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Mauritius BUDGET

2025-2026

A CareEdge Analysis

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Budget 2025-2026: From Abyss to Prosperity: Rebuilding the bridge to the future

The **Mauritius Budget FY26** outlines a strategic plan to drive economic growth while ensuring fiscal responsibility. The Hon. Prime Minister and Minister of Finance has introduced measures to stimulate investment, support key sectors, and promote social inclusion, all while maintaining a focus on fiscal consolidation.

The budget emphasizes a balanced approach to sustaining economic growth and reinforcing fiscal prudence.

Key tax reforms include the rationalization of personal income tax bands from eleven to three and simplifying compliance is a welcome step. Notably, there will be no personal income tax for income up to MUR 500,000, income tax exemption up to MUR 1 million for individuals aged between 18-28 and lower tax vis-à-vis earlier year for those earning up to MUR 1 million. This is expected to boost consumer sentiment and spending for lower income earners. Introduction of Fair Share Contribution for a three-year period is likely to give boost to the tax collection and bring down the budget deficit.

The budget highlights the importance of Artificial Intelligence (AI) in driving innovation and economic growth.

Significant investments are planned for renewable energy, transport, and water infrastructure, alongside the establishment of a Future Fund to support strategic sectors such as food security, clean energy, and the blue economy. This marks the focus of this Government on investment led growth vis-à-vis a consumption led growth policy of former Government. The budget also places a strong emphasis on sectors crucial for job creation and economic diversification, including tourism, healthcare, and manufacturing.

Social inclusion and support for vulnerable groups are key focuses, with enhanced support for women entrepreneurs, increased social protection measures, and investments in education and skills development. The budget sets a fiscal deficit target of 4.9% for FY26.

Overall, the Mauritius Budget FY26 outlines a clear and strategic path towards economic resilience and growth, fostering private sector participation and investment, and ensuring a more inclusive and sustainable future.

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Director & CEO, CareEdge Africa

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Budget Overview

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3 Key Focus Areas of the National Budget

1. Economic Renewal
2. New Social Order
3. Fiscal Consolidation

Highlights

Shift in momentum from consumption-led to investment-led growth

Post-Covid, several incentives were provided to support consumption. The new government's focus is on a new trajectory of investment-led growth. For example, investment will drive more productive sectors of the economy, such as innovation, research, AI, renewable energy, blue economy, waste to wealth investments and creative art. This will also be inclusive of women through new measures such as flexible working.

Fiscal consolidation

Ambitious plans to reduce fiscal deficit from 9.8% in FY25 to 1.3% in FY28 through tax reform, incentives and subsidies reduction.

Utilizing the payments from Chagos deal to reduce the debt burden

69% of the domestic debt portfolio is set to mature by the end of FY30. Over the next 3 years, the government proposes to use operational cashflow and rentals of about MUR 30 billion from Chagos deal for debt repayment, which is expected to improve total debt to GDP ratio from 90% in FY25 to 79.7% in FY28.

Retirement Age

Retirement pension eligibility will increase from 60 years to 65 years which will be phased out over 5 years.

The basic retirement pension is currently around 26% of recurrent expenditure. Raising the retirement age in Mauritius will ease pressure on public pensions, improve fiscal sustainability, and boost economic output by keeping more people in the workforce.

Proposal to replace the Contribution Sociale Généralisée (CSG) with the National Pension Fund (NPF)

Transitioning from a tax-funded universal pension to a contribution-based, earnings-linked system could improve funding predictability and restore confidence among formal workers. The informal sector workers may be at loss with this system.

CSG Snapshot

Contribution Sociale Généralisée (CSG) Budgeting

MUR Million

	FY21	FY22	FY23	FY24	FY25 (P)
Total Receipts	**5,247**	**8,348**	**9,508**	**10,902**	**12,900**
Total Payments	**2,562**	**1,943**	**8,914**	**14,111**	**21,859**
CSG Income Allowance			4,308	7,314	10,980
CSG Retirement Benefits (Social Benefits)			2,208	2,843	3,575
Others	0	13	23	1,356	7,304
Net Position	**2,685**	**6,406**	**595**	**-3,209**	**-8,959**

Source: 'State of the Economy' Report (Ministry of Finance, Economic Planning and Development (MOFEPD))

Proposal to replace the Contribution Sociale Généralisée (CSG) with the National Pension Fund (NPF)

It is proposed that the CSG system, introduced in September 2020 to be replaced by the National Pension Fund (NPF). This is because it has become fiscally unsustainable. Since FY24, payouts have exceeded contributions by MUR 3.2 billion, reaching MUR 9 billion in FY25. This has led to a 1.4% increase in debt in FY25 only. Given this growing strain on public finances, a Commission of Experts will be established to provide advice on revamping the CSG with the NPF. Transitioning from a tax-funded universal pension to a contribution-based, earnings-linked system could improve funding predictability and restore confidence among formal workers. However, informal sector workers may be adversely affected by this proposed change.

Tax Snapshot

Personal Tax

- Removal of several slabs and attached complexity is a welcome step. Although, in general other than for those who are earning up to MUR 1 million chargeable income, eligible individual will end up paying higher taxes under new regime.

- In addition, eligible individual earning more than MUR 12 million annual chargeable income including dividend income from the domestic companies, will have to pay an additional tax of 15% on amount exceeding MUR 12 million (As per Budget Annexure, there is a disconnect between Budget speech and Annexure on this levy and might need clarification). This is similar to the Solidarity levy but under a new name of "**Fair Share Contribution of High-Income Earners**".

- Given the need to raise additional revenue, one cannot really complain about it, given that as of now it is implemented for only 3 years. However, this levy may deter some high-net-worth individuals who were contemplating relocation to Mauritius, or potentially prompt others to leave the country.

- Exemption from income tax or tax on emoluments or business income for employees and self-employed individuals aged between 18 – 28 years and earning up to MUR 1 million annually as from 01 July 2025.

Tax Snapshot

Corporate Tax

This segment has attracted some major new taxes as follows:

- Availability of partial exemption, especially on foreign sourced interest income has been subject matter of litigation in the past and it appears that some clarifications will be brought in to deny the partial exemption, unless there is substance in relation to this entity – May have serious impact on Global Business Companies in general.

- Banks will not be allowed to claim partial exemption on foreign source dividend – Impact on banks investing in private portfolios.

- Introduction of Alternative Minimum Tax (AMT) on certain sectors – like hotels, insurance companies, financial intermediaries, real estate and telecom. It is proposed that where the normal tax on chargeable income of these companies is less than 10% of the book profits (adjusted for capital gains/losses and dividends from domestic companies), an AMT of 10% on book profits will be payable. The bigger worry though is that against this tax such companies will not be allowed to take foreign tax credit. This is akin to double taxation in certain cases. This does not apply to GBC and exempt companies.

- The book profits that will be used for the computation of AMT will be adjusted for capital gains or losses and dividends received from resident companies.
    - A capital gains tax (CGT) will be introduced for the first time in Mauritius.
    - Applies to the sale of shares, securities, and real estate
    - Likely it is Intended to reduce income inequality and capture wealth-based gains.

- VAT to be Zero-rated on the specific infant foods, canned and frozen packed vegetables, CCTV Cameras and hairdressing services.

- VAT registration threshold reduced for companies with revenue from MUR 6 million to MUR 3 million.

Tax Snapshot

Corporate Tax (continued)

- Fair Share Contribution tax on companies (other than GBC and those which are exempted) where chargeable income is above MUR 24 million have been levied as follows:

  a) 5% of chargeable income on companies which are taxable at standard rate of 15%
  b) 5% of chargeable income of banks including income form GBCs and non-residents;
  c) Additional 2.5% of chargeable income of banks from domestic operations, but excluding income form GBCs and non-residents;
  d) 2% of chargeable income on companies which are taxable at rate of 3%

  In addition, against this tax such companies will not be allowed to take foreign tax credit.

  Further reading (b) and (c) together it appears that banks will overall pay additional 7.5% on their chargeable income from domestic operations and 5% on GBC and non-residents income.

  It is also mentioned that the additional contribution will be introduced under the Value Added Tax (VAT) Act.

- Double and triple deductions incentives have been restricted to only companies not having annual turnover of more than MUR 100 million.

Fiscal Snapshot

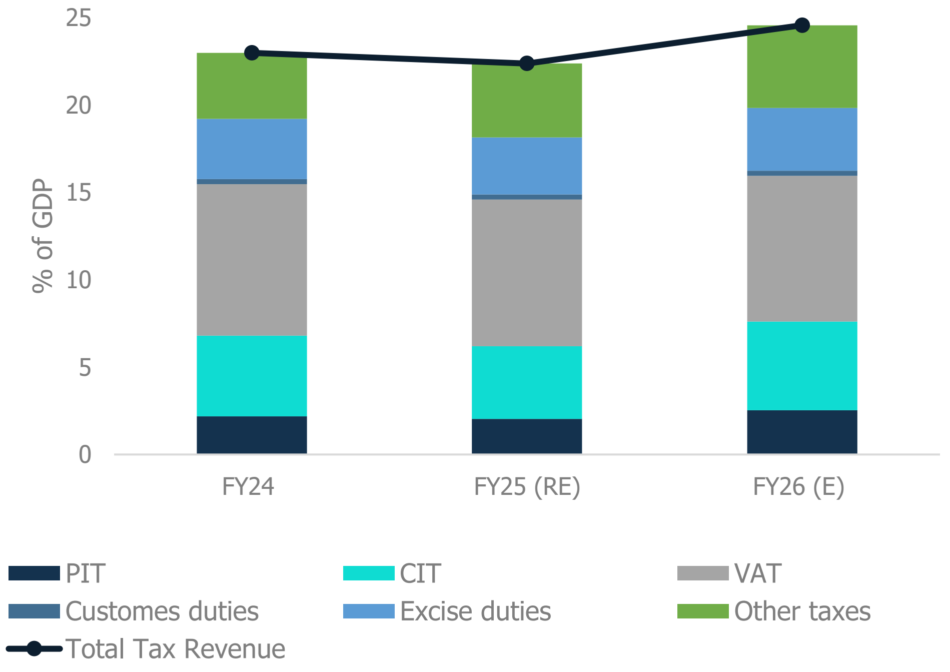
	FY25 (RE)	FY26 (E)	FY27 (F)	FY28 (F)
Total Revenue (MUR Million)	182,170	224,020	247,955	263,999
% of GDP	25.5	29.1	29.9	29.6
Total Expenditure (MUR Million)	252,236	261,375	274,785	275,874
% of GDP	35.3	34.0	33.2	30.9
Fiscal Balance (MUR Million)	-70,067	-37,355	-26,830	-11,884
% of GDP	-9.8	-4.9	-3.2	-1.3
Government Borrowing Requirement (MUR Million)	75,881	39,585	31,477	15,941
% of GDP	10.6	5.1	3.8	1.8
Public Sector Gorss Debt (MUR Million)	641,997	679,670	702,606	710,862
% of GDP	90%	88.3%	84.8%	79.7%
Nominal GDP (MUR Billion)	713.6	769.6	828.4	891.7
Real GDP Growth Rate (%)	3.9	3.7	4.0	4.0

Source: Mauritius Ministry of Finance, Economic Planning and Development (MOFEPD); Note: RE=Revised Estimates; E=Estimates; F=Forecasts

Tax Revenue
Snapshot

	FY24 (A)	FY25 (RE)	FY26 (E)	FY25 (RE)	FY26 (E)
	MUR Billion			YoY %	
Gross Tax Revenue	**141.1**	**159.6**	**189.1**	**13.1**	**18.4**
Direct Tax	**45.6**	**48.4**	**63.4**	**6.1**	**31.2**
Corporate Tax	28.4	29.8	39.0	4.7	31.1
Personal Income Tax	13.4	14.5	19.5	8.3	34.4
Other Taxes	3.8	4.1	5.0	8.8	20.7
Indirect Tax	**95.6**	**111.3**	**125.6**	**16.5**	**12.9**
Value Added Tax	53.2	59.9	64.2	12.7	7.2
Customs	1.8	2.0	2.2	11.1	9.0
Excise and Environment Tax	21.1	23.3	27.6	10.1	18.6
Others	19.4	26.1	31.6	34.2	21.1

Gross tax revenue as % of GDP



Source: Mauritius Ministry of Finance, Economic Planning and Development (MOFEPD); Note: A= Actual; RE=Revised Estimates; E=Estimates

- The growth in gross tax revenue is budgeted to increase to 18.4% in FY26 from 13.1% in FY25.
- Direct taxes are budgeted to grow by 31.2% in FY26, outpacing growth of 12.9% in indirect taxes.
- Doubling of 'Sugar Content of Sugar Sweetened Product's to MUR 1.8 billion in FY26.
- A significant increase in gambling tax is not anticipated, with an estimated YoY rise of approximately 8% in FY26.

Chagos Deal Revenue
Snapshot

- For the first three years, the fund from Chagos deal will be used for debt repayments to the tune of MUR 30 billion.
- Starting from the fourth year, a Future Fund and Trust Fund is going to be created for building long-term wealth for future generations and for development purposes. The Future Fund will be used in the following 5 areas:
    - Food security to lower dependence on import and support domestic production
    - Climate Change adaptation while enhancing resilience (lower imports of fossil fuels)
    - Blue Economy harness resources in a sustained manner
    - Speeding adoption of AI, blockchain technology and innovation
    - Equity for young people and women to become entrepreneurs

Expenditure
Snapshot

% GDP	FY25 (RE)	FY26 (E)	FY27 (F)	FY28 (F)
Recurrent Expenditure	31.6	30.6	29.0	26.6
Capital Expenditure	0.2	0.1	0.4	0.0
Total Expenditure	31.8	30.7	29.5	26.6

Source: Mauritius Ministry of Finance, Economic Planning and Development (MOFEPD); Note: RE=Revised Estimates; E=Estimates; F=Forecasts

- Recurrent expenditure overshot initial FY25 Budget estimates by almost MUR 16 billion, however, a 94% reduction in capital expenditure from initial Budget estimates meant that total expenditure for FY25 was revised down by over MUR 10 billion to MUR 227 billion.
- Total Government expenditure is projected to rise by 4.2% YoY in FY26.
- Overall, the Government expenditure to GDP is expected to peak in FY25 with projections suggesting that it will ease to under 27% in FY28.

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Components of
Recurrent Expenditure

	FY25 (RE)	FY26 (E)	FY27 (F)	FY28 (F)	FY26 (E)	FY27 (F)	FY28 (F)
	MUR Billion				% YoY		
Recurrent Expenditure	**225.6**	**235.5**	**240.4**	**236.9**	**4.4**	**2.1**	**-1.5**
Compensation of Employees	44.1	44.0	49.7	50.8	-0.1	13.0	2.2
Goods and Services	16.1	17.3	17.2	16.5	7.3	-0.8	-3.6
Interest Payments	21.8	26.1	27.5	28.2	19.7	5.4	2.5
Subsidies	3.5	3.6	3.2	2.9	2.0	-11.6	-9.0
Grants	36.1	36.7	39.8	40.6	1.9	8.2	2.1
Social benefits	83.7	81.5	82.9	82.6	-2.7	1.8	-0.3
Other Expenses	20.3	22.3	16.2	11.3	9.7	-27.2	-30.5
Contingencies	-	4.0	4.0	4.0	-	0.0	0.0

Source: Mauritius Ministry of Finance, Economic Planning and Development (MOFEPD); Note: RE=Revised Estimates; E=Estimates; F=Forecasts

- Recurrent expenditure is projected to grow by 4.4% YoY in FY26, led by interest payments and purchase of goods and services.
- Meanwhile, social benefits are expected to reduce by 2.7% in FY26.
- Going forward, it is expected that there will be a substantial reduction in subsidies.

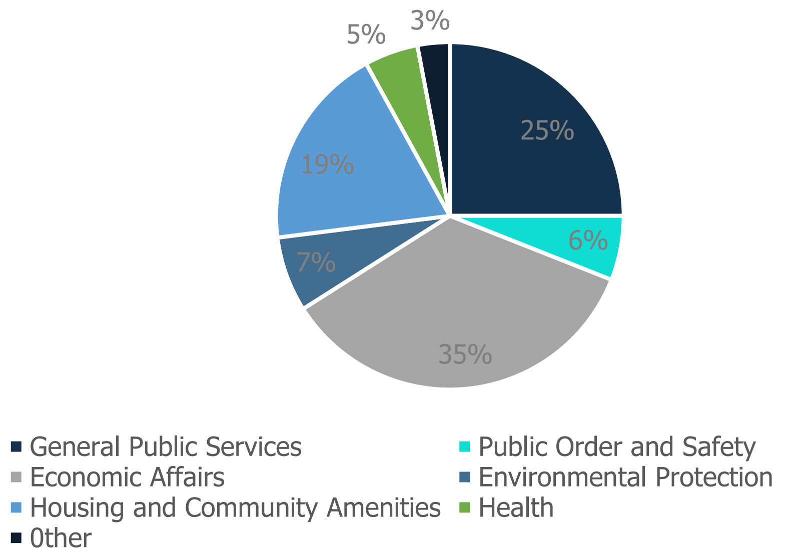
Outlay Towards Public Sector **Investment Programmes (PSIP)**

MUR Million

	FY26 (E)	FY27 (P)	FY28 (P)	FY29 (P)	FY30 (P)
General Public Services	10,305	12,567	15,132	3,430	3,162
Public Order and Safety	2,280	2,806	3,914	846	380
Economic Affairs	12,453	13,279	15,591	13,339	9,245
Environmental Protection	2,527	3,308	2,710	2,378	2,022
Housing and Community Amenities	12,564	8,878	8,270	2,920	1,245
Health	2,918	1,956	1,342	1,421	1,421
Recreation and Culture	373	303	43	38	38
Education	749	954	788	566	472
Social Protection	350	415	201	82	61

Source: Mauritius Ministry of Finance, Economic Planning and Development (MOFEPD); Note: E=Estimates; P=Planned

Planned Public Sector Investment by Function FY26-FY30



PSIP by SOEs

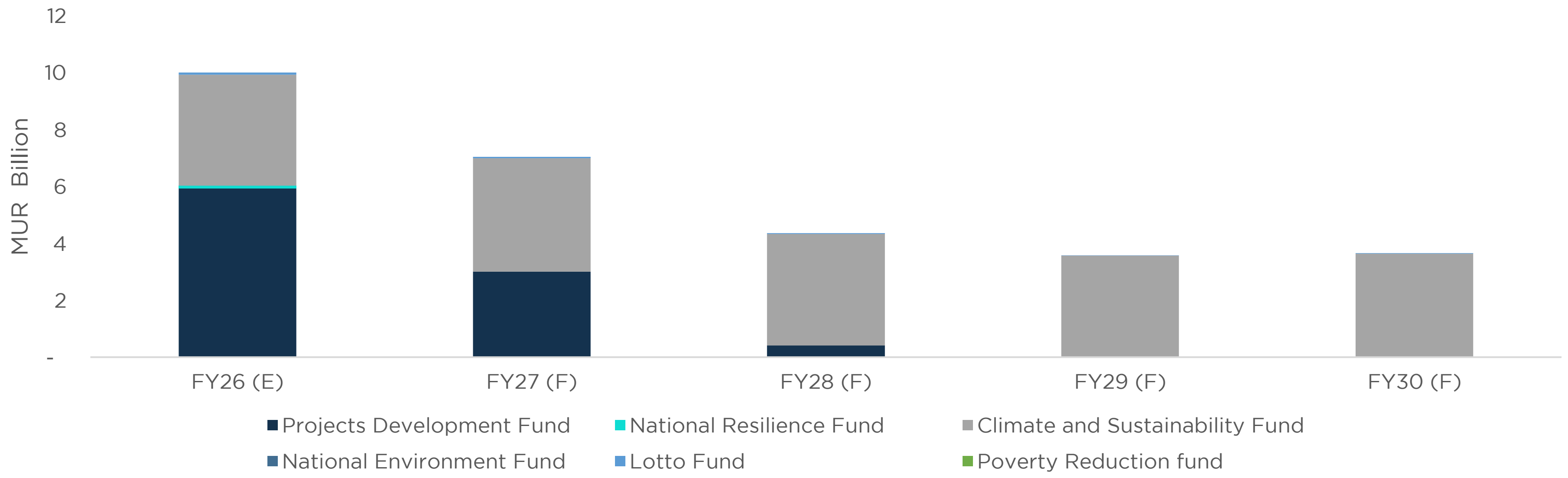
State-Owned Enterprise	FY26 (E)	FY27 (F)	FY28 (F)	FY29 (F)	FY30 (F)	5-Year Total
			MUR Million			
Airport of Mauritius Ltd	1,971	3,542	3,500	3,127	743	12,883
Cargo Handling Corporation	698	1,506	1,336	-	-	3,540
Mauritius Ports Authority	269	838	853	738	76	2,774
Rodriguez Public Utilities	340	20	-	-	-	360
National Housing Development	631	586	242	82	-	1,541
New Social Living Development	4,400	992	-	-	-	5,392
Central Electricity Board	5,581	4,765	3,026	-	-	13,372
Central Water Authority	11					11
National Transport Corporation	949					949
State Trading Corporation	804	613	75	-	-	14,92
Total Investment by SOEs	15,654	12,861	9,031	3,947	819	42,314

Source: Mauritius Ministry of Finance, Economic Planning and Development (MOFEPD)
Note: A=Adjusted; RE=Revised Estimates; E=Estimates

- Airport of Mauritius and the Central Electricity Board are expected to account for 64% of planned investments by SOEs

Special Funds

Government Expenditure & Revenue

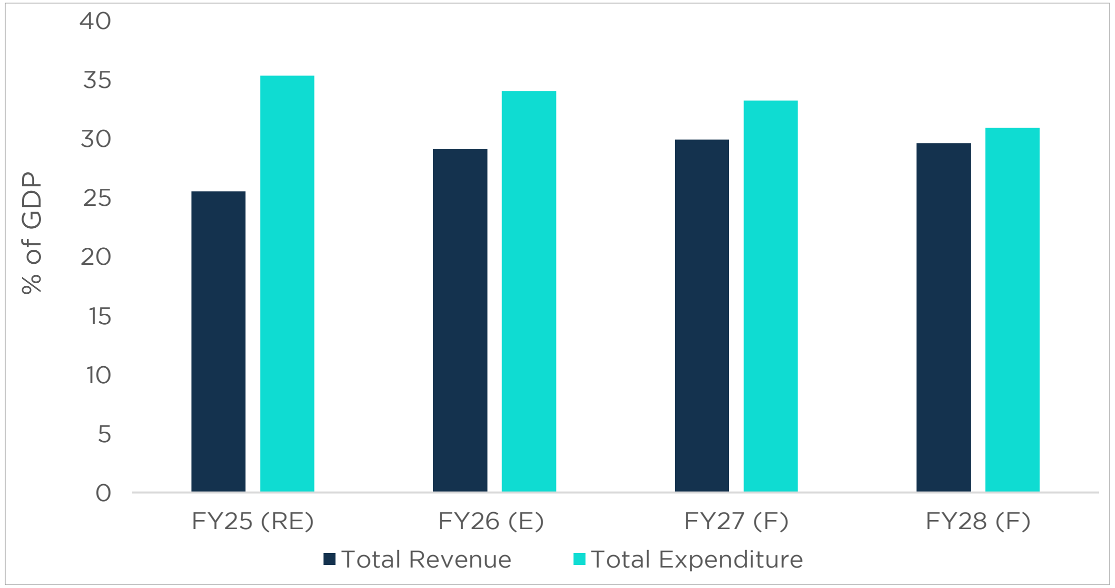


Source: Mauritius Ministry of Finance, Economic Planning and Development (MOFEPD)
Note: RE=Revised Estimates; E=Estimates; F=Forecasts

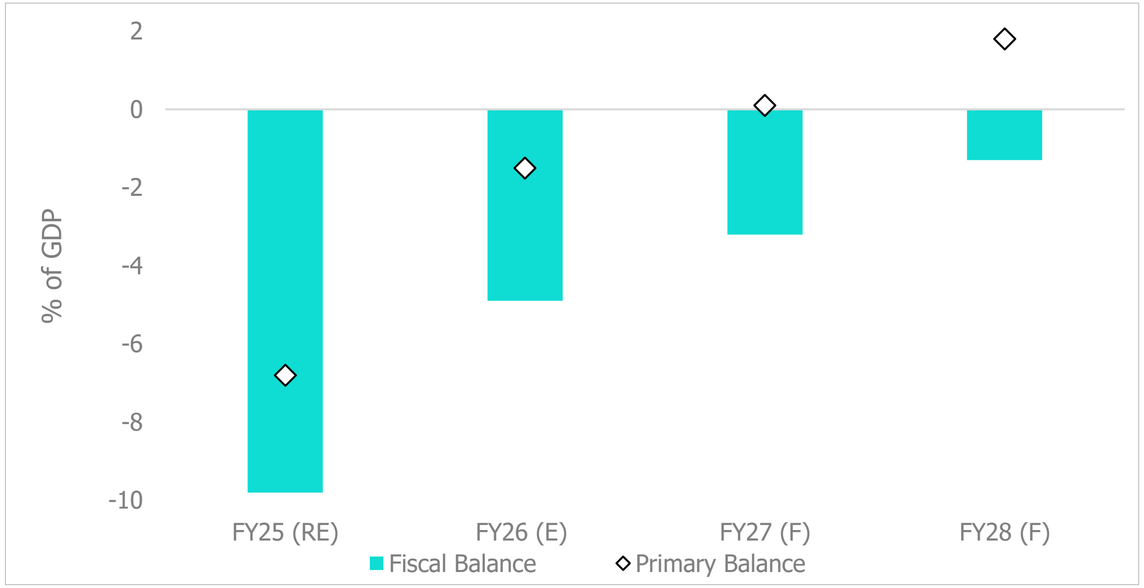
- The Special Funds are projected to contribute 16% to the Public Sector Investment Programme (PSIP) from FY26 to FY30. Previously led by the Projects Development Fund, the latter is anticipated to be fully depleted by FY29, thereby exerting pressure on the overall Special Fund. By FY30, only the Climate and Sustainability Fund (MUR 3.6 billion) and a small amount in Lotto Fund (MUR 15 million) is expected to remain. The government plans to eventually integrate the Special Fund into the Consolidated Fund.

Fiscal **Balance**

Government Expenditure & Revenue



Fiscal and Primary Balance

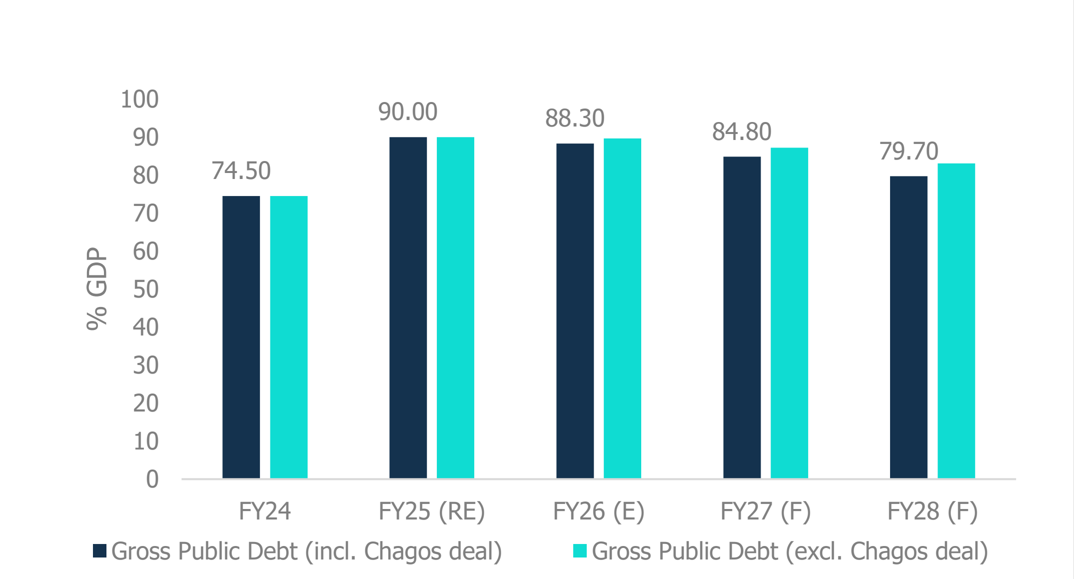


Source: Mauritius Ministry of Finance, Economic Planning and Development (MOFEPD)
Note: RE=Revised Estimates; E=Estimates; F=Forecasts

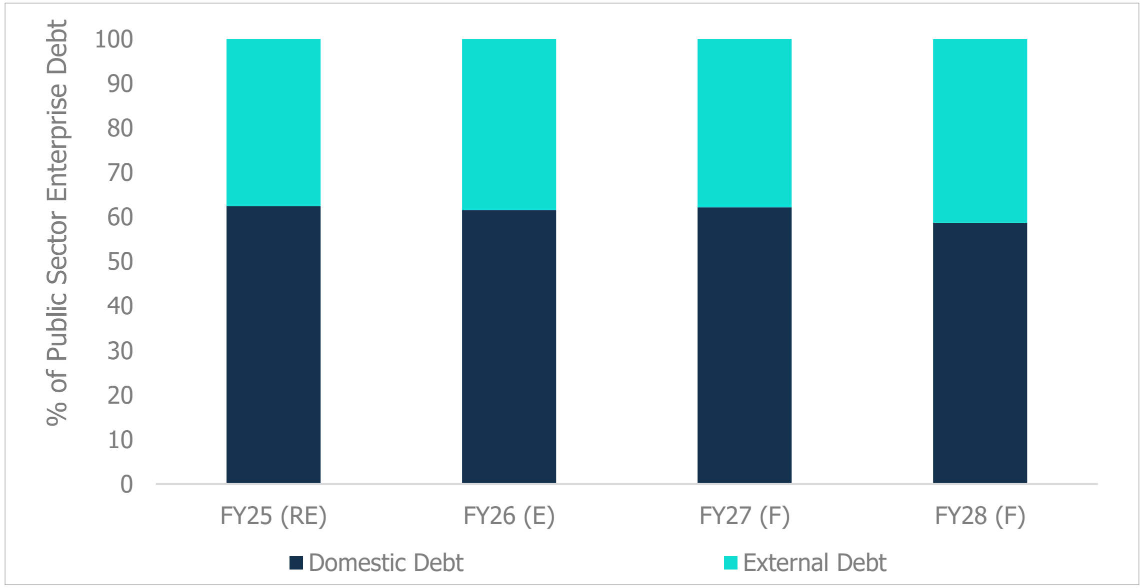
- The FY26 Budget highlighted the government ambitious plans for fiscal consolidation.
- Following undershooting revenue, the fiscal deficit for FY25 was revised to 9.8% of GDP from 4.8% in the FY25 Budget.
- The government projects the fiscal deficit to narrow sharply in FY26 to 4.9% of GDP, and ease to 1.3% of GDP in FY28.
- While the focus on fiscal consolidation is commendable, there are risks to both the expenditure and revenue outlook which may weigh on the government’s ambitious path of fiscal consolidation.

Debt Snapshot

Gross Public Debt



Composition of Public Enterprise Debt (Guaranteed and Non-Guaranteed)



Source: Mauritius Ministry of Finance, Economic Planning and Development (MOFEPD)
Note: RE=Revised Estimates; E=Estimates; F=Forecasts

- Inflows from the Chagos deal will be directed towards reducing the debt profile, with the Gross Public Debt to GDP ratio projected to ease to 79.7% in FY28.
- Meanwhile, the composition of Gross Public debt will be dominated by domestic debt with the share of external debt to Gross Public Debt expected to remain below 22%.
- In terms of Public Enterprise, guaranteed and non-guaranteed debt has been revised up by 2.1 percentage points to 10.5% of GDP in FY25, relative to estimates presented in the FY25 Budget.
- Nonetheless, the ratio is expected to ease to 10%, 8.2% and 6.8% in FY26, FY27 and FY28, respectively.

Sectoral Announcements and Analysis

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Agriculture and Food Security

Proposal

- **Guaranteed Revenue**: Sugarcane planters producing up to 60 tonnes of sugar will receive a guaranteed income of MUR 35,000 per tonne, inclusive of bagasse and molasses.
- **Sector support:** MUR 800 million allocated to support farmers, planters and breeders via schemes and assistance programmes.
- **VAT relief**: VAT on harvesting services to be refunded under the VAT Refund Scheme for Small Planters.
- **Seed Subsidy Adjustment:** Subsidy for potato and onion seeds will be reduced from 75% to 50%.

Impact

- Guaranteed revenue will support small-scale sugarcane planters, helping sustain cultivation and reduce agricultural land abandonment.
- Schemes and support programmes will promote investment in modern agriculture, encouraging mechanism, innovation and practices like vertical farming and climate-controlled production.
- Reduced seed subsidy from 75% to 50% may increase production costs for potato and onion growers, potentially affecting output or pricing.

Banking and Financial Services

Proposal

- **Removal of cap** on the Special Levy on Banks of 1.5 times of their leviable income excluding income from Global Business.
- **Fair share contribution** of 5% on chargeable income of banks including income form GBCs and non-residents.
- Under **Additional fair share contribution**, bank are charged 2.5% of chargeable income from domestic operations, but excluding income form GBCs and non-residents;
- Companies, generating 50% of annual turnover in **foreign currency**, will be required to pay their tax in foreign currency.
- Strengthening of the banking system through the following measures:
  - Invest in the AML and CFT training.
  - Introduction of a Unified e-licensing platform integrated with the centralised KYC repository, with approval of e-signatures.
  - Simplified licensing for Wealth Management and Family offices.
  - Introduction of bullion banking.

Impact

- The profitability of four Domestic Systemically Important Banks (D-SIBs) are likely be impacted by the removal of cap on the special levy.
- Under the additional fair share contribution, the profitability of the banking sector is expected to be impacted especially the banks which generate more revenue from domestic operations.
- Increase investors' confidence and fortify Mauritius position as an IFC with good corporate governance and infrastructure in place.
- Better licensing processes and acceptance of e-signatures will improve ease of doing business.
- Promote further diversification of the banking sector activities, whilst promoting Mauritius as a financial and wealth management hub.

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Tourism

Proposal

- A sum of MUR 900 million has been allocated to the Ministry of Tourism, a 135% increase from 2024/25.

Impact

- This will support a comprehensive revamp of the sector to address global travel uncertainties and local labour shortages.
- Allocation will focus on four key areas:
  - *Policy and Strategy for Tourism Development* (14%)
  - *Regulation and Control of Tourism Related Activities* (18%)
  - *Destination Promotion* (60%)
  - *Capacity Building in the Hospitality Sector* (9%)
- Over the next three years, Government will allocate MUR 12.8 billion towards major capital projects for development of Mauritius' airport aligning with its goal to improve air connectivity.

Proposal

- Effective October 1, 2025, a Tourist Fee of EUR 3 per night will be levied on each tourist aged 12 and above, staying in designated tourist accommodation establishments.

Impact

- The levy is expected to generate approximately MUR 775 million in additional revenue in FY25/26 and above MUR 1 billion in subsequent years, with potential for even higher returns depending on future tourist arrivals and days stay. This measure introduces a sustainable source of income that can be directed towards improving tourism infrastructure, advancing sustainable tourism practices, and promoting high-value and responsible tourism across Mauritius.

Real Estate

Proposal	Impact
Withdrawal of fiscal incentives under the Smart City Scheme, coupled with a requirement to integrate sustainability features into project development.	This implies increased government tax revenue by phasing out exemptions, but it is expected to discourage any new Smart City development given the significant change in the economics of Smart cities.
Increase in registration duty from 5% to 10% for non-citizens purchasing residential property under EDB Schemes.	The higher upfront costs could result in possible cooling of demand from foreign buyers point. However, on the fiscal side, it is expected to boost government tax revenue from property sales assuming that demand remains at current level.
Non-citizens reselling residential property under EDB Schemes will be subject to land transfer tax, higher of 10% of the property value or 30% of the capital gain.	This will boost tax revenue from high-value resales but may discourage short-term investment, impacting demand in the premium property segment.
Increase of land transfer from 5% to 10% on sale of residential units by promoters under the EDB Schemes.	Developers are likely to pass on the additional cost to buyers, potentially affecting housing affordability. The measure could also compress profit margins and slow down the launch of new projects potentially impacting projected tax collections.

Construction

Proposal

Allocation of MUR 128 billion has been made to the Ministry of National Infrastructure and Community Development, a 45% increase from 2024/25 budget, for execution of various projects including:

- Construction of Motorway M4 in two phases, connecting Forbach to Pont Blanc and extending to Bel Air
- Implementation of Ring Road Phase two project, connecting Ring Road Phase one to Boulevard Victoria (Vallee Pitot) and Tranquebar.
- Investment of MUR 5.4 billion by Mauritius Ports Authority for expansion of the cruise jetty, upgrading the Mauritius Container Terminal and building a small jetty for bunker barge operations.
- Development of the Rivière des Anguilles Dam and enhancement of water infrastructure.

Impact

- These new projects and public sector investments will have a positive impact on the construction sector offsetting the negative impact of the potential slowdown of the real estate sector.
- Port development is vital to positioning Mauritius as a key transhipment hub in the Indian Ocean, strengthening its competitive edge in the region. The construction of new roads will further enhance logistics and national connectivity.
- The sector could have further leveraged private investment through Public-Private Partnerships (PPPs).

Blue Economy

Proposal

- Vast investment corridor will be created within the blue economy, focusing on sustainable fishing, marine transport and trade, research, capacity building, innovation and blue finance.
- The Mauritius Ports Authority will invest around MUR 5.4 billion in expanding the cruise jetty, building a bunker barge jetty, acquiring tugs and upgrading the Mauritius Container Terminal.
- Comprehensive review of the Fisheries Act.

Impact

- Transform Mauritius into a leading seafood hub by boosting fish production through modern aquaculture, enhancing value-added processing and seafood exports, promoting local R&D in marine energy, and positioning the country as a regional leader in sustainable finance aligned with SDG 14 (Life Below Water).
- With container traffic below pre-COVID levels, the measures aim to boost capacity, cut turnaround times, and reduce shipping costs, strengthening Mauritius' position as a competitive Indian Ocean transshipment hub.
- Increased local availability of fish and other seafood products, improving food security and decreasing dependency on imported fish which currently accounts for around 20% of food products imports.

Automotive

Proposal

- Increase in registration duty of new vehicle by 30% as from 1st July 2025.
- Increase of the road motor vehicle license by MUR 200 – MUR 4,000
- Negative Excise Duty Scheme on electric vehicles will be abolished on 30^{th} June 2025.
- Re-introduction of excise duty on electric vehicle and hybrid of up to 25% and 75% respectively.
- Revision in duty levied on internal combustion engine from 20% to 45% for the small capacity engine (i.e., 551 –1,000 c.c.) and from 55% to 100% for larger engines (i.e., above 2,000 c.c.).
- Abolished registration duty on pre-owned vehicles.

Impact

- Higher duties are likely to have an adverse impact on sale of new vehicles.
- Leasing and financing companies are likely to be affected in tandem.
- Increase in Government revenue through excise duty.
- There is going to be an indirect tax impact. As the overall value of this excise tax increases, there will be higher VAT collection too.
- Pre-owned car market is expected to witness rise in price, with an uptick in transactions.

Environment & Public Utilities

Proposal

- Allocation of MUR 3.3 billion to the Ministry of Environment, Solid Waste Management and Climate Change.
- Allocation of MUR 30 billion of investment over the next three years in the renewable energy sector, mainly in solar energy and biomass projects.
- Provision of MUR 164 million to restore vital habitats, prevent beach erosion and combat marine pollution.
- Transformative investment through the 'Waste-to-Wealth Investment Scheme'.
- Introduction of more prohibitive fines on noise and sound pollution and a Deposit Refund Scheme for plastic bottle.
- Setting up a food resilience scheme to promote vertical farming, indoor climate controlled agriculture and modern production of seeds and fertilizers.
- Clean Energy, Climate Change Adaptation and Mitigation to lower imports of fossil fuel and CO2 emission

Impact

- Strengthens environmental protection and climate change mitigation efforts.
- Reduces dependency on fossil fuels and lowers carbon emissions.
- Preserves tourism assets and supports fisheries.
- Promotes creative waste to art projects, waste to compost, waste to energy and re-use of metal scrap, playing a significant role in lowering our carbon footprint.
- Reduces plastic pollution and boosts recycling rates.
- Increases local food production and reduces import dependency.
- Enhances resilience to unpredictable climatic events and boosting economic growth, while decreasing imports on fossil fuels which accounts for 20% of total import.

Healthcare

Proposal

- Total health care budget amounts to MUR 18.5 billion including MUR 15 billion for public hospital & specialized healthcare and MUR 3.5 billion for strategy, community & preventive healthcare and disease control.
- The excise duty on alcoholic and tobacco products to be increased by 10%. Further, excise duty on sweetened products will be increased from 6 cents to 12 cents per gramme of sugar.
- As from 1st October 2025, chocolates and ice cream will be subject to the excise duty of 12 cents per gramme of sugar sweetened products.
- Increase in budget allocated to training and capacity building in the health care system from MUR 22 million to MUR 44 million.

Impact

- Boosts fiscal revenue, enabling greater investment in healthcare and education, though falling consumption may narrow the tax base.
- Reduce consumption of alcohol, tobacco, and sugary drinks over time, especially among lower-income groups.
- Supports long-term reduction in reducing mortality and public health risks.
- Strengthens capacity to manage health crises.
- Promotes a healthier population, more productive population with long-term economic gains.

Education & Training

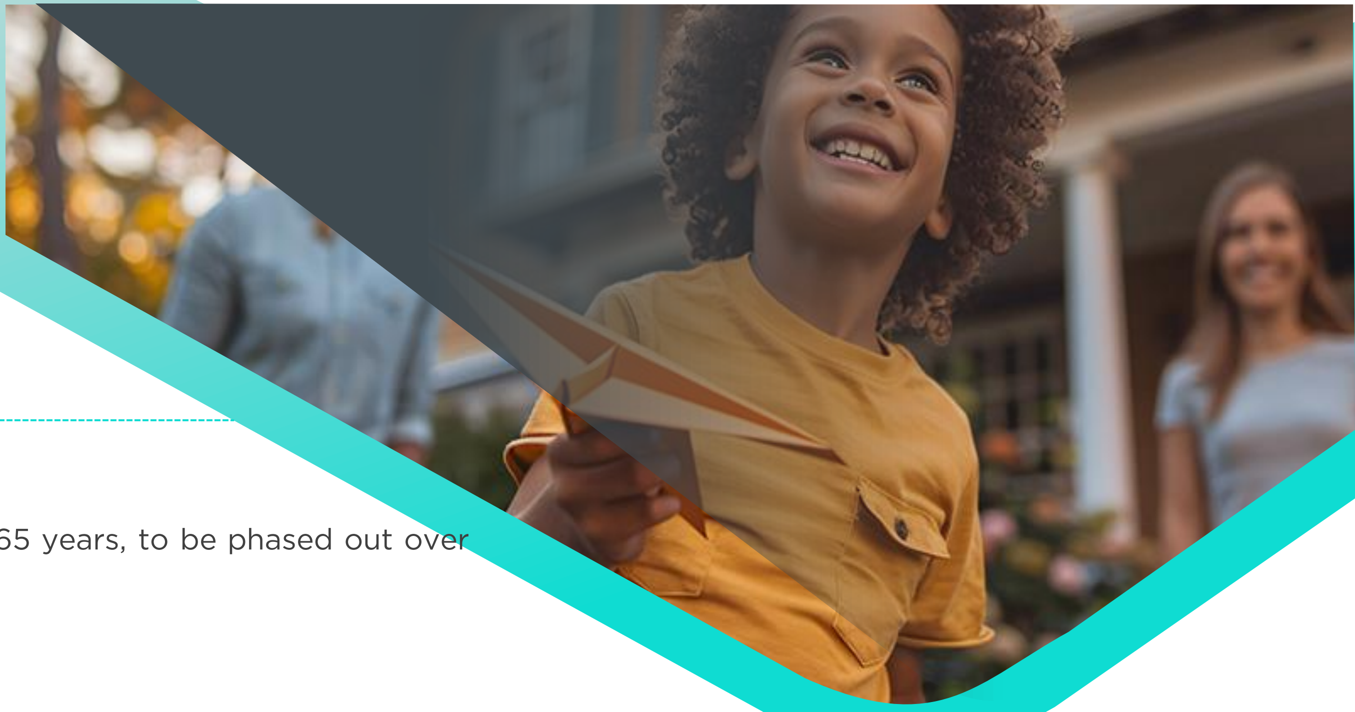
Proposal

- Allocation of MUR 1 billion for the education sector:
  - MUR 550 million for training, reskilling and upskilling of the labour force.
  - MUR 438 million for the infrastructure improvement across the entire range of learning institutions, from pre-primary to tertiary
  - MUR 20 million to consolidate the Foundation Programme for the Special Education Needs (SEN) students
  - Construction of a Hall of Residence at Réduit to accommodate international and local students

Impact

- The budget positions Mauritius as a rising regional education hub by enhancing learning environments, encouraging local students to pursue higher studies in Mauritius itself and attracting more foreign students, doubling their numbers over the next three years.
- The focus is on training to build human capital, create a skilled workforce, and reduce brain drain from Mauritius.
- The international students will be a much-needed pipeline of skilled employees for Mauritius.

Social Benefits



Proposals

- Age eligibility for Basic Retirement Pension (BRP) being increased to 65 years, to be phased out over the next 5 years.
- Social Protection budget of MUR 90 billion.
- Increase in BRP by MUR 1,000, effective January 2025.
- Guaranteed monthly minimum income maintained at MUR 20,000.
- Equal Chance Allowance maintained at MUR 2,000 per month for households earning less than MUR 20,000 monthly.
- MUR 660 million to support some 7,000 households registered under the Social Register of Mauritius (SRM).
- MUR 67.5 million for implementation of ongoing social housing schemes for SRM beneficiaries
- MUR 1.1 billion to be provided for social aid beneficiaries.
- MUR 1.3 billion for the National Social Inclusion Foundation to support the NGOs.
- MUR 184 million earmarked for the implementation of the e-Social Security system.
- Income threshold for social housing eligibility increasing from MUR 40,000 to MUR 48,000.
- Investment in social housing to the tune of MUR 6.9 billion over the next five years.
- Establishment of a MUR 10 billion Price Stabilisation Fund with an initial contribution of MUR 2 billion to lower the costs of living.

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Social Benefits

Proposals

- MUR 1.5 billion to be invested by the State Trading Corporation in a modern centralised warehousing facility to foster more competition.
- Removing VAT on some infant foods, canned vegetables and frozen packed vegetables.
- Investment in an integrated Price Monitoring Information System (PMIS) to combat price collusion.
- Establishment of a High-Level Steering Committee to accelerate the ‘Parallel Import’ framework.
- Flexible Work Arrangement to make the job market more accessible to women.
- Extension of grace period for DBM loans under the Women Entrepreneur Loan Scheme from 12 to 18 months.
- Maximum credit limit on these loans is being raised from MUR 500,000 to MUR 1.2 million.

Outer Islands

Proposals

Rodrigues

- Allocation of MUR 5.8 billion for Rodrigues, of which:
  - MUR 5 billion will be dedicated to recurrent expenditure;
  - the remaining Rs 785 million will be allocated to capital expenditure.

- These funds will support projects that are vital to Rodrigues development, including: (1) the construction of the new runway at Plaine Corail, (2) increasing the national water supply, (3) raising agricultural productivity, and (4) the construction of access roads to the Technopark.

Agalega

- Allocation of MUR 25 million to implement a Masterplan for Agalega to drive its sustainable development while raising the standard of living.

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About:

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