

Private Notice Question

To ask Dr the Honourable Minister of Agro Industry and Fisheries:

Whether, in regard to the land settlements at Terre Rouge and Riche Terre, he will state where matters stand in relation to –

- (a) the lease granted to the small vegetable and cane planters, their intended relocation and the facilities, if any, to be granted to them; and
- (b) the implementation of the project for the creation of an Economic and Trade Co-operation Zone thereon?

Mr Speaker Sir,

The Tianli Economic and Trade Cooperation Zone comes at a very opportune time, after the Africa China Business Summit attended by our Prime Minister last November. The move of the Tianli Group to invest in Africa, and more particularly to have chosen Mauritius, is in line

with China's export oriented policy to develop stronger economic and trade links with the African continent. It also follows the political and economic commitment taken by His Excellency Mr. Hu Jintao with Heads of African Countries during the November summit. In fact, during that summit, China reaffirmed its determination and commitment for closer economic and trade cooperation with Africa through the creation of 3-5 economic and trade cooperation Zones. Following intensive lobbying, our Prime Minister has succeeded in convincing the Chinese Authorities to locate one of their economic zones of Africa in Mauritius.

2. Indeed, the development of the Economic and trade cooperation zone by the Shanxi Tianli Group in Mauritius is the concrete expression of the strong bonds of friendship, economic trade and cultural ties between Mauritius and the Republic of China. The Tianli Economic and Trade Cooperation Zone will bring socio-economic benefits to the

country in terms of FDI, export earnings & employment creation. In fact, this project will bring in foreign direct investment to the tune of Rs. 17 billion (USD 500 million) and the economic zone is expected to generate some 5,000 direct local jobs, in addition to 2,500 indirect jobs. In addition, the zone is expected to generate Rs 6.8 billion (USD 200 million) in terms of export earnings annually once the zone is fully operational. Alternative sites to house the economic zone were sought with the Ministry of Housing and Lands. However, owing to the large extent of land required and the fact that the economic zone is fully export oriented close proximity to the port was essential hence the choice of Riche Terre and Terre Rouge land settlements. Against this background, the information sought is as follows.

3. In regard to Part (a) of the question, Government is taking all necessary measures to ensure that planters of Riche Terre and Terre Rouge Land Settlements are

compensated and relocated on state agricultural land to continue their activities.

4. Mr Speaker Sir, I have personally met representatives of Riche Terre on three occasions and those of Terre Rouge on two occasions to explain to them the importance of the Tianli Project and the package being offered to them in terms of compensation and relocation. A Technical Committee at the level of my Ministry has met three times with the representatives of Riche Terre for further discussions.

5. For Riche Terre Land Settlement, the lease of 120 planters would have normally expired in 2015. **There is a provision in any government lease that should Government require the land at any time for any purpose before the lease expires, in respect of any leaseholder, compensation is paid according to the terms and conditions of the lease agreement.** In the light of these provisions, Government issued a letter following advice from the State Law Office, to the 120 planters in

March 2007, informing them of the decision to terminate the lease on 30 April 2007. A compensation per planter, as determined by the Chief Government Valuer, on the basis of acreage of land leased will be paid to all the 120 planters irrespective of the fact that 69 of them had abandoned their plots as from 2003. The 51 active planters will, in addition to the compensation, be relocated to more fertile state land at Arsenal and Bois Marchand, which is a secure location.

6. The House may wish to note that lessees of Riche Terre had complained of vandalism, and this new location addresses the security aspect as well. Two site visits have been effected by representatives of the active planters. My Ministry is in contact with these planters to finalise the matter through the Technical Committee chaired by the Permanent Secretary of my Ministry.

7. We have also agreed to request the Development Bank of Mauritius to reschedule any loans the planters may have,

and Government will write off their debts in respect of irrigation and electricity dues amounting to some Rs 1.5 million.

8. As appropriate notice in accordance with the terms of the lease agreement made with each lessee of Riche Terre has been given, it follows that as from 1 May, 2007 Government has resumed possession of the 120 Arpents leased to the 120 lessees. Signature of the lease agreement with Tianli in respect of this area will be proceeded with shortly.

9. With regard to Terre Rouge Land Settlement, planters concerned were informed on 7 March 2007 that their lease agreement which is due to expire on 30 June 2007, will not be renewed. Although there is no legal obligation for Government to pay any compensation, Government has decided to pay a compensation of Rs 50,000 per hectare to the 103 lease holders, and to relocate them on state land at Côte d'Or. Furthermore, arrangements are being made by

Farmers Service Corporation to facilitate planters at Terre Rouge Land Settlement to harvest their cane before termination of their lease on 30 June 2007.

10. The Farmers Service Corporation will prepare the whole block of 193A of land at Côte d'Or on the same terms as the Field Operations and Regrouping Project with high yielding varieties to lower the cost of production. Not only would the yield be higher, but the planters would have cane fields with newly planted cane.

11. A recent survey at Terre Rouge Land Settlement on 25 April 2007 indicates the following:

- (i) 3 lease holders are rearing animals on land allocated to them for cane cultivation;
- (ii) 15 lease holders have illegally constructed buildings on their plots. These include the 3 above who are rearing animals;

(iii) 67 planters have cane cultivation on the land leased to them; and

(iv) 25 plots have been found to be fallow and have not been under cane for the past 2 years.

12. Regarding the 15 cases of illegal construction, the matter has been referred to the Ministry of Housing & Lands for sympathetic consideration to be given to these planters. With regard to the 3 lease holders who are rearing animals, my Ministry will consider their relocation to available sites.

13. In regard to the 256.34 Arpents at Terre Rouge, as the lease expires on 30 June, 2007, Government will resume possession on 1 July, 2007. Government will thereafter sign the lease agreement with Tianli in regard to this portion after 1 July, 2007. Mr Speaker, Sir, this reply also takes care of the information requested in PQ B/313.

14. As regards Part (b), the development of this huge project will be done in phases and the promoters intend to start construction works as from 1st June 2007, once the land is cleared. Completion of all constructions works on the zone is expected in five years' time.

15. The promoters intend to bring at least 40 chinese companies to operate in the zone in various industrial fields, namely Light Engineering, ICT, Pharmaceuticals, Electric House Appliances, Food Processing, Tourism Souvenirs Manufacture & Garment Making.

16. The zone will comprise steel structure buildings and warehouses, business and office centres, staff dormitory and training centre totalling some 600,000 square metres.

17. To date, 14 Chinese companies have already confirmed their interest to invest in the zone to the promoter

(Shanxi Tianli Group). These 14 companies are engaged in manufacture and trading of pharmaceutical products, manufacture of garments and apparel products, hardware manufacture and food processing.

18. I have to inform the House also that a framework agreement has already been signed between Shanxi Tianli Group and the Government of Mauritius for the setting up of the Economic and Trade Cooperation Zone on an extent of approximately 500 acres of land.

Supplementary Information

The Tianli Group has already proven their seriousness and credibility in investing in spinning plants at Belle Rive with total investment of Rs 1.5 billion. This project is fully backed by the Government of the People's Republic of China. Due care has been taken to avoid any speculative motives on these land. In fact, a tight construction schedule has been imposed on the promoters over the 5 years time frame. Any failure on their part to respect the construction schedule will result in Government taking back these land.

Spinning Plant at Belle Rive

2. Tianli Spinning (Mauritius) Ltd situated at Belle Rive has set up a 15000 spindles spinning plant for the production of an annual 2,200 tons of combed and carded cotton yarn at a cost of Rs 298 million. In August 2005, Tianli Spinning

invested Rs 525 million in its 2nd phase, project and increased production capacity to 11,000 tons per year. Tianli has also committed itself to invest an additional Rs 1.87 billion by 2008 at Belle Rive for Tianli Third Phase.

3. The investment committed by the group in Mauritius and the support that the economic and trade cooperation zone is receiving by the Chinese authorities, dispel any speculative motives.