

Communiqué

In line with the mission entrusted to him by the Prime Minister, Dr Navin Ramgoolam, last week, the deputy Prime Minister and Minister of Tourism, Leisure and External Communications, Xavier-Luc Duval, held meetings with all the stakeholders of the national aviation company.

Air Mauritius is facing a situation that is difficult due to two reasons: the losses encountered by the hedging on one side and the global economic crisis affecting its revenues on the other.

Numerous activity sectors depend on the performance of Air Mauritius. The source of income of 2500 employees and their family directly depend on it.

The top priority of these last days has been to cater for the financial needs, in light of the different appraisal reports submitted by consultants who are actually helping the national aviation company.

Several meetings have been held with the consultants concerned with the company's finance, not only to tackle the monetary aspect of the question, but also to tackle the selling of certain non-essential assets of the company.

The hedging contract has been thoroughly analyzed and a meeting has already been scheduled with the representative of Barclays Capital.

Work sessions have been scheduled with the members of the Board of Directors, Top Management (Leadership Team) and representatives of syndicates in order to determine a recovery strategy through dialogue and discussions. Consultations will be held on a regular basis in order to follow closely the development of the situation. No effort was spared to find the appropriate solutions.

Thus the Government has learned with satisfaction that a number of measures have already been taken by the Board of Directors of Air Mauritius:

1. the Risk Management Sub Committee has been restructured and now includes all members of the Board of Directors
2. in order to set an example of the highest level, the Board of Directors of Air Mauritius has already decided to cancel, with immediate effect, the free tickets granted to previous members of the Board of Directors
3. the amount of tickets granted to actual members of the Board of Directors has been brought down to 4 instead of 18 and will only be issued according to availability of flights. The allowance of the members of the Board of Directors is of Rs 15 000 per month
4. measures have been taken to increase rigor in operations. For example, absolute rigor on issues such as up-grading, excess baggage and discount on tickets as well as a strict control of the stock on-board.

For their part, the Board of Ministers have asked all members of parastatal bodies to fly Air Mauritius in first choice.

In order to face the actual situation, worsened by the international financial crisis, the Government calls for the sense of patriotism and responsibility of each Mauritian to help Air Mauritius come out of this crisis.

The Government is pleased by the support expressed by the tourism partners towards the national aviation company, as this shows their solidarity and their trust in the future.

More than ever, it is vital that all stakeholders, be them management, employees, syndicates, the opposition or the public in general, fully assume their citizen responsibility.

The Government, who counts on the active collaboration of syndicates to set up this survival project, will consider seriously any positive input. A work session is scheduled for next week.

The Government reiterates its faith in the future of Air Mauritius with the responsible and patriotic support of all stakeholders. The restructuring applies to all employees of Air Mauritius and each has to be motivated to do the necessary savings. No effort will be spared to seize any opportunity that can help Air Mauritius come out of this crisis, that is every Mauritian citizen's concern, stronger than ever.

We contemplate the future together with optimism and we count on each Mauritian to contribute to this national effort and to act responsibly.

Office of the Deputy Prime Minister Xavier-Luc Duval

27 January 2009