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# **Edit Page**

# **Budget Normalcy**

n this 4th June 2020, Hon Renganaden Padayachy, the country's Minister of Finance and Economic Development, delivered in these difficult times of unknowns, his first annual budget. This was obviously eagerly awaited by observers, media, the political class, the business community and the population.

He articulated the stakes thus: "Sir, I am presenting the National Budget at a time of unprecedented crisis...Today, I will unveil before this House our strategy. The challenge is daunting, but, our response is nothing but historical..." So what are the first impressions regarding the budget?

For starters we can only commend its structure around three main thrusts. The first thrust concerns reboosting investment and the economy.

Construction, deemed to be the engine of that recovery, receives a continued boost in the form of public works, with targeted construction of 12,000 social housing units (SHUs), a new dam at Riviere des Anguilles, half of the Rs 10 bn needed for completion of the Rose-Hill to Curepipe tramway stretch and some Rs 10 bn for new roads and bridges. revamped bus terminals accompanied by a sprinkling of facilitation measures concerning levies and fees. There is justified skepticism at the 12,000 social housing units target at Rs 12 bn over three years, out of which only 20% are destined to the most vulnerable segment (on less than Rs 10,000/mth). On their track record, our public housing companies (NHDC-MHC) can, at full regime, build and deliver 500 units a year at unit costs of 1.8 mRs. Unless government has some unrevealed trump cards up its sleeve, the financial and construction targets look far beyond any reasonable test.

Reboosting **Agriculture** announces a rather grandly titled National Agri-Food Development Programme, banking on another deja-vu proposal of a Land Bank of abandoned lands, estimated at 20,000 acres, to be centrally mediated now by Landscope. Although peppered with some concrete reliefs (guarantee all planters, including the large estates, 25,000 Rs/ton sugar for their first 60 tons sugar, significantly greater potato and onion seed subsidy) the section is short on concrete proposals.

The budget recognises **Manufacturing** as a pillar to build upon although it has been left in prolonged decline for quite a while and the sprinkling of desirable measures unfortunately do not seem to announce a grand new plan, nor the "shift in paradigm strategy" claimed further for exporting sectors.

**Tourism** is probably the hardest hit sector but again the proposed useful measures about reducing or waiving some fees and levies, relax current Hotel Invest schemes, another rebranding study and another commercial partnership with Liverpool Football Club, are perhaps not up to operator or employee expectations, but the larger and profitable ones will have the undoubted parallel benefits of massive public capital injections through the BOM subsidiary, the MIC, and will probably not be complaining loudly. No words in the budget to justify or explain the MIC funds.

The struggling **Financial services** sector gets mention through a proposed target of September 2020 for urgent compliance with FATF action plan shortcomings and proof of their effectiveness. No mention is made of the apex Financial Crimes Commission announced in last year's budget and it is quite unclear how government will overcome our institutional inadequacies to conduct the complex legal and financial investigations that would provide meat to any proposed Financial Offenses Court.

Other sectors like Cultural affairs, Sports, Pharmaceuticals, the much-bandied Blue economy or more Business facilitation measures, get mention through a smattering of welcome incentives, although, apart from the proposed new technologyincubation park to be situated at Cote d'Or, they cannot be said to provide a historical departure to new horizons.

The second thrust of the Budget 20-21 concerns engaging the country in structural reforms, in particular, the replacement of the current National Pension Fund system. Everybody will remain entitled to Basic Retirement Pension at age 60 but contributors to the new (CSG) scheme above would get additional accrued benefits. Many questions about the new CSG scheme should receive fuller attention over the coming days.

The third prong of those reforms are proposals to trim government fat but, curiously, total expenditure is projected to balloon by some 30 bRs to 162 bRs!

The third budget thrust is an earmarked amount of Rs 100 bn covering a variety of Quality of life or Eco-friendly measures.

On the fiscal front proposed measures include raising the solidarity levy on salaried Mauritians from 5% to 25%, introducing a corporate tax of 0.3% for turn-overs above Rs 500 m (excluding the tourism sector) and raising taxpayer thresholds. Many other measures abound including some assistance for SMEs through cheap loans at the Development Bank. Social measures include a Rs 5,100 six-month allowance with restricted coverage, a one-off allowance of Rs 15,000 to front-liners which forgets many categories (supermarket employees, fire services, waste collectors), a bottled gas reduction of Rs 30 when international rates have tumbled into freefall for months.

More detailed analysis of Hon Padayachy's first budget will no doubt be forthcoming over the coming days from all quarters. There are, perhaps understandably, no explicit macro-economic targets. Without the Rs 78 bn BOM funds gifted freely to government real budget deficits sadly have ballooned to some Rs 60 bn which raises worrying prospects for next budgets without such a boon.

#### **Mauritius Times**

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#### The Conversation

### How to maintain a slower pace of life after lockdown

Before lockdown, our lives were defined by speed. Rushing around, living life at rocket pace was the norm. Keeping up with work responsibilities, social obligations and the latest tech or fashion trends was a never-ending feat. Only a privileged few could afford to slow down.

But in lockdown, the pace of life slowed dramatically overnight for everyone. People literally stopped running to work. The office, gyms, pubs, clubs and restaurants closed. Global travel shut down. Staying at home became the new normal. People began playing board games and puzzles, gardening, baking and other analogue pursuits with their new-found time.

Now that we are gradually emerging from lockdown, one tentative step at a time, is it possible to hold on to the benefits of being slowed down, and not go back to our old rushed way of living? Our research shows that in order to experience the benefits of slowing down, people must decelerate in three ways.

#### Slowing down your body

We call this embodied deceleration – when the body itself slows down. For example, when people walk or cycle as their primary forms of transportation, rather than taking the tube, train or bus.

During lockdown, we have all had to stay close to our homes, and public transport has been for essential workers only. As we come out of lockdown, the city of London, for example, is expecting more people to continue walking and cycling rather than taking faster forms of transport, and is altering the built environment of the city to facilitate this.

If possible, try to continue these slower forms of moving, as they do not only provide physical benefits. Moving at a slower pace allows for feeling a stronger connection between body and mind, which can gradually open up mental space for deep reflection. It is about getting into a mindset in which you have time to think, not just react.

Controlling your technology use

You don't need to give up technology entirely. This is about having control over technology, and also communicating more face-to-face.

During lockdown, we have all relied on technology to a great extent – to do our work remotely as well as keep in touch with our loved ones. Yet technology has been used to rekindle vibrant and meaningful connections to those who are important to us. From Zoom happy hours with long lost friends to watching movies with a partner, technology has been used to reinforce close connections.

Try to continue these practices as

you emerge from lockdown. For example, keep up your involvement with the WhatsApp neighbourhood group, which checks in on vulnerable community members. This keeps you grounded in the local, and continues your use of technology to facilitate close, meaningful and long lasting, rather than superficial and short, relations with others.

#### Limiting your activities

This is engaging in only a few activities per day and - crucially reducing the amount of choices you make about buying things. During lockdown, when we were all confined to our homes, the only activities to be engaged in and choices to be made were where to set up our home office, what to eat for each meal, and where and when to take a walk. Now, as we begin to see others outside of our household, as restaurants and bars begin to open for takeaway and shops start to reopen, the amount of activities and things we can consume starts to rise.

Try to remember the feeling of making your own food, and sharing it with your household, rather than running back to eating many meals out and on the go. As you emerge from lockdown, try to maintain practices like stopping work to eat your lunch in the middle of the day, and take tea breaks, preferably with others and outdoors when you can. There is much value to be gained from having the rhythm of your daily life be one which you can savour.

In general, all three dimensions of slowing down speak to simplicity, authenticity and less materialism. Although many people desired these in their life pre-lockdown, it was hard to achieve them, as we felt there was no getting off the sped-up rollercoaster.

Now, when we have all experienced the benefits of living a life which emphasises these values – the number of things purchased during lockdown was quite small, and many people decluttered their homes – there is an incentive to hold on to this rather than rush back to our old, accelerated life.

We are seeing societal changes which facilitate maintaining this new, slowed down rhythm. New Zealand is talking about moving to a four-day work week, for example, and Twitter says employees can continue to work from home indefinitely.

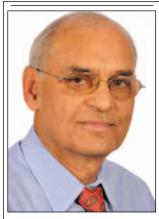
The current moment offers a unique opportunity to push back against the cult of speed and to continue life in this slower, more meaningful form.

Giana M Eckhardt & Katharina C. Husemann, Royal Holloway

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#### Musings

#### **Mauritius Times**



Dr R Neerunjun Gopee

nd it was not even solitary confinement! As happens in prisons for some types of offences. Except for those who through force of circumstances or choice (the elderly, singles) lived alone, in all other homes there was family under the roof. Children who attended virtual classrooms most hours of the day, teachers who had to coach from home, office goers who worked from home, working parents who had to stay back and had mouths to frequently feed and be 'snacked' (!) as well as finding additional chores to keep themselves busy, television to keep everyone entertained - and so on and so forth.

Yet, with all these activities going on and amenities available, home was for those 70 days a

**Confinement: When** home became a prison

Let us hope there will be no second wave. But the experience gained must serve to inform us about how better to handle any future similar crisis, should one emerge

No wonder therefore that within seconds after midnight on Saturday last (June 30), there was a volley of firecrackers heard in some localities. Those who were awakened from their sleep were no doubt startled - but they were not annoyed or angry, sharing though bleary-eyed the feeling of release as they realized that come the morning they too would now be free to start going about.

And move, you bet people did! Driving past Bagatelle Mall on Sunday around mid-day, I was not surprised at the fact that the car park was practically full, and so it remained when I passed by again late afternoon. I am sure it must have stayed so till late night.

On the following days town centres have filled up, and it's



prison deemed to be! One can understand that this may have been a real problem for those living in flats, especially if small, or houses with little yard area. But even for the others who were not so constrained and had ample space in which to move about, after some time being confined to the house started to become stifling. They must have looked with some envy at those who belonged to the essential services and could step out to the workplace. Who knows that the latter may have felt exactly the same too - how lucky to be able to stay at home and enjoy while we poor ones are toiling!

back I would say to old normal as far as the traffic is concerned, and of course lots of people circulating too. The only visible difference is people wearing masks, but as regards social distancing it is quite clearly very difficult to control queues waiting to enter the banks for example, but once inside then the mandatory temperature check, squirt of hand sanitiser and keeping physical distance are easier to implement. At least this is what I have experienced so far at various service points, and if we are able to sustain that and take our own additional precautions we may be spared future lockdowns.



When home became a prison. Photo - media.wired.com

Elsewhere, in the expectation of more waves than just a second one, certain analysts have cautioned about the possibility of 'rolling lockdowns' - lockdown followed by lifting for variable periods as successive waves or wavelets of cases emerge. Touch wood that locally so far there are no new cases detected, and hopefully it will remain that way.

In the same manner that access to supermarkets was allowed in alphabetical order, parks, football grounds and other open spaces in each locality could be made available for parents to take their children to for specified time periods. That would be a great relief to both parents and children. Why not, too, allow them to be left with their grandparents once or twice per week if the latter are

willing to take charge as I am sure many would?"

On the other hand, the experience gained from the various incidents that were seen or reported during the lockdown must serve to inform us about how better to handle any future similar crisis, should one emerge. Given the prison-like feeling that was

engendered - and it began within days of the curfew - there are a few things that would have to be addressed up front.

In the same manner that access to supermarkets was allowed in alphabetical order, parks, football grounds and other open spaces in each locality could be made available for parents to take their children to for specified time periods. That would be a great relief to both parents and children. Why not, too, allow them to be left with their grandparents once or twice per week if the latter are willing to take charge as I am sure many would?

On the other hand, the need to boosting immunity so as to protect against Covid-19 has been repeatedly highlighted by the

scientific and medical community. Besides the intake of a number of herbal and other food items recommended, doing exercise is considered to be very beneficial. And since the disease affects every age group, there should be arrangements agreed upon so that that people can go out for walking and jogging as long as they abide by the sanitary measures advised.

In Malaysia, at the very beginning of lockdown, there was the absurd case of a cardiologist who set out to jog in a park one early morning and he was booked by the police despite his trying to make them see reason - he was all alone, but still wore a mask, and since there was nobody around there was no one who would get infected. Simple, isn't it? But no, the law is the law. The cardiologist did take the matter up with the authorities.

That is why, in a an earlier article, I had pointed out that the police and all others concerned with implementing the sanitary measures must be given proper training in advance so that such kinds of incidents do not take place. This has a bearing on another important aspect of the crisis: ensuring supply of vegetables and fruits other that at supermarkets. Many planters helplessly saw their vegetables either rotting in their fields or being stolen, again because they were barred from attending to their plantations -- or chased by police from there, as was seen in one video that went viral. This again shows the need for more informed policing at such times, and devising frameworks to allow such vital activities to be carried out well in advance.

Let us hope there will be no second wave. But at the same time, the country ought to start preparing for another pandemic based on lessons learnt during this one.

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humdrum of their pre-Covid-19 days. Life would then continue as before

This will certainly not be the case. Covid-19 has forced the world economy to a standstill. The US economy is expected to contract by 6%. Forty million Americans filed for unemployment benefits in the last two months. The European Commission forecasts that the eurozone area's economy will contract by a record 7.75% over the course of 2020. In a show of EU solidarity, the European Commission has proposed a Euro 750 billion recovery fund to reboot economies hit hard by the coronavirus outbreak. The southern EU countries worst hit by Covid-19 would get the lion's share of the proposed fund, which includes Euro 500 billion in grants and the rest in loans.

# **Rethinking the Global Economy**

Mauritius also needs to do some profound rethinking and initiate fundamental reforms, including land reform, required to usher a new socio-economic order which rallies the nation

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ly lifting the lockdown restrictions enforced to combat and contain Covid-19, many people earnestly hope to snap out of the pandemic (nightmare) back into the comforting normality and

Enormous sums of money have already been invested to contain the pandemic. Should there be a resurgence of the virus, there is a real danger that countries will have very limited resources to fight a new wave of Covid-19. For example, Italy which has debts of 160% of its GDP is short of funds to support a recovery of its economy. The EC recovery funds which are principally earmarked to assist the recovery of southern EU states such as Italy are therefore a welcome lifeline for these cash-strapped countries. Not every country has such substantial support.

#### Viable option?

There is across the world a massive expansion of debt to finance economic recovery packages. Is the unbridled use of debt to maintain jobs, income and companies until an elusive recovery a viable option going forward?

Even if there is no resurgence of Covid-19, recovery could take time because of diverse factors. Emerging countries and developing countries like Mauritius are so dependent on trade that even if they manage to contain the virus, their recovery will

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CIn his latest book, 'The Third Pillar: How Markets and the State Leave the Community Behind', Raghuram Rajan writes: 'If people lose their faith in their ability to compete on the market place, if they feel that the elite have monopolized all opportunities, popular resentment can turn to rage."

Countries across the world are massively increasing their debts to support households and businesses. It is estimated that the US and the EU have committed in terms of government spending, central bank cash injections, tax cuts, loan guarantees, etc., a staggering \$7.4 trillion or 23% of their GDP. This is a colossal sum.

#### What if?

Should industrial, emerging and developing countries manage the Covid-19 crisis through enormous and mounting public debt? In a recent interview on BBC, Raghuram Rajan, Professor of Finance at the University of Chicago Booth School of Business is quite chary of unsustainable debt levels being blithely contracted by governments across the world to deal with the dire economic crisis provoked by Covid-19. Raghuram Rajan is credited to have, as early as 2005, warned about the growing risks in the financial system and proposed policies to reduce such risks, ahead of the 2008 financial crisis

Countries across the world are managing the pandemic in different ways and have had mixed success. Many appear to be rashly easing lockdown restrictions too soon. Covid-19 is still rampant in many countries such as the US, Brazil or Russia which together have registered more than 2.9 million cases of infection or more than 44% of all Covid-19 cases in

depend on actual demand for their exports. This will depend on the status of Covid-19 in export markets, econo-mic recovery in these counties and whether sales outlets and supply lines are reopened and consumer confidence and demand is robust and back on track. There could be new opportunities to cash in on. However, this process could take longer than expected. At the current very high levels

indebtedness financial resources available even to developed countries to continue to finance idle sectors are thin. It is extremely costly to keep people at home or maintain restaurants while they are closed or support airlines when planes are grounded. Hard choices will therefore have to be made.

#### Unsustainable debt

Countries cannot continue to accumulate higher levels of debts, despite lower interest rates. They need to rethink the way forward and review their priorities. Should the economy be transformed or do we need a new economy to adapt to an enduring Covid-19 afflicted world?

It is extremely costly to keep people at home or maintain restaurants while they are closed or support airlines when planes are grounded. Hard choices will therefore have to be made<sup>59</sup>

The world must accept the fact that the hospitality business, open frontiers and international air or cruise travel and tourism will take significantly more time to normalize their activities. Instead of bankrolling grounded airline companies at costly public expense, we should be looking at downsizing airlines as international air traffic will be very constrained in the next few years.

Mauritius faces a daunting situation. Tourism which is the biggest contributor of gross value added (GVA) in the country will be constrained by the embargo on international air travel,

quarantine rules and the Covid-19 situation prevailing in many countries which are our principal sources of tourists. The global business which is another important contributor of GVA in the country is overshadowed by the decision of the European Commission to include Mauritius in its revised list of high-risk countries with strategic deficiencies in their anti-money laundering and counter-terrorist financing frameworks in accordance with the new methodology adopted by them.

We need to protect people but do we protect their jobs in stalled sectors or do they need new jobs in the new economy?

As a general rule, we need to make sure that we are not keeping unviable economic activities alive at enormous costs to our finances. We need to protect people but do we protect their jobs in stalled sectors or do they need new jobs in the new economy? Continuously increasing indebtedness restricts our options. Countries therefore need to make sure that adequate funds are available when required to create new jobs and to fund the required stimulus packages to steer a robust economic recovery in a recast world economy and bring down massive unemployment relatively quickly.

Trade wars and the current conflict between the US and China on Covid-19 does not help at a time when the world needs to come together to stem this common threat.

#### Resentment can turn to rage

In his latest book, 'The Third Pillar: How Markets and the State Leave the Community Behind', Raghuram Rajan writes:

'If people lose their faith in their ability to compete on the market place, if they feel that the elite have monopolized all opportunities, popular resentment can turn to rage.' Anything which causes popular outcry is unsustainable and has to stop. The world needs to fix the burning issue of widening inequality undermining society and building angst in the world. The world is yearning for a new world order which is fair and endorsed by all stakeholders.

The core issue is the sustainability of society. There is therefore an imperative need for a new leadership to bring these profound transformations to solidly anchor and assure socio-economic sustainability going forward. Globalization must work for everyone. There is increasing resistance to globalization as the world has failed to ensure that people left behind especially in industrial countries, emerging markets and developing countries have had a fair deal.

#### A better tomorrow

There is also an urgent need for a new and more ambitious leadership to rethink how best to manage and overcome the economic challenges of the Covid-19 pandemic and put in place the required policies for a sustainable future. Enlightened leadership is a commodity which is in short supply. We desperately need to turn things around as, apart from Covid-19, there are so many serious challenges facing the world such as climate change or institutionalized inequality. For that we need global cooperation from leaders across the world who are committed to work together to create a new and inclusive world for all.

Mauritius also needs to do some profound rethinking on the state of the economy and initiate the fundamental reforms, including land reform, required to usher a new socio-economic order which rallies the nation. The Covid-19 challenges have triggered a profound rethinking across the world to shape and establish a new world order for a better tomorrow.

#### Budget 2020-21

# Le pays à la croisée des chemins

Le test du leadership, c'est de se placer au-dessus des intérêts conflictuels pour prendre les mesures qui s'imposent en vue de construire une société aspirant non seulement à des niveaux d'efficience et de productivité accrue, mais aussi à des niveaux d'inclusivité

#### Aditya Narayan

e pays est à la croisée des chemins avec le budget 2020-2021, lequel était tant attendu pour savoir quelles seront les nouvelles orientations économiques du Gouvernement pour l'avenir.

Dans le sillage de la pandémie qui a causé de graves dégâts économiques, ce premier budget du ministre des Finances marquera-t-il une rupture avec tout ce qui n'est plus efficace et durable en termes de stratégie et de gouvernance économiques ? Ou maintiendra-t-il le cap avec des mesures palliatives afin de permettre un retour à la normale sans transformation radicale de l'économie? Le choix entre ces deux options est on ne peut plus clair.

#### Toile de fond

Le ministre des Finances a fait son premier Grand Oral avec pour toile de fond une économie en récession (contraction de 10% du PIB), un chômage sans précédent (100,000 personnes), un déficit budgétaire croissant (10% du PIB), un endettement massif (70% du PIB) et des secteurs en perte de vitesse (tourisme, secteur manufacturier, agriculture, construction, etc.,). Pour requinquer l'économie, le Gouvernement a déjà baissé le taux d'intérêt directeur. La politique monétaire traditionnelle ayant ses limites, il a eu recours à la monétisation du déficit en s'assurant que la Banque centrale lui procure Rs 60 milliards par l'émission de bons du Trésor et d'obligations sur le marché local. Une astuce qui lui permet d'accéder à un volume de ressources financières significatif sans augmenter la dette publique car la levée de fonds sera inscrite dans les livres de la banque centrale.

La solution de facilité qui consiste à vendre des pans entiers du territoire aux investisseurs étrangers pour faire rentrer des devises mènera à un cul de sac avec la consolidation d'un capitalisme néo-patrimonial et ségrégationniste, symbolisée par des enclaves de richesse dans un océan de pauvreté. S'il est une chose que le drame des *squatters* expulsés des terres de l'Etat a prouvé, c'est le développement inégal. L'accès à la propriété ne saurait être l'apanage des nantis... »

Cette somme colossale compensera le manque à gagner provenant de la baisse des taxes indirectes (TVA) et des impôts sur les revenus (payés par les particuliers et les sociétés) due à la cessation d'activités d'entreprise et la décroissance de la consommation. Les Rs 60 milliards permettront de maintenir les postes de dépense essentiels (salaires des fonctionnaires, pensions de retraite, service de la dette publique, dépenses des secteurs de la santé et de l'éducation) durant l'année 2020-2021.

Or, dans les années à venir, le financement des dépenses publiques dépendra de la politique fiscale qui sera redéfinie maintenant. C'est là qu'on attendait de voir si le ministre des Finances ferait preuve d'innovation et de courage. La manière dont il abordera la politique fiscale démontrera s'il envisage ou non une politique économique alternative qui permette d'atteindre les objectifs macro-économiques (croissance, plein emploi, maîtrise de l'inflation, équilibre budgétaire et balance des paiements positive) par des moyens novateurs.

#### Jeu d'équilibriste

Ce faisant, le ministre devra naviguer entre deux corporatismes tenaces (syndicats et patronat) afin de jouer à l'équilibriste voulant réconcilier les intérêts de l'un et de l'autre dans la recherche du bien commun. Le test du leadership, c'est de se placer au-dessus des intérêts conflictuels pour prendre les mesures qui s'imposent en vue de construire une société aspirant non seulement à des niveaux d'efficience et de productivité accrue, mais aussi à des niveaux d'inclusivité, de solidarité et de partage renforcés. Si une cure d'austérité économique est inévitable pour que le pays puisse vivre selon ses moyens et ne tombe pas dans le gouffre financier, il faudrait que l'appel à la rigueur budgétaire, à la discipline financière et au sacrifice s'applique à tout le monde.

On préserverait l'Etat-Providence en améliorant l'économie sociale de marché si chacun acceptait de se serrer la ceinture, à commencer par le Gouvernement et son fatras de corps parapublics et d'entreprises d'Etat. Le secteur public avec son personnel pléthorique ne peut plus continuer avec son train de vie artificiel. Au-delà des 10% de réduction des dépenses, le Gouvernement devrait revoir ses programmes de dépense pour effectuer des économies, éliminer les gaspillages et supprimer les sinécures. manque de revenus fiscaux alors que les richesses s'accumulent au sein de certaines classes sociales. Pour équilibrer le budget, il n'y a que deux options réalistes : soit on réduit drastiquement les dépenses, soit on augmente les revenus fiscaux. Le financement déficitaire n'est plus une option acceptable, à moins qu'on veuille aller à la banqueroute.

#### Générosité de l'Etat

Le patronat est revenu avec sa demande de baisse d'impôts en argumentant de la crise économique qui a provoqué une chute de revenu et de bénéfices. Le Gouvernement peut sans doute accorder certaines incitations fiscales telles que l'amortissement accéléré des dépenses capitales aux entreprises de production ou un crédit d'impôt limité à l'investissement dans la production alimentaire et les énergies renouvelables.

Le ministre devra naviguer entre deux corporatismes tenaces (syndicats et patronat) afin de jouer à l'équilibriste voulant réconcilier les intérêts de l'un et de l'autre dans la recherche du bien commun. Le test du leadership, c'est de se placer au-dessus des intérêts conflictuels pour prendre les mesures qui s'imposent en vue de construire une société aspirant non seulement à des niveaux d'efficience et de productivité accrue, mais aussi à des niveaux d'inclusivité, de solidarité et de partage renforcés... »

Là, il faut innover en adoptant la méthode de budgétisation à zéro qui cherche la raison d'être de chaque poste de dépense. Les fonctionnaires accepteront que la révision des salaires du PRB soit renvoyée aux calendes grecques s'ils perçoivent que le leadership donne l'exemple de sacrifice. Il y a lieu d'abolir tous ces privilèges hors-taxe (voitures et autres exemptions), toutes ces allocations injustifiées (chauffeur, divertissement, essence, etc.), tous les honoraires payés à ceux qui cumulent les fonctions ou les postes, la pension parlementaire non-contributive pour députés cumulant deux mandats, et les exemptions d'impôt pour les mandarins de l'Etat.

#### Ciblage des prestations

Cependant, des coupures substantielles dans le budget ne seront pas possibles sans revoir l'universalité des prestations sociales, dont la pension de vieillesse. Le ciblage des prestations sociales en faveur de ceux qui les méritent ne devrait plus être un tabou. Le pays ne peut plus s'endetter pour accorder la pension de vieillesse universelle à des gens qui ont d'autres sources de revenu telles que la pension de retraite, le revenu tiré du travail indépendant, les dividendes, les droits de location ou les retours sur les investissements. C'est une aberration que ceux qui touchent un salaire après 60 ans aient aussi droit à la pension de vieillesse. Comme dans d'autres pays, la pension de vieillesse devrait être accordée à ceux qui n'ont aucune autre source de revenu. A la rigueur, elle devrait être un supplément de revenu pour ceux qui sont au-dessous d'un seuil de revenu acceptable (disons Rs 20,000 par mois).

Malgré les coupures, les dépenses publiques ne seront pas soutenables dans le long terme sans une politique fiscale qui élargisse l'assiette fiscale et rétablisse l'impôt progressif sur le revenu. Les syndicats ont déjà pris position en faveur de l'impôt progressif avec un taux de base de 10% et des taux d'imposition marginale de 15%, 25%, 30% et 35% selon les tranches de revenu. Avec ce soutien critique, le Gouvernement ne peut se permettre de se dérober à sa responsabilité de faire une réforme fiscale juste. Celle-ci devrait aussi englober la taxe sur les dividendes et la taxe sur les plus-values réalisées sur la vente de biens meubles et immeubles.

Comme la Grèce, Maurice a un problème structurel de

Toutefois, un crédit d'impôt de 25% sur les bénéfices des sociétés (avec pour effet de leur faire payer seulement 75% du taux d'imposition de 15% sur les profits, soit un taux d'impôt de 11,25%), comme le réclame la Chambre de Commerce et de l'Industrie, n'est pas souhaitable vu que les sociétés ont accumulé d'énormes profits dans le passé et payé des dividendes généreux sans se constituer des réserves pour les temps difficiles.

Il y a une limite à la générosité de l'Etat. Il a déjà dépensé des milliards de roupies pour subventionner les salaires des entreprises durant la crise. La Banque centrale vient d'établir une société d'investissement qui investira Rs 80 milliards dans les entreprises par l'achat d'actions ordinaires et l'émission d'obligations convertibles, deux opérations qui augmenteront considérablement les ressources nécessaires au plan de sauvetage/relance.

#### Croissance équilibrée

Le test de la volonté du Gouvernement de créer les conditions essentielles à une croissance diversifiée, équilibrée et inclusive en termes de pôles de développement sera une nouvelle stratégie de développement. Il faut sortir des sentiers battus pour mieux exploiter les potentialités du pays en termes de substitution d'importations, de production alimentaire accrue, de développement de l'économie bleue et d'énergies renouvelables.

La solution de facilité qui consiste à vendre des pans entiers du territoire aux investisseurs étrangers pour faire rentrer des devises mènera à un cul de sac avec la consolidation d'un capitalisme néo-patrimonial et ségrégationniste, symbolisée par des enclaves de richesse dans un océan de pauvreté. S'il est une chose que le drame des *squatters* expulsés des terres de l'Etat a prouvé, c'est le développement inégal. L'accès à la propriété ne saurait être l'apanage des nantis.

# India-China standoff: Situation at border stable

China on Wednesday emphasised that there was no need for the intervention of a "third party" to resolve its current standoff with India as the two neighbours have fullfledged border-related mechanisms and communication channels to sort out their differences through dialogue.

Foreign Ministry spokesman Zhao Lijian told that China's position on the border issue with India was "consistent and clear" and both the countries have "earnestly" implemented the important consensus reached between their leaders, reports PTI.

Zhao was replying to a question about the phone call between Prime Minister Narendra Modi and US President Donald Trump during which the two leaders also discussed the border standoff between India and China.

"Now the situation there (at India-China border) is overall stable and controllable. China and India have full-fledged border-related mechanisms and communication channel. We have the capability to resolve the issue through dialogue and negotiation," Zhao said.

"There is no need for the intervention of a third party," he emphasised, in what is China's first official reaction to the discussion on the border tensions between Modi and Trump.

President Trump last week said he was "ready, willing and able to mediate" between the two countries. "We have informed both India and China that the United States is ready, willing and able to mediate or arbitrate their now raging border dispute," Trump said in a tweet.

Both India and China have rejected Trump's offer of mediation.

"China's position on the border issue is consistent and clear," Zhao said and reiterated that the two neighbours have "earnestly implemented the important consensus" reached between their leaders.

The troops of India and China were engaged in a 73-day standoff in Doklam tri-junction in 2017 which even triggered fears of a war between the two nucleararmed neighbours.

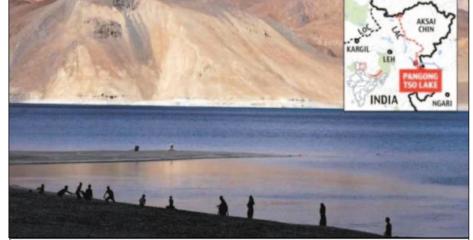
Prime Minister Modi and Chinese President Xi Jinping held their first informal summit in April 2018 in the Chinese city of Wuhan, months after the Doklam standoff.

In the summit, the two leaders decided to issue "strategic guidance" to their militaries to

strengthen communications so that they can build trust and understanding.

Modi and Xi held their second informal summit in Mamallapuram near Chennai in October last year with a focus on further broadening bilateral ties.

Indian and Chinese troops were engaged in a bitter standoff in several areas along the Line of Actual Control in mountainous eastern Ladakh for close to four weeks.



Pangong Tso has been the site of many face-offs between Indian and Chinese troops including the ongoing eyeball-to-eyeball confrontation in the finger area of the lake. Photo indiatoday.in

Both the countries are holding talks at military and diplomatic levels to resolve the dispute.

Friday, June 5, 2020

On May 5, the Indian and the Chinese army personnel clashed with iron rods, sticks, and even resorted to stone-pelting in the Pangong Tso lake area in which soldiers on both sides sustained injuries.

In a separate incident, nearly 150 Indian and Chinese military personnel were engaged in a face-off near Naku La Pass in the Sikkim sector on May 9.

### US: Protests turn subdued after new charges in Floyd case



Demonstrations in cities across the US to condemn racism and police abuses remained large but turned notably more subdued on the eve of a Thursday memorial service for George Floyd that kicks off a series of events to mourn the man whose death empowered a national movement.

The calmer protests came on the same day that prosecutors charged three more police officers and filed a new, tougher charge against the officer at the center of the case.

The most serious new charge Wednesday was an accusation of second-degree

murder against Derek Chauvin, who was caught on video pressing his knee to Floyd's neck, reports Associated Press. The three other officers at the scene were charged for the first time with aiding and abetting second-degree murder and second-degree manslaughter. If convicted, they could be sentenced to up to four decades in prison.

The move by prosecutors punctuated an unprecedented week in modern American history, in which largely peaceful protests took place in communities of all sizes but were rocked by bouts of violence, including deadly attacks on officers, rampant thefts and arson in some places.

Nationwide, more than 10,000 people have been arrested in connection with unrest, an Associated Press tally shows. More than a dozen deaths have been reported, though the circumstances in many cases are still being sorted out.

Protests were still big, but largely peaceful in California, where NBA stars Steph Curry and Klay Thompson marched with protesters in Oakland.

Some demonstrators lay down to represent the amount of time a white police officer pressed a knee into Floyd's neck while he pleaded for air. But police kept a mainly hands-off policy during the day even after curfews took effect.

The first of three memorial gatherings for the man whose name has been chanted by hundreds of thousands of people was planned Thursday afternoon in Minneapolis at a service where the Rev. Al Sharpton, the civil rights leader, and family attorney Ben Crump will speak.

### UK to change immigration rules for Hong Kong citizens if China passes law

**B**ritain will change its immigration rules and offer millions of people in Hong Kong "a route to citizenship" if China imposes new security laws, Boris Johnson has said.

Writing in the *Times*, Mr Johnson said the UK would "have no choice" but to uphold its ties with the territory.

China is facing mounting criticism over its planned law. Many people in Hong Kong fear it could end their unique freedoms, which the rest of China does not have.

The UK is already in talks with allies including the US and Australia about what to do if China imposes the new law - which would make it a crime to undermine Beijing's authority - and people start fleeing Hong Kong.

In the *Times* on Wednesday, Boris Johnson confirmed that if China passes the law, people in Hong Kong who hold British National (Overseas) (BNO) passports will be allowed to come to the UK for 12 months without a visa. Currently they are allowed to come for six months.

Around 350,000 people in Hong Kong currently already have a BNO passport, but 2.6 million others are also eligible.

Passport-holders would also be given further immigration rights, including the right to work. This "could place them on a route to citizenship," Mr Johnson said.

#### 'Britain will not walk away'

The prime minister added that the immigration changes "would amount to one of the biggest changes in our visa system in British history".

"If it proves necessary, the British government will take this step and take it willingly. Many people in Hong Kong fear their way of life, which China pledged to uphold, is under threat.

"If China proceeds to justify their fears, then Britain could not in good conscience shrug our shoulders and walk away; instead we will honour our obligations and provide an alternative."

Hong Kong is a former British colony. It was handed back to China in 1997.

As part of an agreement signed at the time, it enjoys some freedoms not seen in mainland China - and these are set out in a mini-constitution called the Basic Law.

BNO passports were granted to all Hong Kong citizens born before the Chinese handover in 1997 and while they allow the holder some protection from the UK foreign service they do not currently give the right to live or work in Britain.

#### Economy



# The Birth of Small Island Modern Monetary Theory: **The Grand Mauritian Experiment**

Sameer Sharma

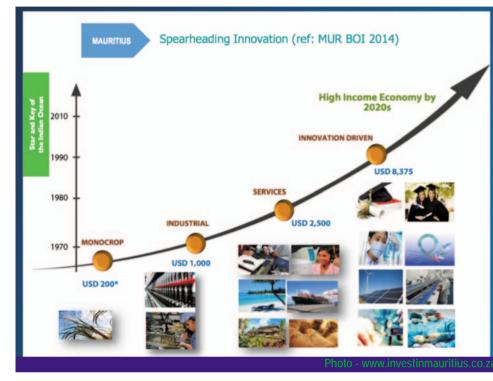
Will this budget get us out of the rot? you may ask. The liquidity and the ideas are grand but implementation and avoiding the downsides of MMT will be the biggest challenges

viscal policy is not an accounting exercise Fand a nation which holds a monopoly over its currency is not like a normal household needing to worry about inherent limits to spending to the same extent as the latter. In what the Finance Minister calls the "new normal", the balance sheets of the central bank (BoM) and that of the Government have been effectively consolidated into the balance sheet of the Republic of Mauritius. The quasi-financing of fiscal spending by the BoM is closely aligned to what is known as modern monetary theory (MMT) and takes a small import-dependent island economy into interesting waters indeed.

From the Rs 60 Bn grant to the setting up of the Mauritius Investment Company to the BoM's planned issuance of Sukuks and green bonds, it is now functioning within the prism of MMT and in full coordination with fiscal policy. To be fair, the Western world is closer to MMT today than MMT theorists could have ever hoped for. With public sector net debt estimated at 78% of GDP and despite a projected decline in the cost of debt of Government to 3.8%, debt metrics when coupled with unfunded liabilities such as civil service pensions and the Basic Retirement Pension mean that we will remain in MMT mode for a while to come. The issue has never been the level of debt but whether the returns we make on this borrowed money is higher than the cost of debt. This has rarely been the case when we look at investment returns on public assets.

Modern monetary theory essentially says that a country which holds a high degree of sovereignty over its currency can have the central bank finance fiscal spending, as long as inflation remains below a clearly defined target in order to achieve full employment, or in other words until the economy grows at capacity. As long as one- to two-year ahead expected inflation remains below a certain "lakshman rekha" it is argued and when the economy is operating well below capacity as it is currently doing --, the State which includes both the Government and central bank can inject massive amounts of liquidity into the system in order to stimulate aggregate demand until the economy converges to its potential.

Liquidity injections when the output gap is negative is not as inflationary. Typically it is recommended that this injection of liquidity be geared towards stimulating local factors of production rather than imports, because of the potential currency impact and obviously because the idea is that investing in things that create more output potential is "not inflationary" in theory. When inflation is above target because the economy is overheating, then the state is supposed to remove liquidity from the system by raising taxes and by the central bank raising interest



For Mauritius to even sustain 4% plus rates of growth over time, it must more than double its productivity than double its productivity growth rate. The low hanging fruit there lies in a reform of the way parastatals are managed but politics prevent this. So we need to push up labour input growth by improving our labour pool in terms of quality and size, we need to reduce the barriers to entry in many sectors where some large players take it all, diversify and stimulate higher return investments..."

rates for example.

The challenge with MMT as applied to a small open economy of course revolves around:

- first, Mauritius's central bank not having a clearly defined and quantifiable medium term flexible inflation target;
- second, the challenge of maintaining central bank independence and the resulting credibility in achieving the inflation target;
- third, the risk that liquidity injections stimulate imports and lead to heightened currency volatility;
- fourth, that the Government can indeed implement projects on time - which boosts local factors of production and overall growth potential;
- fifth, that when expected inflation is high and the economy is overheating, both the central bank and the Government can have the will and credibility to remove the liquidity which was so much easier to inject.

Last, we assume that economists are able to accurately measure the growth potential and the gap between actual and potential growth (which is itself unobservable) and that the market prices medium term inflation risk properly. In the MMT world, the Government must hold as much debt as possible domestically in the currency in which it can print. More than 83% of debt will be denominated in Rupees, maturities are being pushed up and on the foreign debt side, more low yielding EUR denominated debt which more closely matches the currency composition of Mauritian exports will be taken vs USD debt.

Think of potential output as being a function of labour input growth, capital input growth and productivity growth of the economy. Mauritius' growth has been structurally weakening for more than two decades slowly but surely, as unfavourable demographics and a large pool of semi-skilled labour hinder labour input growth. This variable contributes no more than 1.2% to the potential pre-Covid 3.8% overall growth potential of the economy. On the capital side, the rentier economy and associated private sector's focus on land conversions and foreign villa sales which bring "FDI" has little impulse on capital growth. There is little productive capital expendable, many companies have high debt to free cash flow metrics and some even borrow to pay dividends which are off-shored.

At the heart of low capital growth is low CAPEX, and at the heart of low CAPEX is the fact that many projects in Mauritius generate return on capital employed below

the weighted average cost of capital. We barely get 1.4% out of this variable. On the productivity side, Mauritius can only manage at best 1% annual contribution. The lack of innovation in the economy is obvious to everyone. For Mauritius to even sustain 4% plus rates of growth over time, it must more than double its productivity growth rate. The low hanging fruit there lies in a reform of the way parastatals are managed but politics prevent this. So we need to push up labour input growth by improving our labour pool in terms of quality and size, we need to reduce the barriers to entry in many sectors where some large players take it all, diversify and stimulate higher return investments. We also need to enhance productivity everywhere including in the publicly owned companies.

Once we understand the above, it is possible to neutrally assess the budget as an indicator of fiscal and overall macroeconomic policy. An openness to foreign migration is a positive step by the Government but the stagnation of the education budget and the lack of reform in general for higher quality remains a major constraint especially in mathematics and quantitative fields. On the capital front, the MIC's ability to prevent massive de-leveraging and stimulate investments over time requires having the right people at the right places because implementation will be key. The implementation argument goes for the creation of the mucheeded venture cap ecosystem, so as to diversify away from needing to be born rich with lots of collateral to make it in business.

There is still a strong focus on the construction sector and in things the rentier economy likes to push for. However, there is at least a plan to put money behind other new sectors of the economy such as pharma and building the data architecture which is a positive as long as the Government comes out with a complete digitalization policy. Both the FSC and BoM talk a lot about Supervision Tech and pushing RegTech into the offshore sector for better AML monitoring for example - but who will implement it effectively?

The move towards stimulating local agri-production is consistent with MMT and is a step in the right direction. On the productivity side, it will all be about human capital coming from abroad's ability to innovate which won't happen quickly but is a necessary move. There was no announced reform of the highly inefficient parastatal bodies

Will this budget get us out of the rot? you may ask. The liquidity and the ideas are grand but implementation and avoiding the downsides of MMT especially on the inflation and currency fronts will be the biggest challenges. Dodo Land is now firmly in MMT land, a first for a small island economy.

# Year 1 of the New World Order



Budgets, as overhyped as they are in Mauritius, have often been stale exercises with little for the middle class and small business owners. We have been told repeatedly that the times are unprecedented for we are now going through a triple-debt crisis affecting private entities, households as well as states simultaneously. The blueprint used to deal with same dates to 2008 with quantitative easing chosen despite inflationary risks and serious doubts expressed on the independence of Central banks.

Presented against the backdrop of amended legislations that have weakened workers' rights, the removal of the ceiling for national debt levels, our presence on the FATF grey list of 'jurisdictions under increased monitoring' (which only serves to highlight the eroded credibility of most of our regulators), this is the first budget under Pravind Jugnauth as PM with a popular mandate. Expectations had been tempered prior to its presentation with many experts averring that the Minister could not do much. With Rs 60 billion from the Central Bank, this was simply not true. As is customary now, the budget is being hyped by members of the Government and riled by those in opposition ranks. The PM was quick to congratulate his colleague who in turn heaped praise over his boss. This is the usual shtick. Like all budgets, this one has a litany of promises that will never be delivered. As with all editions, this one has some good measures and some questionable ones.

#### The Good & Promising

The Rs 15,000 compensation to law enforcers and hospital staff is a welcome decision and shows the gratitude of citizens towards frontliners. It was the least we could do. May we also hope that access to protective equipment will not be an issue should there be a second wave. The introduction of an additional dose of progressive taxation in the form of an increased solidarity levy was long-awaited as is the additional charge imposed on the gross income of companies where it exceeds Rs 500M.

Another positive intent hosted in this budget is the National Agri-Food Development Programme which aspires to lead the country to self-sufficiency. A Every crisis paves the way for new opportunities. The present Government has chosen not to seize them fully



In these tough times, not enough is being done to help small businesses. Easy access to finance at a time when working capital is meagre should have been addressed. The process is still cumbersome and guarantees still a requisite. Announcing Rs 10 billion for SMEs in distress is one thing, getting the finance to entrepreneurs is another..."

number of measures which include pledges of greater technical support, subsidies on the purchase of seeds, grants on the cost of netting will definitely help planters. Whether Landscope Mauritius Ltd is the best organism to handle the supply of land remains to be seen. 12,000 housing units have also been announced at a cost of Rs 12 billion. The figures seem very exaggerated but even if half of them are actually built, it would be a step in the right direction.

#### The Bad & Farcical

That this is being presented as a balanced budget should not mask the fact that such would not have been the case without the Bank of Mauritius. The latter has been under greater scrutiny over the last few years; questions on its independence have rightly been raised with lackeys abiding to the whims of those in office. Of concern is the track record of some nominees who were inept in their previous postings: failures that have tarnished our image as a jurisdiction of good standing.

The new sectors that have been announced bear a strong sense of déjà-vu: Artificial Intelligence, the Ocean Economy (rebranded as Blue Economy), Technopoles of past now marketed as the Côte d'Or Data technological park as well as a pharmaceutical industry. The leader of opposition has already outlined the opacity surrounding the likely beneficiary of incentives towards the creation of this new sector.

At a time where globalisation is plateauing, you would expect regional collaborations to be high on the agenda. While Africa is mentioned and it is even laid down that: "It is hand in hand that our socio-economic pathway will be written", the strategy of focusing on Special Economic Zones is the wrong one - having met with little success in Congo-Brazaville



If The Rs 15,000 compensation to law enforcers and hospital staff is a welcome decision and shows the gratitude of citizens towards frontliners. It was the least we could do. May we also hope that access to protective equipment will not be an issue should there be a second wave. The introduction of an additional dose of progressive taxation in the form of an increased solidarity levy was long-awaited..."

and Senegal. No mention whatsoever is made of the importance of additional diplomatic presence in more African countries.

What is also to be resented is that we are not working towards the upgrading and addition of new skills to our workforce. This is the perfect moment for people to learn and train for a new paradigm. This is missing from Minister Padayachy's speech and the words training or apprenticeship are not even mentioned in the budget.

In these tough times, not enough is being done to help small businesses. Easy access to finance at a time when working capital is meagre should have been addressed. The process is still cumbersome and guarantees still a requisite. Announcing Rs 10 billion for SMEs in distress is one thing, getting the finance to entrepreneurs is another. The Minister mentioned the New Deal in his speech. Maybe he does not know that the US Government was the employer of last resort with the Civilian Conservation Corps that enrolled 2 million unemployed men between 18 and 25 for a variety of tasks which are still very relevant: participation in conservation projects such as planting trees to fight soil erosion and conserve national forests, eliminating pollution in rivers and the creation of fish, game and bird sanctuaries.

How have Mauritians achieved progress? They have saved in a disciplined manner at the cost of great hardships over years. Since 2006, this culture has been derailed. The Minister of Finance should have tried to incentivise this savings culture.

#### The Unclear

The Minister has announced the decision of "abolishing the NPF as it is not only unsustainable but also unfair and regressive." What we need to know is the state of our pension fund, how sustainable it really is? How will the *Contribution Sociale Generalisée* be managed? Will these funds be used to balance our national budgets in the future? Nothing seems to be off limits.

One of the looming dangers is 'cash-for-trash' acquisitions by the recently incepted MIC. Buying toxic assets from private companies is quite possible, even more so in the absence of proper supervision. High standards of transparency should similarly be applied to applicants of the Hotel Reconstruction and Renovation Scheme so that the industry can look at the future with greater serenity.

#### In fine

Most people do not care much about quantitative easing or artificial intelligence. What ultimately matters to them is the price of commodities. These will increase in the coming months with a depreciated rupee leaving them even more vulnerable. As Neugebauer writes in Jacobin Magazine, "once the state had socialized the losses, it could move on to making the working class pay for corporate debt and [...] bailouts." This being a pro-big business Government, the roadmap is not hard to fathom.

While this budget has some progressive aspects that should be recognised, we should keep in mind that Rs 80 billion will go towards bailing out asset-laden companies in the near future. This Government is merely doing what Ambrose Evans-Pritchard of the Daily Telegraph preaches: "To avert socialism, we must briefly become socialists."

Every crisis paves the way for new opportunities. The present Government has chosen not to seize them fully.

#### Budget 2020-21

#### **Mauritius Times**



Jack Bizlall

Quand j'ai écouté le ministre des Finances, j'ai eu cinq réactions:

 J'ai eu l'impression d'écouter un Avatar d'Arturo Toscanini dirigeant l'orchestre philharmonique de Berlin et jouant 'La Chevauchée des Walkyries' de Richard Wagner.

Pas une phrase sans la mention de tant de milliards pour ceci et tant de milliards pour cela... qui seront distribués à profusion, et ce, pour " perfusionner " notre économie... en attendant et même en souhaitant la Covid-20... C'est ce que les spectateurs - que certains sont devenus de force - doivent maintenant attendre...

- 2) Il est évident que le Mauricien, qui aime la vie simple, se demande ce que sera Maurice dans 3-4 ans avec une destruction massive de ce qui appartient à la population dans son ensemble, sans son assentiment... sans oublier sa vie qui sera bouleversée et épiée... Il faut vite passer à la Deuxième République. Avec tant d'argent on peut faire beau coup mieux... et autrement.
- Le travailleur qui attend son salaire de juin 2020 n'a encore rien entendu de ce que sera sa situation économique à partir du 6 juin 2020. Rien au fond pour atténuer la peur des travailleurs.

Je me suis assis pour écouter ce qu'il avait à dire sur la protection de l'emploi, des salaires, des fonds de pension existants et de la restructuration des entreprises. Il est vrai qu'une grosse somme a été proposée. Sans modalités de principe. Rien n'est encore dit.

 L'anarchie dans les idées du ministre est monumentale. Je crois qu'il ne sait même pas de quoi il parle en termes d'applications, de destructions, d'ac caparements et de gaspillages.

Sait-il que la détermination des contributions des travailleurs et des partons (par rapport à la pension escomptée) pour un nouveau fond de pension exige un travail d'actuaires ayant des connaissances avancées, que personne ne détient à Maurice ? Je sais de quoi je parle... plusieurs fonds de pension sont en crise.

 Quid du temps nécessaire pour exécuter ces travaux qui dépassent les 102 milliards en prenant en considération les travaux en cours... Quid des structures de contrôle et

# **Mes cinq interrogations**



d'audit à mettre en place pour éviter trois choses : le paiement des commissions, le détournement des fonds et le gaspillage ?

Il faut maintenant protéger certains secteurs de service et entrer dans le secteur de

production autrement : en fusionnant les secteurs de production à

l'exportation et celle de l'importation et en tirer un bénéfice important dans l'application de l'économie d'échelle par rapport à la consommation locale et à l'exportation dans la région. C'est ce que fait la Chine... "

### Le New Normal... Qu'est-ce que cela signifie ?

Le terme 'New Deal' (Nouvelle donne) de Roosevelt après la grande crise qui surgit le 24 octobre 1929 doit être d'abord compris. Le 'New Deal' avait comme objectif principal de réduire la pauvreté et la misère, d'aider pour les salaires et des lois pour la protection syndicale. Le 'New Deal' a creusé par la suite des déficits et il y a eu un Second Deal. Notre ministre applique un Néo keynésianisme pour sortir de la crise Covid-19. Ma réaction : Il faudra que les gens comprennent ce qu'est le 'New Deal' et ce qu'est le Keynésianisme. Il faut situer sémantiquement, structurellement et programmatiquement, ce qu'il veut faire. Ou tout au moins ce qu'il dit. Ce qu'il veut faire, je me demande s'il en mesure les impacts et conséquences.

#### Retour à l'engagisme ?

Avec un taux de décroissance pour 2020 de l'économie mondiale de 3%et un taux de décroissance de 11% pour Maurice, je trouve impertinent pour quiconque d'investir tant de milliards dans un développement spéculatif, anarchique et mystificateur.

Chaque budget c'est la même chose : les mêmes travaux d'Héraclès. Il propose

au coût de 12 milliards la construction de 1000 logements pour les bas salaires et 11,000 pour les autres SANS prendre en ligne de compte qu'il faudra faire venir des travailleurs par milliers pour compléter ces tâches. Donc, il faudra prévoir des logements décents pour eux.

Booster le secteur de construction en premier est d'une inconscience inacceptable. Il faut sauver d'abord le secteur touristique, l'aviation civile... Soyons raisonnables, quelle est cette folie qui perturbe sa rhétorique ? Au moment où j'écris, personne ne sait où la République se dirige et quel est son rôle dans tout cela...

#### Back to basics...

Combien de fois ai-je attiré l'attention des uns et des autres sur le fait que notre économie quitte trop le secteur de production pour le secteur hors-production. Heureux d'entendre que nous retournons à la case de départ à coups de milliards. Bien entendu, si nous l'avions fait 20 ans de cela, notre économie serait aujourd'hui sur ses jambes. Passons.

Je le dis et le redis, il faut maintenant protéger certains secteurs de service et entrer dans le secteur de production autrement : en fusionnant les secteurs de production à l'exportation et celle de l'importation et en tirer un bénéfice important dans l'application de l'économie d'échelle par rapport à la consommation locale et à l'exportation dans la région. C'est ce que fait la Chine. On est en train de détourner le Port Franc contre les intérêts de la population.

#### **Community development**

Il faut voir ce qu'il interprète comme 'Community Development'. C'est à désespérer d'être né en 1946 quand le 'community development' était pratiqué sans intervention de l'État mais avec la participation de tous les membres de l'endroit où nous habitions. A Rodrigues c'était encore plus pratiquée.

Je ne vais pas me batailler avec lui sur sa sémantique. Je me place dans le cadre de ce que notre société est devenue avec ses exclusions, ses malaises, ses peurs. Il a mis 8.4 milliards à la disposition de la police. Il sait que les exclus vont se rebeller. Nous sommes dans une situation semblable à 1968. Ça va chauffer. Croyezmoi.

Le 'Community development' incorpore un changement de paradigme de notre système d'éducation. Il faut qu'il soit d'assertion au lieu d'être d'insertion produisant un fordisme intellectuel pour grossir une classe moyenne qui s'accapare de tout et qui se croit tout permis.

Sur le seul aspect de 'community development', il y a un gros travail à faire. D'autre part, il y a plus de 130 régions à réhabiliter. Comment permettre aux travailleurs de s'en sortir avec le surendettement? Il va sans doute permettre aux banques et à certaines "Mutual Aids" de vampiriser les salaires des travailleurs par la pratique de l'anatocisme. Il faut rayer tout surendettement.

#### Les petites et moyennes entreprises

Quand j'avais étudié l'économie pour mon propre savoir dans les années 70, mon attention avait été attirée par le nombre de ces entreprises en faillite aux États-Unis. Elles bouffaient leurs capitaux pour plusieurs raisons et n'arrivaient pas à faire des économies d'échelle.

Elles ne maitrisaient point la théorie du développement inégal et combiné, par rapport aux innovations technologiques. Quand j'étais en Angleterre à l'époque du Thatchérisme, des machines de seconde main étaient en vente par milliers. Nos économistes oublient la nature expansionniste du capitalisme. Il faut par contre laisser se développer le secteur informel et l'économie de proximité.

#### Le comble du ridicule

La palme d'or revient à notre Wagner local pour ses propositions sous le chapitre 'Support to the Tourism Sector'. Le plus grand test qu'il aura à passer, ce sera sans aucun doute celui de rétablir ce secteur. Ses propositions contiennent des germes de la destruction de ce secteur.

Quand je fais un constat des positionnements de certains syndicats, de certains employeurs, du Gouvernement et de l'administrateur de MK, j'ai le droit de dire ceci tout haut : " Jusqu'à quand nos intellectuels vont-ils croire que l'intelligence est innée ? "

On entend : 'new branding strategy' par la MTPA et l'EDB. Un 'commercial partnership' avec Liverpool. Je lui demande d'aller consulter les statistiques pour 2019, de ventes d'appartement d'hôtels et ajoutezles aux IRS, ERS et PDS...

#### Agaléga et Rodrigues

Le comble de l'insulte de la part du ministre, il l'a démontré à l'égard des habitants d'Agaléga et de Rodrigues. J'ai visite plusieurs dizaines de fois Rodrigues et Agaléga, mais plus souvent Rodrigues. Je constate qu'il ne sait rien de ces deux iles et encore moins du peuple rodriguais.

#### Friday, June 5, 2020 10

#### Mauritius Times

# "Will we really have a new normal around effective social justice, inclusion and equity?"



Interview

Mauritius Times: Most trade unionists are usually never satisfied with budgetary measures year in year out. That's unlike the business and private sector institutions which rarely find fault with a budget speech. What does this tell about the level of debate and the quality of leadership at all levels and in different sectors in the country? Have we made some progress?

**Prof Sheila Bunwaree:** Saying that trade unions are never satisfied with budgetary measures is somewhat exaggerated and unfair especially when we think of the critical role that they play in ensuring that workers' rights, particularly employment and decent working conditions are protected. I am aware that some people have referred to trade unions as having a 'mentality of entitlements' but such a comment especially in the current Covid context where jobs are threatened and gains made can get easily eroded, is rather unbecoming.

We should be happy that there exist some trade unions which battle to ensure that fiscal policy is not tilted in favour of a frequently exploitative capitalist class to the further detriment of the working class. It is the responsibility of each and every one of us who believe in a more just society to ensure that the relationship between capital and labour is a fair and human one. There has been very little possibility of any meaningful engagement between the unions and the authorities lately and yet such dialogue is particularly necessary in these times of crisis.

This brings me to the second part of your question. Debates and quality of leadership are essential ingredients of a functioning democracy. But with workers' rights being infringed upon and civic space shrinking, we see a veering towards an authoritarian state. What makes matters worse is when you see some people 'sychophanting' morning and night, allowing their intellect and conscience to go down the drain. Being subservient to their master and clapping at every decision taken, including the recent Covid Bill which as many trade unionists and civil society members have demonstrated is anti-worker, facilitating workers' layoff rather than protecting them, goes to show that some of our parliamentarians have become adept at defending the indefensible.

If it was not for the hunger strike of the cleaners led by certain trade union groups, the national minimum wage may never have been introduced. But of course all those working under the thumb of the PM would claim that this is because of his 'inspiring' leadership. And we will hear these sycophants once more during the budgetary 'debates'. For those of us searching for a Politics of Truth, Justice and Fairness, we can only despair! Prof Sheila Bunwaree, sociologist, academician and political observer takes a broad sweep at the country's predicament in light of the budgetary measures announced yesterday. Although she finds some pluses, she is sceptical about implementation because several schemes that were announced in previous budgets have never materialised and yet are touted anew, e.g. Land Bank, Blue economy, promotion of smart agriculture, etc. There are major concerns about environmental sustainability which proposals in the budget go against, and a most pressing worry, job creation, finds no mention at all.

\* As a social scientist by training and now very much involved in the political field, did you get the feeling of 'politics having trumped economics after listening to the almost two-hour long budget speech?

After having listened to the Finance Minister's interventions on a few occasions during recent weeks, I quickly realised that he is not cut for the job. Nothing personal but running the finances of a country and preparing a budget especially in the context of this pandemic is a huge responsibility which demands reason, dexterity, compassion and above all vision.

The population has the legitimate expectation that the government would be mapping out a sustainable road to recovery but listening to this budget speech has been a real disappointment. Coming to your specific question, I would say that politics has intertwined with bad economics to trump social and environmental sustainability.

With workers' rights being infringed upon and civic space shrinking, we see a veering towards an authoritarian state. What makes matters worse is when you see some people 'sychophanting' morning and night, allowing their intellect and conscience to go down the drain. Being subservient to their master and clapping at every decision taken goes to show that some of our parliamentarians have become

adept at defending the indefensible...\*

As the world grapples with the uncertainty associated with the multiple ripple effects of Covid-19 and not knowing whether we will be spared from a second wave, people want to be reassured particularly as regards the capacity to bring food to the table. The sudden loss of jobs, soaring prices, the psychological trauma of the lockdown and the distressing pictures of children crying when their shacks serving as shelter, are being dismantled because some 'caring and humanistic' politicians have decided that the law has to be respected no matter what during this confinement period calls one to reflect on what politics is all about.

The citizenry and particularly the youth want to know whether they can aspire to a secure future - one which is green, one which is free of hunger, of illiteracy, of homelessness, one in which they can raise a family and feel happy. But instead of feeling reassured, they are left even more troubled.

The excesses of neoliberalism and the dehumanising facet of globalisation have become even more obvious as a result of this pandemic and have shown that development cannot be thought and planned in silos - it has to be integra-ted. I realise that it is not easy for policy makers who are dri-ven by a neoliberal agenda and inclined to privilege big business and protect their own immediate interests, to pave the way for a transformative agenda where the human being and Mother Nature are truly centre stage. So it becomes easier for an interlocked politics and economics to trump social and environmental sustainability. \* Most of our economists have been saying that the country will go through difficult times in the months ahead with the impacts of the coronavirus pandemic on the global economy. Governments must dramatically overhaul policies and invest in public health, economic stimulus and social safety nets to help countries recover faster. Do you see the measures proposed in Budget 2020-2021 sufficient to meet these challenges?

Economists across the globe, including ours too, agree that the world will go through very difficult times. A consideration of context-bound factors is however required when deciding on the formulation and implementation of policies. There is not a single economy which will come out of this crisis undamaged, but with collective effort, the right mix of policies, genuine solidarity, we can certainly bring our nation back on a sustainable path. But coming to the sectors that you mention:

**Public health:** The budget tells us that Rs 12 billion will go to the health sector with a new 5-year strategic plan 2020-24. Whether we will be able to meet the challenges linked to the health of our nation will depend largely on the details, direction and implementation of the plan, provided that we do not get a second wave.

The former Minister of Agriculture during the mandate 2014- 2019 came up with a strategic plan oriented towards sheltered farming, better utilisation of lands for agricultural purpose and reduction of food imports but very little of that has been implemented. Moreover, the Land Bank was also mentioned by the former Minister of Agriculture and rehashed in this budget. Sorry for the digression to agriculture but just to tell you that Pravind Jugnauth's government is very poor at implementation.

Mention has also been made of a cancer hospital, eye hospital and teaching hospital - all long overdue but certainly good measures, amongst some other new schemes. Are they sufficient? Certainly not because there is so much more that could be done to both prevent and cure diseases in Mauritius.

**Economic stimulus:** Honestly, one wonders what is being stimulated when there is not a single mention of how new jobs will be created. As it is, we already had an important pool of unemployed, particularly amongst women and youth. The Minister of Finance himself told us that unemployment will revolve around the 100,000 mark. These people will therefore be cashless. Simple economics tells you that stimulating the economy requires productive investment which can boost demand and allow consumption to grow. Many Nobel laureates in economics from Stiglitz to Duflo, commenting on the economics of Covid-19, tell us that money must be pumped in to expand demand and thus cause a multiplier effect in the economy.

The SME sector, which plays a crucial role in most economies, could have been the propeller to new growth le-vels but we are all familiar with the MauBank saga. And what we see now is only some Rs 10 million per enterprise at a concession rate of some 0.5 per cent per annum, through the DBM. We all know that the latter is another disaster, joining the ranks of many other institutions, which have been filled with 'petits copains et copines', thus preventing it from playing its role effectively.

#### Interview

# 'If we continue to use our lands for IRS and RES or huge golf courses, we are doomed ecologically'

#### Cont. from page 10

With Rs 158 billion at its disposal, the government could have certainly given a real boost to the SME sector but it has chosen otherwise. This is a sector where women and youth can thrive but not when you create a situation where they will be expected to meet very stringent administrative conditions like producing guarantees, sophisticated business plans, etc. Our youth and small entrepreneurs are very creative people but they would be very hesitant to take a loan at this juncture, even if the interest rate seems minimal to some. What is even more tragic is that the limited gains made on women's economic empowerment will very quickly dissipate with serious implications on gender based violence.

Some people are making a lot of noise about some small measures such as the obligation for supermarkets to reserve some 10% of their shelf space for local products, as well as for government departments to consume at least some 30% of local products/services. It would be good to know what are the current percentages in both these cases. What mechanisms exist to ensure that there is democratisation of this space and not only one or two names which keep recurring.

Now if we turn to tourism which was already badly hit pre-Covid largely because of poor management of the sector, inability to alter the tourism product and diversify its market, and to crown it all our sinking national carrier - a central plank of the tourism industry. What do we hear? Mauritius will be sold as a Covid-free refuge. There is a total lack of imagination and creativity in rethinking the tourism product. Instead we hear of hotels converting their rooms into service apartments for sale to rich owners and facilitating high net worth tourists coming in via private jets. Not one word on eco and cultural tourism which have the potential of creating more jobs for our young people, attract more tourists and increase our foreign exchange earnings.

Another sector with a lot of potential to absorb our unemployed graduates is the financial services sector but we all know how this government has successfully managed to bring what was a vibrant sector to its near death. The financial services sector is now on the OECD blacklist but have we heard of any significant measure to redress the situation?

We can go on looking at sector by sector and we will then be in a better position to understand how this budget despite the generous gift from the central bank, constitutes a missed opportunity. Here was an opportunity to really engage in a paradigm shift and adopt an alternative model of development, where the ecology, economy and society articulate effectively with each other, but sadly none of this has happened.

\* But besides its minuses and misses, one cannot deny that the budget does contain some pluses, isn' it? What would you say are the pluses of the budget?

A few measures that on the surface can be seen as pluses include: The solidarity levy, the bad allowance rise for fishermen, the extension of the Rs5100 wage assistance for a certain period, the 12,000 housing units which will be built over three years and of course there are a few more. But it's not worth going through the shopping list since they are all problematic when one starts unpacking them. Bragging about the gas cylinder's price having fallen by Rs30 for example is deceitful. We all know that it is our own money financing this. Did the Mauritian consumer benefit from the recent large drop in the price of oil on the international market?

\* This budget is coming just a few months after the Covid-19 outbreak and there are, besides the lessons, opportunities to draw from the pandemic. What are the opportunities that the government should not have missed in terms of genuine and public interest reforms?

A genuine public interest reform would have been to bring in mechanisms and appropriate legislations to cut down on waste in different sectors. Some countries have a 'public



No civilised and truly democratic country would allow for big money and reserves to be siphoned off from their central banks in the manner that it has been here without appropriate governance structures and any form of scrutiny whatsoever. Can I understand why government has taken these particular actions? I am not sure that I can...\*

malfeasance act' or an 'economic offenders bill' to address malpractices and related problems. But here we persist with the culture of impunity and when people claim for a redress of the situation, we are told that there are enough legislations in this country. But we do need to put a stop to the depletion of public money.

Another opportunity that presents itself in these Covid times is to promote the green economy and the ecology but judging by the recent address that the PM gave to a large group of head boys and girls last March, on the occasion of 52nd Independence anniversary, it seems clear that this is a government which is bent on big infrastructural, glamorous and construction projects at the expense of our environment. True, this budget pumps in some Rs100 billion rupees under the heading 'a greener economy'. But the question is how do we make it greener unless we stop cutting down trees, preserve and expand our forests, protect our prime agricultural lands as well as our biodiversity amongst other measures.

A number of recommendations were made at 'Les Assises de l'Environnment'- let us wait and see. Reference has been made in the budget to an air quality index and the necessity of preserving good quality air. But why don't we immediately stop the many buses emitting thick dark fumes from moving on our roads? Is it that difficult?

\* If the government does not come forward with wideranging drastic reforms in certain key sectors that are of critical importance to the country, like food security, land use, energy and environment, government spending, then we would be going back to the business as usual mode. Would that be sustainable?

You are absolutely right - sustainability is not within their mindsets. There seems to be no effort to move away from the business as usual mode - they prefer making similar mistakes to those made in the past and when you question them, they quickly point out that earlier regimes made similar or bigger mistakes; it is so pathetic to hear this ad nauseam.

The food security question is one which is crucial. I have alluded to it earlier. But food security can also be enhanced

through the Ocean economy. Again, a number of projects were announced in 2014, come 2019 nothing significant achieved. Given what we have seen so far with multiple pro-mises at different points in time during the PM's first mandate, it is difficult to believe that we are heading in the right direction.

Government spending is another area that worries me. We are already heavily indebted and now that this regime has allowed for the removal of the debt ceiling through amendments made to the 'management of the public debt act' using Covid-19 as an excuse to justify their action. I fear for future generations.

Land use and energy are certainly key issues for sustainability. If we continue to use our lands for IRS and RES or huge golf courses, we are doomed ecologically and with no food security in view. It is perhaps premature to know what direction the land and environment questions will take from now onwards. We have seen a substantial amount of resources going to the Ministry of Environment, let us watch what happens. Will we really have a new normal around effective social justice, inclusion and equity?

\* Do you also share the view expressed by the Leader of the Opposition that it is Business Mauritius that's setting the agenda of the government and dictating economic policy?

Big business certainly has a huge influence on the go-vernment and to a large extent does dictate the latter's economic policy agenda. We should not forget the recent episode of how the Minister of Finance dished out money to enterpri-ses which were making profits and if it was not for the public outcry, perhaps these big firms would not have been asked to remedy.

And now when we look at the functions of the MIC with one of its criteria being to extend assistance to those companies with at least Rs 100 million, we cannot avoid asking in whose interests is this government working. Using the Covid crisis to justify this collusive and incestuous relationship between big business and government at the expense of those struggling for their livelihoods is unacceptable. I here think particularly of the informal sector workers and the self-employed.

\* Whilst there are big challenges facing the country, we find government amending labour laws that will facilitate redundancy, creating the MIC with the billions from the BOM and shielded from Parliament's scrutiny, pulling down squatters shacks rightly or wrongly... Can you understand why government has taken these actions?

It's a real shame for a government which has made so many promises since 2014 to come up with anti-worker amendments to the labour laws, to steep further into opacity and to refuse being accountable. I personally never saw anything wrong in the Central Bank supporting the government and perhaps playing its role of lender of last resort in these very challenging circumstances. But Covid-19 should be no excuse for the consolidation of opacity.

No civilised and truly democratic country would allow for big money and reserves to be siphoned off from their central banks in the manner that it has been here without appropriate governance structures and any form of scrutiny whatsoever. Can I understand why government has taken these particular actions? I am not sure that I can.

The ease with which they trample on citizens' rights or remain indifferent to the plight of the downtrodden speak vo-lumes about their style of governance. The misery and suffering inflicted on our stranded citizens in different parts of the world during these last few months is yet another example highlighting the discrepancy that exists between their rhetoric of a caring government and their capacity to empathise. The heart-wrenching images of the squatters speaks volumes about the heartlessness and hypocrisy of some!

# 'Our New Normal: The Economy of Life'

This is the first Budget presented by Hon Renganaden Padayachy, Minister of Finance, Economic Planning and Development. It was read in the National Assembly yesterday Thursday June 04, 2020, starting at 17 hrs. This Budget exercise takes place against the backdrop of a global pandemic crisis caused by a novel virus, Covid-19, which did not spare our shores. This sanitary crisis has led to an economic crisis which threatens the world with a recession. Both lives and livelihoods are at stake, and there is no escaping the inevitability of a contraction of GDP in this connected world because all economies are going to be similarly affected. The Budget Speech states that 'Latest forecasts point to a GDP contraction of up to 11 percent this year, the worst GDP contraction ever for our country'.

The Budget response takes the shape of an 'Economy of Life' which will be 'Our New Normal' and focuses on the triptych: A) Rolling out the 'Plan de Relance de l'investissement et de l'économie', B) Engaging in Major Structural Reforms, and C) Securing Sustainable and Inclusive Development. Notable in the rolling out plan are items which reflect the concern with the impact of Covid-19, such as investment in smart agriculture to promote self-sufficiency and food security, building a strong biomedical and pharmaceutical industry, and stimulating the development of data economy.

Moreover, the following are identified as the strategic and priority sectors which are engines of tomorrow's growth: setting up the right ecosystem to allow entrepreneurs from here and elsewhere to turn their ideas into creation; creation of a new synergy with Africa, the cradle of humanity and for which our sense of belonging is so strong; banking on a knowledge economy where technology, sharing and innovation are at the heart of our plan; making healthcare a pillar of our economy, by investing in an efficient health system and by welcoming companies focused on medical innovation.

As is well known for all Budgets, which are declarations of intent, the critical factor that makes a difference is how far these measures get implemented. We now have to wait and see how many of the Budget's promises will be realised.

#### Plan de relance de l'investissement et de l'economie

#### Construction Sector -'The engine of our recovery'

- Rs 12 billion for the construction of 12,000 social housing units.
- Rs 7.5 billion for the construction of Rivière des Anguilles dam.
- Rs 6 billion for the main bus terminals along the Port Louis-Curepipe corridor into multi-modal Urban Terminals
- Rs 5.2 billion for the construction of new roads and bridges.
- Rs 5 billion for the completion of the Metro System from Rose Hill to Curepipe.
- Rs 3.2 billion over the next 3 years for bus terminals modernisation programme to be extended to other main agglomerations, starting with Flacq, St Pierre, Mahebourg and Rivière du Rempart.
- Rs 2.2 billion investment in a Breakwater, Fishing Port and the Cruise Terminal Building.
- Stimulate private investment, including in the construction sector.
- In the pipeline: 34 projects at the EDB worth some Rs 62 bn
  - To further incentivise construction industry:
- Waiving fees related to the Building and Land Use Permit (BLUP) for construction of pharmaceutical manufacturing factories, food processing plants and warehouses.
- Facilitating purchases of immovable properties by foreign buyers through digital Power of Attorney.
- Extending the Construction of Housing Estate Scheme and Acquisition of Newly Built Dwellings Scheme for another period of two years; and also raising the eligibility threshold under these schemes from 6 to 7 million rupees.
- Payment of VAT as from the date of receipt instead

of the date of invoice for Government contracts in relation to construction works.

- For Government projects of up to Rs 300 Million, contractors will be paid with in a shorter period of 28 days instead of 56 days currently.
- Public projects with investments of less than Rs 300 million and where pre-qualification is not required by Central Procurement Board, will be opened to Mauritian companies only.

#### Agricultural Sector - Back to Basics & Promote self-sufficiency

- Creation of digit al Land Bank of state and private agricultural land under Landscope Mauritius Ltd.
- Upon approval of Landscope Mauritius Ltd, a small planter, having up to 10 acres of agricultural land will be allowed to convert up to 10 percent of his land for residential or commercial purpose.
- Some 20,000 acres of abandoned land will be put on the platform for immediate use.
- New mandate for Landscope Mauritius Ltd to acquire more private agricultural lands with the support of SIC.
- FAREI to develop necessary standards and norms for production, storage, transformation and commercialisation of superfoods.
- Broaden role and functions of Agricultural Marketing Board to prepare and implement a production plan for strategic food crops based on local demand; manage National Wholesale Market for fruits and vegetables before end of 2020; establish a price guarantee mechanism for producers; invest in regional storage facilities; engage with local firms for agro-processing; and ensure availability of quality seeds and develop new crop varieties.
- To boost production of potatoes and onions, increase in subsidy for the purchase of seeds from Rs 5,000 per ton to Rs 25,000.
- Government to waive payment of the annual premium in respect of the Crop Loss Compensation Scheme operated by the Small Farmers Welfare Fund.
- Under Fruit Protection Scheme, grant of 50% of

cost of permanent netting structures.

- For distressed companies in agricultural sector affected directly by the Covid-19 pandemic in the agricultural sector, DBM to provide loans at 0.5 percent per annum.
- Sugar cane planters to receive guaranteed price of Rs 25,000 per ton for first 60 tons of sugar.
- Insurance premium payable to SIFB by planters producing up to 60 tons of sugar will be waived for Crop 2020.
- Mauritius Cane Industry Authority to meet the shortfall arising from suspension of CESS payments for Crop 2020.
- Cane Replantation Programme to be maintained to bring back land under sugarcane cultivation.
- Customs duty on imported sugar increase to 100%.

#### Manufacturing Sector- Expanding our Local Manufacturing Fabric



- To foster a Buy Mauritian program, one which favours local entrepreneurship and industrial development.
- To impose quotas where needed to protect and promote the 'Made in Mauritius' brand.
- To impose a minimum shelf space of 10% for locally manufactured goods in supermarkets.
- Ministries and Government bodies to have a minimum domestic content of 30% in their purchases of goods, wherever possible.
- Provision for a Margin of Preference of 20% on public purchases to all local manufacturing companies and 30% for manufacturing SMEs.
- Investment tax credit of 15% over 3 years to be extended to all manufacturing companies.
- Provision of a double deduction on the cost of acquisition of patents and franchises and also the costs incurred to comply with international quality standards and norms.
- ISP Ltd to financially support enterprises producing hygienic goods such as sanitizers, PPEs, masks, handwash, and medical devices.

#### **Export Sector - A Paradigm Shift**

- Port dues and terminal handling charges for exports will be waived from July to December 2020 and reduced by 50% for period January-June 2021.
- Extension of Freight Rebate Scheme for exports to Africa; and Trade Promotion and Marketing Scheme for exports to Japan, Australia, Canada and Middle East.

More on page 13

# 'Our New Normal: The Economy of Life'

#### • Cont. from page 12

- Extension of Export Credit Insurance Scheme to cover all exports.
- Government to support first two years of operation of a "Made in Mauritius" ware house set-up in Tanzania & Mozambique.
- To foster transformation of textile industry, a reputable international firm to conduct comprehensive review of our export model.
- Companies will benefit from a 50% refund on costs of certification, testing and accreditation of local laboratories & exempted from payment of registration duty and land transfer tax for the purchase of immovable property.



#### Support to our Tourism Sector

- A protocol to be established to ensure all sanitary precautions from arrival to departure.
- Support to be provided to our national carrier.
- MTPA and EDB to develop a new tourism branding strategy.
- Commercial partnership with the Liverpool Football Club for promotion of the Mauritius destination, starting this September 2020.
- Introduction of Aparthotels Scheme to enable existing hotels to convert part of their accommodation units into serviced apartments that can be sold individually.
- Invest Hotel Scheme to allow owners to occupy their units for a total period of 90 days instead of 45 days in a year.
- Special arrangements at airport to accommodate High Net Worth tourists coming in private jets.
- Licensees of Tourism Authority and Beach Authority to be exempted from payment of licence fee for a period of two years.
- Rental payment of state lands for hotels to be waived for the upcoming financial year.
- Hotel Reconstruction and Renovation Scheme rebate of 50% on rental of state lands for hotels will be increased to 100% for two years up to 30 June 2022.
- Up to December 2021, companies operating under the Deferred Duty and Tax Scheme as well as the Mauritius Duty Free Paradise to be allowed to sell their goods on local market, provided they pay the taxes.

#### Enhancing our Financial Services Sector & ensure compliance

Government to complete five remaining

recommendations under the Financial Action Task Force (FATF) Action Plan by September 2020.

- A new AML/CFT (Miscellaneous Provisions) Bill to be introduced.
- Dedicated and specialised Financial Offences Court to be set up.

#### Diversifying our Financial Services Sector

- In line with recommendations of 10-Year Blueprint, following new products will be introduced
  - Central Bank digital currency.
  - Insurance Wrapper.
  - Variable Capital Companies.
  - An inaugural Sukuk issuance by BOM.
  - Green and Blue Bond frameworks by BOM.
- BOM to introduce new frameworks for digital banking, private banking and wealth management by banks.
- Dedicated Venture Capital Market to be set up at Stock Exchange of Mauritius for start-ups and SMEs.

#### **Creative and Cultural Sector**

- To expand opportunities for our local artists, provision of
  - Rs 19 Million to support the production of virtual concerts;
  - Rs 15 M to finance events under Calendrier Culturel.
- Rs 35 M earmarked for preservation/rehabilitation of historical/cultural sites.
- Expression of interest to be launched for development of Art District in Port-Louis.
- Strategic public places for busking, art installations and for performing arts.
- EDB and National Art Gallery to create Online Fine Art Gallery.
- Multi-sports Complex at Côte d'Or to hostr fine art exhibitions/performing art events.
- Art Festival to be organised on weekend of National Music Day 2021.

#### Facilitating Emergence of New Sectors

- Setting up of Data Technology Park at Côte d'Or, which will encompass 12 highly skilled and specialised centres from additive manufacturing to deep artificial intelligence.
- Park to endow Mauritius with a Carbon Neutral Green Certified Tier 4 Data Centre.
- Deep Artificial Intelligence Centre to provide necessary support for start-ups, existing businesses and government services to achieve a major digital transformation.

#### **Pharmaceutical Industry**

- Mauritius Investment Corporation Ltd (MIC) to invest in production of pharmaceutical products, medical devices and personal protective equipment through a public-private enterprise.
- Introduction of Medical Products Regulatory

#### Authority Bill.

- Registration duty on acquisition of immovable property in life sciences sector to be waived.
- Medical R&D centres to benefit from VAT exemption on construction materials and specialised equipment, and double deduction on R&D.
- Human Tissue Act to be fully proclaimed.
- Regulatory framework to be set up for telemedicine platforms.

#### **Blue Economy**

- To develop fishing industry, MIC will invest in joint ventures engaged in fishing activities and its value chain.
- Inland aquaculture scheme to be introduced with 8-year tax holiday; and duty and VAT exemption on equipment.
- Daily rate of bad weather allowance to fishermen increase from Rs 365 to Rs 425.
- Ship registration with a single licence for chartered yacht calls in Mauritius encompassing multiple berthing options, rights for helicopter flights and gaming.

#### Africa

 MIC to invest Rs 10 billion in African projects, including SEZ projects under a G2G framework.

#### Fostering Entrepreneurship and Ideas

- Rs 10 billion earmarked for DBM to support distressed SMEs and Cooperative Societies.
- DBM loans of up to Rs 10 million per enterprise at 0.5% per annum.
- DBM loan facilities to taxi operators based at hotels.
- Increase on one-off grant towards certification under 'Made in Moris' label from Rs 5,000 to a max of Rs 50,000.
- SMEs holding 'Made in Moris' label to benefit from Margin of Preference of 40% instead of 30% under Public Procurement.
- Technology and Innovation Fund for investment up to Rs 2 M as equity in projects recommended by Mauritius Research Council.
- To promote entrepreneurship among university students, DBM to scale up Campus Entrepreneur Challenge competition.
- To ease cash flow of SMEs, broadening of access to factoring facilities through Maubank.
- ISP Ltd to subsidise 50% of factoring fee per invoice for SMEs.
- Procurement Policy Office to require Public Bodies to procure specific goods and services from SMEs only.
- Public Bodies to pay SMEs within 14 days from date of invoices for supply of goods and services.
- SMEs and cooperative societies to benefit from grant of 15% on cost of assets of up to a maximum of Rs 150,000 under DBM Enterprise Modernisation Scheme.
- To boost local production, Cooperatives Development Fund to provide grant of up to Rs 50,000 to cooperative societies for purchase of livestock; and acquisition of equipment wrt production of food items.

More on page 14

# Adapting to the 'New Normal'

Budget Brief 2020-21 prepared by Creliance Accountants LLP

#### **CORPORATE TAX**

#### **Accelerated Depreciation**

100% Allowance on capital expenditure incurred on electronic, high precise machinery or equipment and automated equipment.

Green technology equipment will now include equipment and machinery used for eliminating, reducing or transforming industrial wastes will be depreciated over 2 years.

#### **Double Taxation**

Enterprises which have been affected by COVID-19 will be entitled to a double tax deduction on their investment in Plant and Machinery during the period 1st March 2020 to 30th June 2020.

#### 8-year Income Tax Holidays

For companies engaged in the manufacture of nutraceutical products provided it starts its operations on or after 4th June 2020.

For companies engaged in the manufacturing of phar maceutical products, medical devices or high-tech products will apply to a company which has started or starts its operation on or after 8th June 2017.

#### Solidary Levy on Telephony Service Providers

5% of accounting profit plus 1.5% of turnover are now permanent for a profitable company.

1.5% of turnover for companies not making profits.

#### **Partial Exemption Regime**

On interest income does not cover non-bank deposit taking institutions; money changers; foreign exchange dealers; insurance companies; leasing companies; and companies providing factoring, hire purchase facilities or credit sale facilities.

#### Levy on Corporates

Company or group of companies of gross income exceeding Rs 500 million in an accounting year will be subject to a levy on its annual gross income at the rate of:

- (i) 0.3% for insurance companies, financial institutions, service providers and property holding companies; and
- (ii) 0.1% for other companies.

The above does not apply a company which operates in the tourism sector or which holds a Global Business Licence.

#### **Investment Tax Credit**

15% over 3 years to all manufacturing companies

#### PERSONAL TAX

#### 1. Income Exemption Threshold

The income exemption thresholds have been increased by amounts ranging from Rs 15,000 to Rs 80,000 effective as from 01 July 2020.

### - FISCAL MEASURES

Cate	gory	From (Rs)	To (Rs)	Increase (Rs)
Α.	Individual with no dependent	310,000	325,000	15,000
В.	Individual with one dependent	420,000	435,000	15,000
C.	Individual with two dependents	500,000	515,000	15,000
D.	Individual with three dependents	550,000	600,000	50,000
E.	Individual with four or more dependents	600,000	680,000	80,000
F.	Retired/disabled person with no dependent	360,000	375,000	15,000
G.	Retired/ disabled person with dependents	470,000	485,000	15,000

Additional annual deduction in the range of Rs 80,000 to Rs 110,000 to a taxpayer caring for a bedridden next of kin person.

#### 2. Solidarity Levy

Solidarity Levy	2019/2020	2020/2021 onwards	
Chargeable income plus dividends in excess of	3,500,000	3,000,000	
Levy percentage	5 %	25%	
Payment system	Annual	Pay As You Earn	

#### VALUE ADDED TAX

 VAT will be paid as from date of receipt instead of date of invoice for construction works under Government contracts.

- Below items will be reclassified from Exempts Goods to Zero-Rated:
  - Unprocessed agricultural and horticultural produce;
  - Live animals of a kind generally used as, or yielding or producing, food for human consumption other than live poultry;
  - Transport of passengers by public service vehicles excluding contract buses for the transport of tourists and contract cars; and
- Medical, hospital and dental services.
- Introduction of VAT on Digital and Electronic Services provided through internet by non-residents for consumption in Mauritius.

#### **OTHER TAX MEASURES**

#### **Customs Duty**

- The first Rs 1,000 (previously Rs 3,000) of the value of an article imported by post or courier services is now subject to customs duty and Value Added Tax (VAT).
- The rate of customs duty on import of sugar will be increased from 80 percent to 100 percent.

#### Excise Duty

- The existing sugar tax of 3 cents per gram on sugar sweetened beverages will be doubled with effect from 5th June 2020
- A rebate on the amount of customs/excise duty payable will be granted on vehicles, provided they were in a bonded warehouse before 5th June 2020 and are cleared from Customs before 30th June 2021
- The obligation to affix tax stamps on alcoholic products was extended to bottles of beer and wine in containers of more than 50 ml and up to

200 ml with moratorium period extended to 02 February 2021

#### TAX ADMINISTRATION

#### Income Tax

The time limit to effect income tax refunds will be standardised to 60 days for all taxpayers.

The MRA will develop further its e-services platform to improve efficiency and transparency in service delivery to taxpayers.

#### Value Added Tax

It will be clarified that, where a transaction is not at arm's length, the market value of the supply should be taken as the taxable value.

Where a VAT registered person who is currently supplying both taxable and exempt supplies apportions input tax over a one-year period, the person will now be allowed to apply an alternative basis of apportionment for input tax.

A VAT e-invoicing system will be introduced at business level, on a pilot basis, to enhance tax compliance.

#### **OTHERS**

- Provision will be made for the Principal Officer of a private company to be liable for any taxes due by the company. As in the case of the VAT Act, the Principal Officer may be the executive director or any other person who is entitled to exercise the powers of the Board of directors.
- The case of an aggrieved party, at the Assessment Review Committee (ARC), who repeatedly fails to attend or to be represented upon being convened before the Committee will be struck out if such failure is not due to illness or other reasonable cause.

#### **NEW PENSION SYSTEM**

Abolition of National Pension Fund (NPF) and introduction of Contribution Sociale Généralisée (CSG)

Pension Schemes	2019/2020	2020/2021 onwards
Scheme	NPF	CSG
Effective	-	1 Sep 2020
First Threshold	18,740	50,000
Employee Contribution on first threshold	3.0%	1.5%
Employer Contribution on first threshold	6%	3%
Second threshold	18,740	>50,000
Employee Contribution on second threshold	3.0%	3.0%
Employer Contribution on second threshold	6.0%	6.0%

Parvez Mohangoo, Managing Partner, with the assistance of N. Jumon, SB Bussuruddy & S. Ruhomally

#### Global Business

#### **Mauritius Times**



Soria Hay Bravura Holdings Ltd

hile the draft list still requires European Parliament and Council approval, and is set to apply only from 1 October 2020, inclusion on such a list presents Mauritius with both reputational risk and other financial implications.

Mauritius is currently the most compelling investment destination on the African continent according to the World Bank's recently released flagship report, "Doing Business 2020". Mauritius remains the top investment destination in Africa, and moved up seven places in its worldwide ranking to the thirteenth place for the best destination for doing business. In comparison, South Africa is ranked in the 87th place in the report.

As of 1 April this year, credit ratings agency Moody's changed Mauritius' sovereign credit rating from investment grade Baa1 with a stable outlook to a negative outlook, largely resulting from the anticipated impact of the Covid-19 pandemic. The short-term rating is Prime-2 which signifies a high ability to repay short-term debt. This stands in stark contrast to South Africa's credit ratings, with Moody's downgrade in early April to Ba1 with a negative outlook; a speculative or non-investment grade (otherwise known as "junk") that denotes a significant credit risk and no rating within the prime (short-term lending) categories. At the end of April this year, S&P downgraded South Africa's longterm foreign-currency credit rating to BB-, three notches below investment-grade, from BB.

### Why was Mauritius added to the EU's high-risk list?

Inclusion in the "grey list" of the Financial Action Task Force (FATF) in February this year has resulted in Mauritius being included on the EU's high-risk list.

FATF is the global money laundering and terrorist financing watchdog which sets international

# Implications of Mauritius' inclusion on the EU's high-risk list

On 7 May 2020, Mauritius was added to the European Commission's (EU) draft list of High-Risk Third Countries, which includes those jurisdictions deemed to have strategic deficiencies in their Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) regimes and thus posing significant threats to the financial system of the 27-nation bloc. Soria Hay, head of Corporate Finance at Bravura, outlines both the anticipated impact of its inclusion and the required remedial actions.

standards that aim to prevent these illegal activities and the harm they cause to society. (The FATF currently comprises 37 member jurisdictions and two regional organisations, representing most major financial centres in all parts of the globe.) insurance companies, investment firms, trust and company service providers in the EU are required to apply enhanced customer due diligence on transactions and business relationships involving those countries listed as high-risk third countries.



The grey list includes those jurisdictions that, although under increased monitoring, are also actively working with the FATF to address strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing.

In other words, being on the grey list means that the country in question has committed to swiftly resolving the identified strategic deficiencies with an agreed action plan and within agreed timeframes

#### What are the consequences for Mauritius investors?

The financial services sector accounts for 11.7% of Mauritius' GDP which stands just behind manufacturing as the biggest sectoral contributor to the country's growth.

Under the EU's Fourth Anti-Money Laundering Directive, banks and other "obliged entities" such as credit institutions, banks, Accordingly, transactions originating from or going to Mauritius would be subject to enhanced scrutiny, which could mean longer timelines towards completion and more frequent risk assessment reviews of the relationships.

Persons and entities deploying EU funding or budgetary guarantees shall be prohibited from entering into new or renewed operations with entities incorporated or established in Mauritius, except when an action is physically implemented in Mauritius. In other words, while EU development finance institutions could continue to meet existing obligations to Mauritian-domiciled funds, they would be prevented from investing in any new Mauritian fund structures (or through Mauritian entities) until the AML/CFT compliance issues are resolved.

Fund managers involved in capital raising from EU development finance institutions might have to investigate alternative, similar jurisdictions in which to temporarily accommodate the funds.

#### How can Mauritius get de-listed from the EU's high-risk list?

Once a country has been delisted from the "grey list" of the Financial Action Task Force, the EU Commission will assess whether the reasoning for de-listing is also sufficiently comprehensive from the EU's point of view.

> According to the FATF Action Plan, Mauritius does not have technical compliance issues given that the AML/CFT legal framework has been extensively revamped and Mauritius is largely compliant or compliant with 35 out of the 40 recommendations.

> However, Mauritius is still to demonstrate an increased level of effectiveness of its Anti-Money Laundering and Combating the Financing of

Terrorism (AML/CFT) systems. Of interest is that there are other countries which have so far been assessed, including FATF members, which are yet to achieve a high or substantial level of effectiveness in the same areas.

The Mauritian authorities have already delivered on their commitments and a first progress report was sent to the FATF on the agreed date. Technical assistance has been obtained from the EU funded AML/CFT Global Facility and the German government through the German Development Agency, in order to support the implementation of the FATF Action Plan.

#### What is the timeline for de-listing from the EU's high-risk list?

Once a country is no longer considered by the FATF as presenting strategic deficiencies that pose a risk to the international financial system anymore (in other words, once that country has been de-listed from the FATF "grey list"), there is no longer a basis to consider that the country presents a risk to the EU financial system.

In this situation, the EU Commission will review available information from the FATF and if confirmed, the country will be delisted from the EU high-risk list through the adoption of a delegated act.

Consequently, Mauritius would be removed from the EU list without the need for additional verification on other elements not covered by the FATF action plan. Similarly, there is no need for extra requirements to be fulfilled on top of the completion of the FATF Action Plan.

The EU Commission will adopt regularly delegated acts taking into account the calendar of the FATF Plenary meetings which are held three times a year in October, February and January.

#### Conclusion

On 13 May, the Mauritius Minister of Financial Services and Good Governance said that the government was determined to complete the implementation of the FATF Action Plan and reiterated the country's high level of commitment to its implementation so as to enable de-listing from both the FATF and the EU lists.

This is a critical step in order for the Mauritian government to safeguard the country's robust economy while reassuring the global investment community that Mauritius remains a credible and trusted jurisdiction.

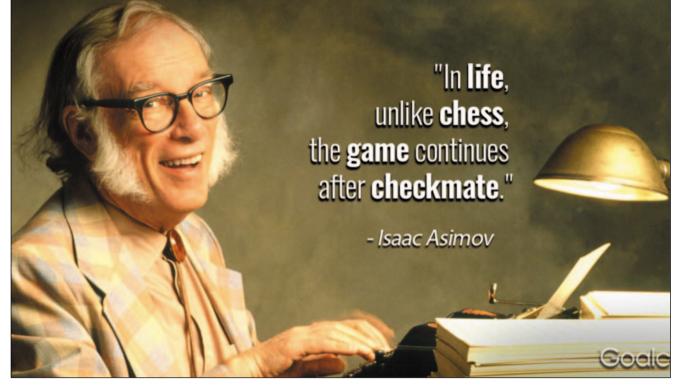
Bravura Holdings Limited is an investment banking firm specialising in corporate finance and structured solutions services. In 2019 Bravura was awarded Best Independent Advisory Firm by Africa Global Funds Awards (AGF). Bravura Holdings has a primary listing on the Stock Exchange of Mauritius and a secondary listing on the NSX. It has offices in Mauritius, South Africa and Namibia. Unwind

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#### In A Light Vein

# For those with a high IQ... what is intelligence, anyway?



Then I was in the army, I received the kind of aptitude test that all soldiers took and, against a normal of 100, scored 160. No one at the base had ever seen a figure like that, and for two hours they made a big fuss over me.

(It didn't mean anything. The next day I was still a buck private with KP - kitchen police - as my highest duty.)

All my life I've been registering scores like that, so that I have the complacent feeling that I'm highly intelligent, and I expect other people to think so too.

Actually, though, don't such scores simply mean that I am very good at answering the type of academic questions that are considered worthy of answers by people who make up the intelligence tests - people with intellectual bents similar to mine?

For instance, I had an auto-repair man once, who, on these intelligence tests, could not possibly have scored more than 80, by my estimate. I always took it for granted that I was far more intelligent than he was.

Yet, when anything went wrong with my car I hastened to him with it, watched him anxiously as he explored its vitals, and listened to his pronouncements as though they were divine oracles - and he always fixed my car.

Well, then, suppose my auto-repair man devised questions for an intelligence test.

Or suppose a carpenter did, or a farmer, or, indeed, almost anyone but an academician. By every one of those tests, I'd prove myself a moron, and I'd be a moron, too.

In a world where I could not use my academic training and my verbal talents but had to do something intricate or hard, working with my hands, I would do poorly.

My intelligence, then, is not absolute but is a function of the society I live in and of the fact that a small subsection of that society has managed to foist itself on the rest as an arbiter of such matters.

Consider my auto-repair man, again.

He had a habit of telling me jokes whenever he saw me.

One time he raised his head from under the automobile hood to say: "Doc, a deaf-and-mute guy went into a hardware store to ask for some nails. He put two fingers together on the counter and made hammering motions with

#### the other hand

"The clerk brought him a hammer. He shook his head and pointed to the two fingers he was hammering. The clerk brought him nails. He picked out the sizes he wanted, and left. Well, doc, the next guy who came in was a blind man. He wanted scissors. How do you suppose he asked for them?'

Indulgently, I lifted by right hand and made scissoring motions with my first two fingers.

Whereupon my auto-repair man laughed raucously and said, "Why, you dumb jerk, he used his voice and asked for them."

Then he said smugly, "I've been trying that on all my customers today.

"Did you catch many?" I asked. "Quite a few," he said, "but I knew for sure I'd catch you."

"Why is that?" I asked. "Because you're so goddamned educated, doc, I knew you couldn't be very smart."

And I have an uneasy feeling he had something there.

Autobiography by Dr Isaac Asimov (1920-1992)

### **Insults coated with humour**

nsults, when coated with humour and wit, lose their sting Land make you laugh and enjoy. Here are some insults vou will like:

- 1. She has a supreme court figure -- no appeal.
- 2. He is a real big gun -- of small calibre and immense bore
- 3. She dresses to kill -- and cooks the same way.
- 4. He was a premature baby -- he was born before his parents were married.
- He was born in United States -- terrible things 5. happen in other countries too.
- His obesity is surplus gone to waist. 6.
- He left his job because of illness and fatigue -- his 7. boss was sick and tired of him.
- His credit is so bad, he cannot even borrow 8.

trouble

- 9. He kept learning more and more about less and less, until now he knows everything about nothing.
- 10. What he lacks in intelligence, he makes up in stupidity.
- 11. He may talk like a fool and act like a fool, but don't get the wrong idea about him -- he is a fool.
- 12. It is not that he has not presence of mind -- his trouble is absence of thought.
- 13. Her photographs do her injustice -- they look like her.
- 14. He is as phoney as a dentist's smile.
- 15. He started out in life as an unwanted child -- now he is wanted in 10 states.
- 16. She has a keen sense of rumour.
- 17. He is jack of all trades, and out of work in all of them.
- 18. They are in Iron and Steel Industry -- she irons the clothes and he steals.
- 19. She thought she was getting a model husband -too bad he is not a working model.
- 20. Some women are blonde on their mother's side, some on their father's side, but she is blonde on peroxide.
- 21. He is such a bore, he cannot even entertain a doubt.
- 22. He gave a very moving performance, everyone moved to the nearest exit.

#### Inspiration

## **African Unsung Heroes**

Quett Ketumile Joni Masire: Second President of Botswana, in office from 1980 to 1998.

uett Masire's official vehicle was a Toyota Corolla and every head of state visiting Botswana used it.

- He led Botswana when it broke a record of fastest growing economy for straight 10 years.
  - He died in a hospital in Botswana.
- He used regular air travel with ordinary people on state visits. Kofi Annan said they once missed

him at OAU meeting when they thought he was not in plane because he was at the back of the plane and carrying his own suitcase.

- He refused to buy a presidential jet but rather prioritized building schools and roads.
- The mayor of Kinshasa once begged him to at least least accept a First class air ticket to go back to Botswana.
- He spent his weekends at his cattle kraal.
- He has no statue to his name, only a teaching hospital.
- He introduced presidential term limits that saw him voluntarily leave office.
- He is burried in his own home at his home village next to his wife.
- He earned less than 20 000 pula a month (US\$2000) in office.





# Tulsi Kumar chooses this actress as the one who looks best in her songs

There was a time when certain singers were synonymous with actors (Kishore Kumar-Rishi Kapoor, Mohammad Rafi-Shammi Kapoor, Shah Rukh Khan-Sonu Nigam, Salman Khan-S. P. Balasubrahmanyam) in Hindi films. And given the amount that Tulsi Kumar has sang in movies for varied artistes, we quizzed her to reveal in our exclusive interview which actress she feels looks the best on her songs.

Tulsi Kumar has lent her voice to numerous songs in myriad Bollywood films, proving herself to be one of the most renowned and most versatile singers in the country. So, it was our great pleasure to have got the opportunity to recently sit down for a personal, heartfelt and all-round wonderful Insta live chat with one of the best singers in the country today, and boy did Tulsi reveal a lot of intimate details, which took us by surprise and made for some spicy Bollywood news.

From opening up on which songs challenge her as a singer and breaking her silence on being trolled for *Masakali 2.0* to from moving past the negativity she had earlier received for being Gulshan Kumar's daughter and Bhushan Kumar's sister to naming the actress who suits her voice the best — this was an exclusive interview straight from Tulsi Kumar's heart, making for a fantastic piece of entertainment news.

There was a time when certain singers were synonymous with actors (Kishore Kumar-Rishi Kapoor, Mohammad Rafi-Shammi Kapoor, Shah Rukh Khan-Sonu Nigam, Salman Khan-S. P. Balasubrahmanyam) in Hindi films. And given the amount that Tulsi Kumar has sang in movies for varied artistes, we quizzed her to reveal which actress she feels looks the best on her songs. And without hesitation she said, "Sharaddha Kapoor."

Elaborating on why she feels Shraddha is best suited to her voice, Tulsi added, "I've been singing for her since so long. I sung for her in *Aashiqui* 2, then I did songs for her in *Baaghi* 3 recently, and also a song in Saaho. So, I think, my voice is best suited to Shraddha."



Well, it's good to see a good combination going between a playback singer and actor, especially in today's day and age when such associations are rare to come by.

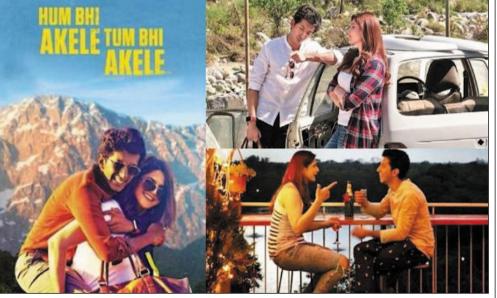
# Zareen Khan-starrer LGBTQ+ themed film to release on OTT

**D**<sup>irected</sup> by Harish Vyas, *"Hum Bhi Akele Tum Bhi Akele"* is pitched as a mainstream Bollywood film with Zareen and Anshuman essaying gay protagonists.

Mumbai: The LGBTQ+ themed upcoming film "Hum Bhi Akele Tum Bhi Akele" will be released on a digital platform instead of getting a theatrical release, amid the COVID-19 lockdown. The film features Zareen Khan and Anshuman Jha in lead roles.

"A gay boy, a lesbian girl, a road trip... What do you think happened next? #HumBhiAkeleTumBhiAkele. Happy Pride month from Veer and Mansi. Since we can't

release this journey of friendship in theatres this June, we promise to see you soon digitally. Stay tuned for more as we will be 'coming out' with an announcement to make this month even more special," Zareen wrote on social media, confirming the news.



Directed by Harish Vyas, "Hum Bhi Akele Tum Bhi Akele" is pitched as a mainstream Bollywood film with Zareen and Anshuman essaying gay protagonists.

"Hum Bhi Akele Tum Bhi Akele" won Best Film award in New York at the HBO South Asian Film Festival in December last year, where its world premiere was also held.

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### YOUR STARS

Sagittarius: Nov 22 - Dec 21

Your energy will grow tenfold and prove to be your most precious asset in many respects. Stagnation in your work; it's useless to fret: profit by the calm to perfect your projects and simply wait for a better period to launch them; in this way your success will be assured.

#### Capricorn: Dec 22 - Jan 19

You'll feel at the highest of your form, with your vivacious mind and your alert senses. With your parents, try not to be aggressive in words. In your career, your efforts will be crowned with success. Certain difficulties in your love life will be solved; no cloud will come to darken your sky.

#### Aquarius: Jan 20 - Feb 18

You'll manage your finances with much efficiency and will be able to achieve good operations. If you're a merry single person and great lover of pleasures, be prepared to live memorable moments; you can fully profit by the powerful astral aspects.

#### Pisces: Feb 19 - Mar 20

If you set about thinking too deeply, you'll find yourself submerged in negative thoughts. You'll be right in renovating your lodgings. You'll be full of fervour toward the beloved one; but do not indulge in illusions.

#### Aries: Mar 21 - Apr 19

You'll bring about gaiety and animation in your home. Tackle activities of a voluntary character in order to have a sufficiently objective view of your personal problems. You'll give in to many of your whims but with no great consequences this time.

#### Taurus: Apr 20 - May 20

A new life will be promised to you: new contacts or engagements, a prospect of moving or social promotion. A propitious climate for passions. Put your selfpride aside and take into account the counsels that people will give you.

#### Gemini: May 21 - June 20

Tackle the problems of your family life seriously. Somewhat stormy but stimulating sentimental climate; some small disputes and a bit of jealousy are much better than perfect understanding in a relation which is falling asleep!

#### Cancer: June 21 - July 22

Some tensions in your friendship relations, but there will also be some unexpected, interesting encounters. Be confident: it would be absurd and even dangerous to worry about unhappy events which will probably never take place!

#### Leo: July 23 - Aug 22

Understanding within the couple will be much better than in other periods. You'll make an exceptional encounter with a person who'll make your heart leap. Your relations with your co-workers will be good and even excellent.

#### Virgo: Aug 23 - Sept 22

You'll greatly reaffirm your will in your family as well as career environment. If you're still dreaming of a soul mate, a good opportunity will present itself to you this time. Sleep will prove to be your most precious arm against all the aggressions of modern life.

#### Libra: Sept 23 - Oct 22

Don't satisfy yourself only with giving advice to your close ones, give them aid too. You'll harvest great successes in friendly and mundane gatherings. Your immune defenses will function less well; no imprudences, then!

#### Scorpion: 23 Oct - 21 Nov

You'll have enough motivation and force to accomplish the most arduous tasks. Shun those relations which can only make you lose your time. Your love relationships will have a particularly delicious character; treasures of sensuality will revive in you.

## *'Naagin 4'* actress Sayantani Ghosh might get "married virtually" to boyfriend Anugrah Tiwari



Television actor Sayantani Ghosh wants to take her relationship with boyfriend Anugrah Tiwari to the next level and might just get married 'virtually'. She opened up about her wedding plans in a recent interview, reports Hindustan Times. "I definitely want to get married. It is just a matter of time. We are not planning on *ke iss date pe shaadi karenge* (which date we will get married on). But we will when our hearts want it. Who knows, during the lockdown we might come up with some planning and get married virtually! It is just a matter of time," she said.

"We are together. We are a part of each other's lives and we are loving that aspect of each other's lives. Whenever we decide on anything seriously, we will announce it," she added.

Sayantani made her small screen debut in 2002 with *Kumkum - Ek Pyara Sa Bandhan*, in which she played the antagonist Antara. She has also acted in shows such as *Ghar Ek Sapnaa*, Naaginn - *Waadon Ki Agniparikshaa*, *Sasural Simar Ka* and *Naamkaran*.

Most recently, Sayantani was seen in the supernatural thriller series *Naagin 4: Bhagya Ka Zehreela Khel.* However, she revealed in March that she was exiting the show as her character was going to be killed off.

Recently, in an interview, Sayantani revealed that she was facing financial difficulties as all shoots were stalled due to the coronavirus pandemic. "Crisis is such that they are not denying payment, but how will they make the payments? Offices are also closed. We all are facing inconvenience. Payments are stuck in my case also. I have my standing expenditures. I have my house EMI and car EMI," she said, adding that the government's directive to defer loan installments has been a relief but she still has to run the house.

# Nia Sharma: It's true that my work comes at a certain price, but that's not why I am out of 'Naagin 4'

We told you about TV show 'Naagin 4' going in for a revamp after the lockdown. Most of the cast, including the lead actress, Nia Sharma, will be replaced by a fresh set of actors. In an exclusive chat with Tanvi Trivedi of BT, Nia talks about how the lockdown has affected telly shows and her disappointment over delayed payments in the TV industry. Excerpts...

\* Are you upset that your journey on 'Naagin 4' has ended abruptly?

It didn't end abruptly. The production house was professional and they informed me about the decision a few days back. Honestly speaking, I can't complain because the television industry is badly affected and we don't know when the shoots will resume. When you restart shoots after two-three months, you would want to begin on a fresh note. In such a situation, I, too, would have taken a similar decision.

\* But, you were the face of the show...

Just because I am the face of 'Naagin 4' and it is one of the top shows, there is hoopla around it. Otherwise, in the past few months, many shows have shut shop or a revamp is being planned. In the coming months, many more shows will go off air, leaving actors unemployed. There will be changes in budget, artistes will need to slash their prices and channels might slot only four shows instead of six. I was at the top of my game in 'Naagin 4' and shot for three-and-a-half months, and now I won't be part of it. I also understand that when the situation gets better, I will have to go out and look for work.

\* While you are calling it a business decision, there are talks that your track was ended in order to slash budgets, owing to your high pay packet. Given the current scenario, do you plan to reduce your remuneration?

It's true that my work comes at a certain price, but that's not why I am out of the show. If that had been the case, they would not have cast me in the first place. I accept that I was treated well and my exit from the show will hurt me the most. It will cost me a lot of money. But, I also believe that the money which didn't come to you, was never yours. But, that's not why I was out of the show. If I was expensive, they would not have casted me in the first place. Lockdown is the reason why this decision was taken. And, looking at the current scenario, I might have to compromise and accept pay cuts in the future.

\* After actor Manmeet Grewal's recent suicide, you requested pro-

ducers to clear actors' dues. Do you feel that we need an alternative to the current system, where payment is released after 90 days?

I was making a humble request on behalf of actors, who were not in a position to ask for money from the producers due to the fear of losing their jobs. Some of them have dues pending for almost three years now. I am fortunate that I have no pending dues with any producer. Now, a new clause is being introduced in the contract - payment starts when the show is telecast. This is beyond my comprehension. TV shows are not slated to go on air on a specific date. How can anyone wait for the show to telecast? It is not an actor's fault if a show shuts shop or doesn't go on air. The industry has been going through this issue of not being paid for a long time now. It is not an actor's fault if a show shuts shop or suffers losses. Actors are working 18 hours and then if you give them excuses of non-payment, it is not okay. There are so many actors in the industry right now who will tell you millions of stories of non-payment of dues.

#### *TV SERIAL* Kulfi Kumar Bajewala

**Friday 5 June:** Mahinder restricts Sikander from interacting with Kulfi, leaving him heartbroken. Later, Kulfi's outlook on life infuriates her new guru, Vikram.

**Monday 8 June:** Amyra pours her heart out to Sikander. Later, he is enraged when Vikram takes an outrageous decision regarding Kulfi.

**Tuesday 9 June:** Sikander is enraged when Amyra puts forth an unexpected demand. Later, Kulfi gets ready to perform at a wedding, much to his dislike.

Wednesday 10 June: While Kulfi has a hard day at work, Sikander is startled to see her injured. Later, Mahinder asks Sikander to do the unthinkable.

**Thursday 11 June:** Mahinder asks Kulfi to perform the Guru Purnima ritual with Vikram. Later, she berates Sikander upon learning a shocking truth.

### Yeh Un Dinon Ki Baat Hai

**Friday 5 June:** As the Christmas party begins, Sameer and Naina are ready to execute their plan and Naina's father advises them to be careful with their secrets.

**Monday 8 June:** A function takes place in the society of Sameer and Naina. Later Naina gets familiar with every other neighbour and even convince her friend's sister in law.

**Tuesday 9 June:** Vaneeta stops the dinner and asks Rakesh about Sameer and Naina, not getting an answer about it they start looking for them, and finally find them in a corner.

Wednesday 10 June: Rakesh and Sameer leave for the acting classes, and while doing so, Rakesh asks Sameer to handover the cheque of the acting fees to him and Sameer replies by saying that he doesn't have it and there starts an argument.

**Thursday 11 June:** Sameer finally after joining the acting classes, goes classes regularly with Naina's father. Sameer talks to one of his mates for which he gets scolded by his father in law.

### Kahan Hum Kahan Tum

**Friday 5 June:** Sonakshi narrates the events to the Sippys and apologises to them for being late. Later, Rohit gets into a heated argument with her.

**Monday 8 June:** Hell-bent on getting his watch back, Rohit spends the night on a bench. Later, Sonakshi tends to him after learning about his ill health.

**Tuesday 9 June:** Sonakshi struggles to distract the media, while Nishi and Suman have a fight. Later, Sonakshi apologises to the Sippys on TV and performs a wholesome deed.

Wednesday 10 June: While Suman's behaviour disturbs Sonakshi, Pulkit consoles her. Later, Rohit and Veena are awed by Sonakshi's calm demeanour.

**Thursday 11 June:** Rohit saves Sonakshi from a disaster while Rohan lands himself in trouble. Later, a furious Suman is taken aback by Sonakshi's daring act.

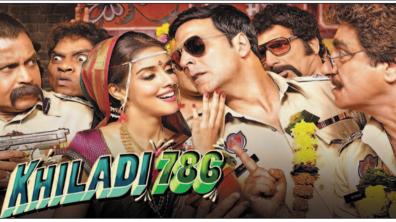
#### Friday, June 5, 2020 19



Stars: Aamir Khan, Anushka Sharma, Samedi 6 juin - 12.30 Dimanche 7 juin - 18.30 Sushant Singh Rajput, Boman Irani, Saurabh Shuk V RHF

23.05 Doc: Anna's Wildlife

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Stars:

Akshay Kumar, Asin, Mithun

Chakraborty

23.27 Film: La Chance D'une Vie

20.35 Local: Fava Vibes

21.35 Film: Bad Stepmother

PK OFFICIAL TEASER

Emménageant dans la maison de son grand-père, le jeune Jack hérite du chien du vieil homme, Skipper (Norm MacDonald) - qui peut parler! Avec l'aide du cabot impertinent, Jack apprend que grand-père a laissé un trésor espagnol inestimable caché quelque part dans la ville.

#### Carnet Hebdo N

**Mauritius Times** 

Changer d'ère aujourd'hui et demain

# Entre mère et fille, dignité féminine, responsabilité parentale et réalité économique



es sciences de la vie et de la Terre cristallisent l'attention tant la menace d'une minuscule entité biologique se révèle toute puissante et pèse sur les mouvements des humains à l'intérieur des terres et au-delà des frontières. Tous préoccupés à assurer la survie au quotidien et à garnir le porte-monnaie pour l'avenir, les discours et écrits se sont concentrés davantage sur l'économie. Et voilà que la biologie a détrôné toute autre considération et s'est imposée comme réalité incontournable de l'anatomie humaine et animale, des cellules, organes, protéines et bactéries engagés dans une relation multilatérale. une entente cordiale, un conflit sournois menant parfois à une guerre froide qui, par un fâcheux concours de circonstances, éclate au grand jour avec perte et fracas. Le regard se tourne vers le corps, non dans sa forme plastique et esthétique, mais vers la vie et les globules à l'intérieur de l'enveloppe charnelle. Moins esthétique, celui-là.

Mais c'est un tout autre fait de société insolite qui s'est éclipsé aussi discrètement que l'annonce qui en a été faite et qui a fait froncer les sourcils et jacter les autres. Mère d'une fille de douze ans engrossée par un jeune homme de 23 ans, elle envoie paître la 'Child Development Unit' (CDU) en prétendant que les oignons de ce trio relèvent de la vie privée. Le géniteur est soulagé ; couvée par sa mère, la petite se remet sur les deux jambes en laissant les joies de pouponner à la jeune grand-mère.

Insolite pour les autres en raison de l'âge de la petite mais, avec quelques années de plus fait divers courant dans la société depuis deux décennies... Biologiquement, c'est dans le domaine du possible, message laconique de la mère, et point barre.

Que va faire la CDU qui a d'autres directives sur l'éthique et la morale et doit faire respecter la loi ? Relation illicite avec mineure, non protection des mineurs par personne ayant autorité, etc. Et par la même occasion, le ministère de l'Égalité du genre et du bien-être de la famille ferait



// La société gagnerait à ce qu'il y ait une sensibilisation sur la responsabilité des jeunes ainsi que de leurs parents afin d'éviter des situations difficiles pour les principaux concernés et pour la société qui est amenée à contribuer à l'aide sociale de manière indirecte. Dans l'ère du tout 'online', une école des parents en ligne ou à la MBC ne ferait de mal à personne... "

bien d'éclairer nos lanternes sur le cas de la fillette de deux ans de moins qui a succombé sous les coups de sa jeune mère.

Et pour ne pas oublier les disparus aussi facilement, la société devrait s'intéresser plus sérieusement à ces drames et non pas les survoler comme un autre fait divers. Pour honorer sa mémoire, est-ce que le ministère pourrait aussi enquêter sur la cause de ses repas qui duraient deux heures ? C'est insolite car les enfants ont plutôt tendance à écourter le temps du repas et à déguerpir rapidement de la table et de la compagnie des adultes.

Dans le cas de la jeune fille-mère, l'espace d'un instant d'égarement, l'horloge biologique a oublié de sonner l'alarme tandis que le sexe est monté au cerveau de son prince qui, comme bien d'autres de ses congénères, perd la raison dans pareille situation.

Qu'en est-il de la suite de la scolarité de

la jeune fille ? L'expérience prouve que souvent en l'absence du père, les jeunes filles cherchent une figure paternelle protectrice et affective en s'acoquinant avec les mâles plus âgés. Ou tout simplement c'est l'attrait des hommes mûrs pour les rêveuses, et dont ces derniers profitent pour satisfaire leur fantasme. Quel que soit le profil, la société gagnerait à ce qu'il y ait une sensibilisation sur la responsabilité des jeunes ainsi que de leurs parents afin d'éviter des situations difficiles pour les principaux concernés et pour la société qui est amenée à contribuer à l'aide sociale de manière indirecte. Dans l'ère du tout 'online', une école des parents en ligne ou à la MBC ne ferait de mal à personne.

#### **Ecole des Femmes**

Une " Ecole des Femmes ", loin du genre femme-enfant un brin misogyne à annoncer que 'le petit chat est mort' dans les classiques du 17ème siècle, non plus à l'autre extrême de l'ère #Metoo hystérique et #Balancetonporc d'inspiration américaine dans le sillage de l'affaire Weinstein et antisémite sur le bord, assimilé aux moult revendications des minorités 'victimes' en France... Les deux mouvements dits 'féministes' et anti-mâles jusqu'au bout des ongles mais qui tombent pile-poil quand le silence des agneaux victimes n'a que trop duré et que les loups ont laissé libre cours à leur instinct prédateur pendant trop longtemps.

lci, on ne perd pas la tête si facilement aux mouvements extrêmes. Une prise de conscience sur les rapports de force entre hommes et femmes dans la société se fait au fil des ans et les revendications s'expriment toute proportion gardée. Le constat malheureux est que les femmes ne sont pas assez conscientes des réalités qui vont contre leur intérêt à long terme. Sans une 'autonomisation', le *empowerment* nécessaire à assurer une indépendance financière, elles sont les *frontliners* dans le combat à mener seules leur barque lorsque les géniteurs abandonnent le navire et qu'il faut tout assumer : petit boulot, enfants, nourriture, scolarité et le double rôle de mère-père. Outre les violences ordinaires en temps normal, leurs enfants et elles ont été les cibles des coups assénés par les mâles désœuvrés et nerveux du confinement. Les romans à l'eau de rose à 12, 15 et 17 ans avec bébé sur les bras s'inscrivent rarement dans la durée dans la société moderne, et on ne peut éternellement grappiller les sous de papa-maman.

Le peuplement du pays est sur la bonne voie, ironisent les uns à la vue des femmes et des enfants ayant squatté des terres et subi le traumatisme d'une démolition menée manu militari, ordonnée par le ministre du Logement et des Terres, ancien trotskyste, selon ses dires, converti aux vertus du libéralisme comme ses pairs d'hier et qui entend faire respecter la loi sans état d'âme. Le plaidoyer des femmes exhibant enfants tombe à l'eau, le tout ébruité dans un tapage médiatique visant à culpabiliser les gouvernants. On aimerait que les femmes évitent de se rabaisser en usant le chantage émotionnel et quémandant le 'père' de la nation de s'occuper avec bienveillance de ses enfants-adultes. D'une part, il s'agit de responsabiliser les adultes (hommes et femmes) avant de fonder une famille.

En pleine campagne électorale de la présidentielle de 2007, dans le but de ratisser large, Barack Obama lança à une Afro-américaine : 'You can't have eight children and expect the State to look after them.' Malgré le nombre croissant des logements sociaux livrés aux bénéficiaires depuis quelques années, on ne voit pas le bout de la file d'attente des candidats rendus vulnérables par le rouleau compresseur de la loi de l'offre et de la demande des terrains sur un territoire exigu, machine infernale qui écrase la petite classe moyenne également.

Mais le hic, c'est que certains triment dur pendant des années en limitant le nombre d'enfants pour acquérir un bout de terre tandis que d'autres, en raison des aléas de la vie et de la précarité d'embauche, se qualifient comme candidats prioritaires à l'aide au logement. La complexité de tout cela n'échappe à personne et l'on se garderait bien de prêcher la morale ou de tomber dans les clichés et conclusions hâtives.

L'Etat a le devoir de gestion de l'économie, et devrait revoir la politique des terres et promouvoir l'embauche qui redonne la dignité aux gens par le travail. Mais il lui appartient aussi de mettre des limites justes et justifiées à tout un chacun.