

PARLIAMENTARY QUESTION NO B/443

B/443 **The Honourable Second Member for Savanne and Black River**
(13.05.08) **(Mrs Hanoomanjee)**

To ask Dr the Honourable Minister of Agro-Industry & Fisheries:-

Whether, in regard to the strategic options in the Crop and Livestock Sector 2007-2015, launched on 08 April last, he will state (a) the number of local entrepreneurs who have shown interest to invest in Mozambique and Madagascar and (b) the incentives proposed to them?

REPLY

Mr Speaker Sir,

The preparation of the strategy document for crop diversification and livestock sector 2007-2015 was initiated in April 2007 in consultation with all stakeholders in the crop and livestock sectors. The working document was posted on the website of my Ministry following a workshop held in August 2007 for further inputs. The new document pertains to the orientation to be given to the non sugar sector and in the wake of food security and rising prices of food commodity. It is being fine-tuned with inclusion of all financial implications by a competent specialist team of my Ministry, FARC and AREU and it is expected to be officially released very soon.

2. Owing to the numerous inherent constraints faced by Mauritius as regards agricultural production other than sugar, the document highlights that our food security lies mostly within the region, namely Mozambique and Madagascar. It is to be pointed out that actions had been ongoing at the highest political level for strengthening cooperation in the agricultural sector between Mauritius and those two countries. At the April 2008 SADC Conference on Poverty held in Mauritius, the Heads of States present have reiterated the need for regional integration for food security and poverty alleviation and for which various resolutions have been adopted.

3. The DPM and Minister of Finance and Economic Development has, during his last visit to Washington, discussed with the President of the World Bank on various financial measures to assist Mauritius and the countries in the region for making the Cross Border Initiatives a reality.

4. I visited Mozambique in February last along with five private Mauritian operators from the agricultural sector, where I signed an agreement for an initial 5,000 hectares of land for production of potato, onion, maize and other crops. During the visit, I had very fruitful discussions with H.E Dr Luisa Diego, the Prime Minister who assured me of all support to activate cooperation between our two countries and in the region. I also had meetings with the Minister of Agriculture, the Minister of Fisheries, and the Minister of Public Works and Housing who gave the assurance that all necessary support in accessing the land along with the necessary information and technical back up will be provided to Mauritius. The Mauritian delegates established contacts with private entrepreneurs in Mozambique to develop joint initiatives.

5. Regarding Madagascar, the FAO elaborated a report in 2006 in the context of a Cross Border Investment Project and funded by the Italian Trust Fund (ITF), with the objective of promoting intra-regional private sector investments in agriculture in Madagascar by Mauritian operators. It is to be recalled that in this context, I led, in January 2006, a Mauritian delegation to Madagascar, where I had discussions with the Malagasy Government in order to explore avenues pertaining to investment opportunities. During the mission, a two-day workshop was also held on the investment framework, on the constraints affecting investment in the agricultural sector and on the identification of some crops which could be grown in Madagascar. Furthermore, Hon. R. Jeetah also led a delegation to Madagascar in November 2007 and raised issues as regards to import of pulses, sanitary and phytosanitary standard and food processing.

6. Besides political initiatives, various actions have been taken at institutional level to enhance cooperation with these two countries. A Memorandum of Understanding on phytosanitary issues has been signed between the Mauritius and Madagascar in April 2008. A MOU has also been signed between BOI and the Economic Development Board of Madagascar. A MOU concerning the exportation of animal feeds to Madagascar will be signed shortly. Furthermore, a Memorandum of Understanding is in preparation for signature between the Centre de Promotion d'Investissement of Mozambique and Board of Investment to facilitate Mauritians to invest in the Mozambique.

Mr Speaker Sir,

7. The Malagasy Authorities have already undertaken the ground work for the implementation of a food security policy with emphasis on rice, potatoes and maize for which special agricultural zones have already been identified. A policy on land use/lease is being finalized and the Malagasy authorities are open to suggestions. With this new food policy, there are clear indications that Madagascar offers huge potential for Mauritius to explore possibilities to shift supply of maize and rice from Argentina and Asian suppliers while also adopting a prudent policy for production of potato in Madagascar to attain self sufficiency in that product for Mauritius.

8. In any case, time is of essence and if we do not move in the region, others will do so. Following my Mozambique mission, various meetings were held under the chairmanship of my Ministry with parties who have expressed interest for the setting up of a Consortium for investment in Mozambique. The Ministry of Finance and Economic Development is looking into the development of a food security programme in a wider perspective leading to a Country/Cross Border Initiative Strategy. An enlarged Committee with representatives of Ministry of Finance and Economic Development, my Ministry and the private sector is looking into all issues i.e. supply side and financial constraints for facilitating private sector investments in the region. Proposals for an incentive package, setting up of a regional company with large farmers and small planters along with formulation of project proposals and meeting with regional authorities to chart out an implementation plan are being worked out.

9. It is expected that by end of July 2008, a robust, bankable and implementable action plan for 2009-2013 would be formulated for which the assistance of our development partners i.e EU, World Bank and African Development Bank and other international financing institutions could be sought. It should also be pointed out that the ADB has increased its agriculture portfolio by USD 1 billion to assist regional member countries in addressing the food crisis. Mauritius would also seek such support.