 2015 in the context of the official tour to countries in the region. During the visit of Mr Chuma, the formulation of the second generation Decent Work Country Programme would, among others, be discussed. Mr Chuma would also pay courtesy calls on the President of the Republic, the Prime Minister, the Speaker of the National Assembly and other personalities.

17. Cabinet has taken note of the outcome of the visit of the Minister of Health and Quality of Life to Agalega on 27 July 2015. The main objective of the visit was to evaluate the health facilities currently available and the quality of service being offered in Agalega. A number of shortcomings have been noted, and a Committee has been set up to fast track the implementation of remedial measures with a view to improving health facilities on the Island.

18. Cabinet has taken note that the Minister of Foreign Affairs, Regional Integration and International Trade participated in the Third United Nations International Conference on Financing for Development held in Addis Ababa, Federal Democratic Republic of Ethiopia. The main objectives of the Conference were to assess progress in development financing in the framework of the 2002 Monterrey Consensus, and create a blueprint for international development cooperation that would support the Post-2015 Development Agenda.

In the margins of the Conference, the Minister of Foreign Affairs, Regional Integration and International Trade had meetings to raise our concerns with high level representatives of countries that had listed Mauritius as an alleged “uncooperative tax jurisdiction”, namely, Italy, Estonia, Portugal, Poland, Slovenia, Spain and Lithuania.

19. Cabinet has taken note that the Minister of Foreign Affairs, Regional Integration and International Trade participated in the preparatory Meeting of African Trade Ministers organised by the African Union. The main objectives of the Meeting were to frame an African position and prepare an agenda that would befit the African Continent at the 10th WTO Ministerial Conference (MC10) to be held in Nairobi in December 2015. Discussions centred on the challenges facing African countries to connect to global value chains.

20. Cabinet has taken note of the outcome of the recent mission of the Minister of Industry, Commerce and Consumer Protection to Singapore in the context of the preparation of a Strategic Plan for establishing Mauritius as a Petroleum Hub. The Minister had discussions, among others, with representatives of the Singapore Petroleum Company, the Toll Offshore Petroleum Services, the Oil Spill Response Limited, and the Maritime and Port Authority of Singapore. He also met Mr Lee Yi Shyan, Senior Minister of State, Minister of Trade and Industry, who agreed that Singapore would, through the Singapore Cooperation Enterprise, submit a package on a Government-to-Government basis for the provision of consultancy services for the drawing up of the Strategic Plan.

21. Cabinet has taken note of the reconstitution of –

- (a) the National Committee on Corporate Governance with Mr Arnaud Lagesse, as Chairperson;
- (b) the Board of the National Empowerment Foundation with Mr Aryaduth Seesunkur, as Chairperson;
- (c) the Board of the Small and Medium Enterprises Development Authority with Mr Viswanathen Valaydon, as Chairperson; and
- (d) the Board of the Seafarers' Welfare Fund with the Permanent Secretary, Ministry of Ocean Economy, Marine Resources, Fisheries, Shipping and Outer Islands, as Chairperson.
