7.1 Rental of Le Batelage, Souillac Tourist Village

The Ministry rented three unfurnished commercial spaces, divided into Lot A and Lot B with two tenants.

Lot A comprised a floor area of 302 m². The lease agreement was signed on 8 April 2005 for a period of five years as from 15 November 2003 at a monthly rent of Rs 15,100 payable in advance.

Lot B comprised two commercial spaces of 40 m² each on ground floor and first floor of the building. The lease agreement was signed on 14 December 2000 for a period of five years as from 1 December 2000 at a monthly rent of Rs 5000, payable in advance and the keys were handed over.

The tenant never occupied the building and has also not paid the rent.

At the expiry of the lease agreement on 30 November 2005, the arrears of rent amounted to Rs 265,000 and so represented 59 months’ for period 1 January 2001 to 30 November 2005, after deducting the deposit payment of Rs 30,000.

However, on expiry of the lease agreement, the keys were not returned to the Ministry. The Ministry has not invited fresh tenders for the renting of the commercial space, when the leases expired on 30 November 2005.

The Ministry has pursued the matter with the Attorney General’s Office (AGO) from year 2002 until it again sought the advice of the AGO on 6 October and 18 October 2006 respectively, as to whether it would be legally in order to launch fresh tenders for the commercial spaces and to initiate action to recoup the outstanding rental fee.

The reply of the AGO was still being awaited prior to taking a decision on the matter.

7.2 Contribution to the Tourism Fund

The Tourism Fund was set up under the Finance and Audit (Tourism Fund) Regulations 2003. The object of the Fund is to finance the implementation of infrastructural works in connection with tourism development projects in Mauritius and such other associated works for the inhabitants of the areas where projects are being implemented.

The fund consists principally of contributions made by promoters of tourism development projects.

The promoters have to contribute Rs 25 million per project, to the Fund, payable in full at the outset, upon signature of the lease agreement.
As of 12 September 2006, the projects at Bel Ombre and St Felix have been completed and four promoters have contributed in all Rs 73.88 million, in respect of four projects. One promoter deducted Rs 1.12 million representing expenses incurred for re-routing the irrigation system in respect of five vegetable growers at Bel Ombre, out of its expected contribution of Rs 25 million.

As of 30 June 2006, the Tourism Fund has already effected payments of Rs 75,467,348 and Rs 123,550,584 respectively for the capital works undertaken in the Bel Ombre and St Felix regions respectively.

The Ministry of Finance and Economic Development provided an interest free advance of Rs 68,522,692 to the Tourism Fund, repayable on 30 June 2005, of which the Fund has already refunded Rs 40 million and a balance of Rs 28,522,692 was still outstanding.

Ministry’s Reply

The Ministry stated that before the coming into operation of the Finance and Audit (Tourism Fund) Regulations 2003, Government already agreed to the proposal made by one promoter for the drawing of two separate leases in favour of its subsidiary hotel companies, that were to contribute only Rs 25 million to the Fund.

It is also mentioned that one promoter at Bel Ombre region and two other promoters at St Felix region have yet to sign their lease agreements. The contribution of Rs 25 million is payable on signature of the agreement.