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Getting to grips with inflation

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By News On Sunday

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News Service

Economist Eric Ng, Director of Pluriconseil, strongly believes the Budget will address the food and energy crisis, inflation and the cost of living - social issues that will create a stir. “With the appreciation of the rupee, our exports should be given priority. If we want to keep with the economic growth our infrastructure should be modernised - airport, port, road links and communications so as to become more competitive.

“In order to meet these challenges, Government should bring new schemes for an increased production of foodstuffs in the long term to reach self sufficiency and for products like rice, maize and cattle, we should look for possibilities for regional cross border initiatives. Fertile land should be identified and put under cultivation. It is unfortunate that there is no Land Bank in Mauritius.

“It is also important to meet our energy crisis that all equipment producing renewable energy be duty-free, that the population is sensitized on the saving energy and that public lightings be reviewed.

“The only means to stimulate growth in the short term be to decrease VAT to 13.5% and to decrease the cost of living of the population. Other measures to be taken should be the increase of private investment; that there are no bottlenecks in economic sectors such as the airport, port and road infrastructure which are essential for stimulating export. The public expenditure of 3.9 Billion and the GDP of 3.8% of 2007/2008 should be maintained.”

For Kee Chong Li Kwong Wing, CEO, MITCO, one of the main challenges

is inflation. Also measures are called for to prevent waste and inefficiency in use of Government funds and to eliminate cartelisation of activities in the private sector. Equally important is massive investment in skills training, SME promotion, and social housing.