

18.6.2 Cess revenue has noticed a decreasing trend from Rs287M in 2011 to some Rs258M in 2013 and Rs204M in 2014. The main factor to account for this trend is the decrease in price obtained on the export of sugar, increasing from Rs16,000 in 2011 to Rs17,600 in 2012 and falling to Rs15,830 in 2013, Rs 12,694 in 2014, Rs 13,166 in 2015. In 2016 the price increased to Rs 15,500 but it is expected to fall drastically to some Rs 11,000 for crop 2017. The figure of Rs 11 000 includes cess waiver.

18.6.3 With the prevailing drop in price of sugar on the external market to an unprecedented level Rs11,000 per tonne Government had no other choice than to freeze cess funding for crop 2017. This measure has already been implemented.

18.7 Financial Operations

18.7.1 Cess reduction comes principally from the rightsizing of manpower through employees proceeding on VRS and redeployment in Government Departments of the excess labour force, the overhaul of activities of institutions and the consequential re-engineering of activities targeting towards increased productivity/reduced production cost, the cessation of payment of dividends to GoM and the meeting of the dockers pension, through proceeds obtained from the sale of sugar on the local market. It is worth to note that dockers pension is presently being met through proceeds from levy on the importation and sale of sugar on the local market and this is estimated at Rs 129M for year 2017/18.

18.8 Financial Operations – FY 2017/2018

18.8.1 The total expenditure of MCIA (excluding BSSD and projects) as per the estimates for the financial year 2017/2018 amounts to Rs 621,904,900. It is made up of recurrent and capital expenditure of Rs 606,453,500 and Rs 15,451,400 respectively, whereas the revenue from MCIA operations was estimated at Rs 125,192,700 (mainly from hire of tractors and trailers). In addition, an amount of Rs 129,000,000 is expected as revenue from levy on sale of sugar on local market. The shortfall of Rs 367,712,200 was expected to be financed by cess at the level of MUR 241,800,000 and Rs 125,912,200 from Government.

18.8.2 However, with the waiving of cess for the financial year 2017/2018, MCIA expenditure has been revised and an additional cash flow of some Rs 198M is required for the period January to June 2018; funding of same is being met by Government.

18.8.3 Personal emoluments amount to 53% of total recurrent expenditure. Salary and salary-related costs represent 70% of total recurrent expenditure.