NATIONAL BUDGET 2025/26

June 2025

Contents

Key Statistics

4.7%
Real GDP Growth CY24

MUR 128Bn
Public Infrastructure Investment (over 5Y)

6.0%
Unemployment CY24

MUR 94Bn
Tourism earnings in FY24

MUR 33Bn
Foreign Direct Investment CY24

MUR 10Bn
Price Stabilisation Fund (over 5Y)

4.5%
Headline inflation CY24

MUR 30Bn
Renewable Energy Investment (over 3Y)

Editorial

To take the bull by the horns : a host of bold measures in a volatile and uncertain environment

“The government budget is a reflection of the social contract: what we choose to do together.” (Nobel laureate economist)

Dr The Honourable NAVINCHANDRA RAMGOOLAM, Prime Minister, Minister of Defence, Home Affairs and External Communications, Minister of Finance, Minister for Rodrigues and Outer Islands, delivered his Budget Speech for year 2025/2026 against the backdrop of challenging local economic key indicators already in the red zone coupled with a world situation mired in uncertainty in so far as economic as well as geopolitical matters are concerned. The thrust of the present budget revolves around the three pillars, namely, economic renewal, a new social order and fiscal consolidation. There is a clear shift in the economic paradigm with structural reforms being brought about to our economic fabric, with the objective of unlocking growth, containing external deficits, boosting productivity and creating the necessary medium for investments to be channelled towards job creation and raising of the standard of living.

As the Minister of Finance puts it, “A new bridge built together with the people of this country on solid foundation with solid railings to protect the more vulnerable with a solid platform to withstand the storm and with a clear pathway to a brighter future for the common good of this and future generations.” With this in mind, it seems the present budget is putting a lot of focus on Artificial Intelligence, digitalisation and Blockchain & allied technologies.

There is a new philosophy built around the concept of “repurposing”, for instance, Resource Repurposing towards more productive use of our labour, land and capital. There is definitely in this budget a focus on empowering more women to start their own business and setting up of the necessary steps to address the acute shortage of labour and skills which is impacting on investment and economic growth. The recruitment of foreign labour and skills will be tackled through a fast-track and simplified rules-based work permit system to be managed by the Economic Development Board (EDB). The third pillar of the New Economic Model is about building growth through transformative investment with inherited consumption-driven approach being replaced by an investment-led growth model.

Also, the future of tourism will focus on quality, value addition, sustainability, inclusion and resilience. In partnership with the private sector and other stakeholders, the Government will work on a blueprint to rethink the future of tourism in the light of both challenges and opportunities. Actions to embrace innovative agriculture include the setting up of a food resilience scheme to incentivize controlled environment agriculture.

While government’s strategy for the financial services sector focusses mainly on promoting higher value-added offerings and consolidating financial stability, there is a string of policies to stimulate investment in the banking sector. An important measure to protect the purchasing power of the population is the creation of a Price Stabilisation Fund of Rs 10 billion, starting with an initial Rs 2 billion contribution in this budget.

Editorial (cont'd)

Equally important is focussing on environmental considerations as part of the New Social Order as enunciated in this budget with the aim of the reaffirmation of the commitment to help safeguard the natural world for present and future generations. Last but not least, a zero-tolerance approach to combat drug abuse.

The Minister of Finance is forecasting a real GDP growth path of 4% to 5%, a primary budget surplus and a lower public sector debt of 75% of GDP with a commitment to reduce the latter to 60% in the long term. The above projections are inclusive of the revenue from Chagos which will be used for debt repayment for the first 3 years. The projected reduction in inefficiencies, waste, and the rationalization of parastatals is expected to make the country register a saving of Rs 5 billion over a 3-year period. There will be a reform of the various pillars of our pension system including the revamping of the National Pension Fund which will replace the CSG. The age eligibility for Basic Retirement Pension is being increased to 65 years with a phasing out period of 5 years of the current scheme (60 years).

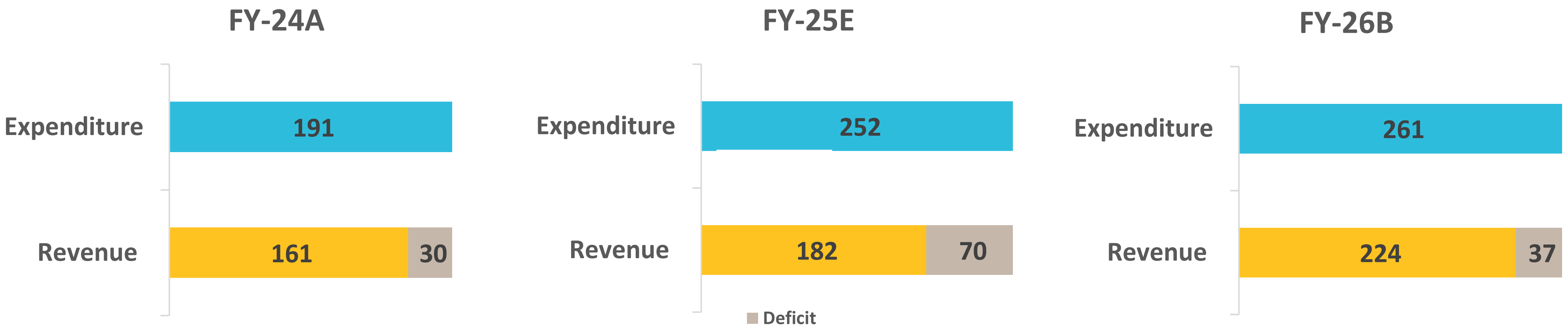
"The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion." – Abraham Lincoln

Shamin A. Sookia
Managing Director

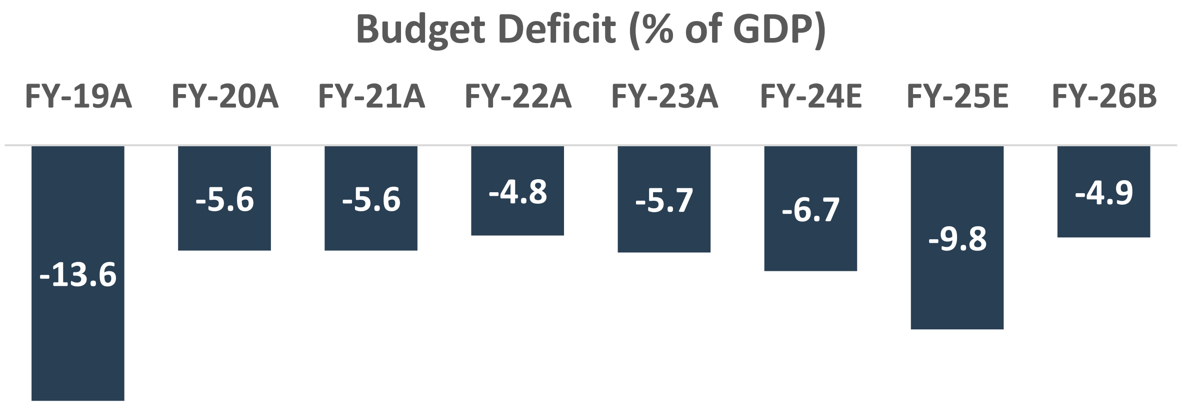
Perigeum Capital

Budget Figures

Revenue & Expenditure



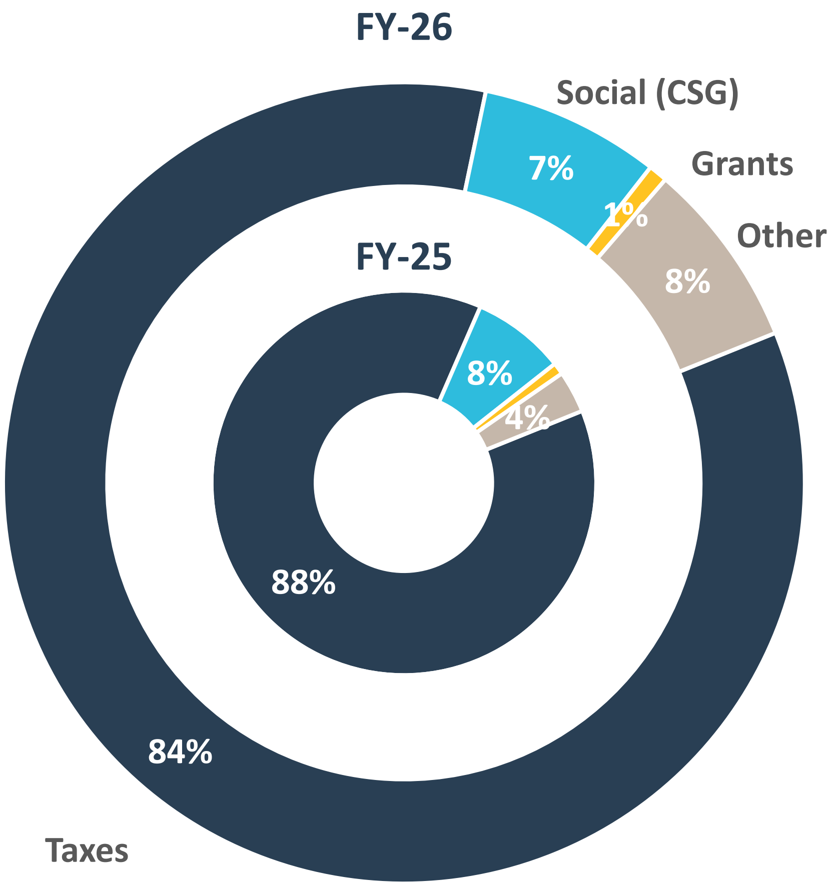
- Expenses are expected to increase substantially by **32%** and Revenue by **13%** resulting in a Budget deficit (as a % of GDP) of **9.8%**, showing a significant worsening-off of this indicator when compared to FY-24 (6.7%).
- Looking a further year ahead into FY-26, expenses are expected to increase modestly by a further **3.5%** and Revenue by **23.1%** resulting in an improvement in the Budget deficit, expected at **4.9%**, still above the pre-pandemic levels.



Revenue – a closer look

Taxes on goods and services remain the backbone of public finances, keeping total revenue on a firm upward trend.

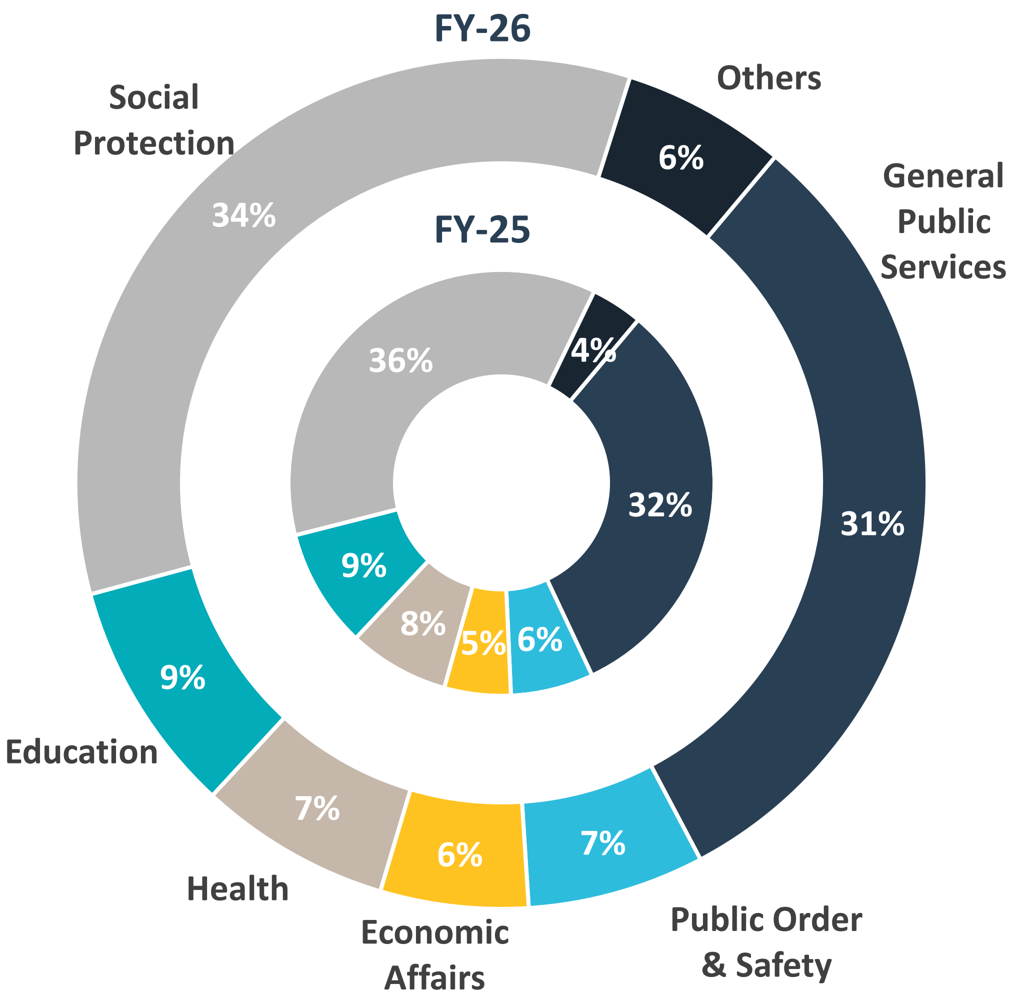
- **FY25 revised:** Collections are now pegged at MUR 182Bn, a **13%** jump on FY24. However, this is well below the initial budget for the year of MUR 211Bn. This downwards revision is almost entirely tax-led: Receipts from taxes are below budget by MUR 23Bn.
- **Key FY25 takeaway:** Taxes on goods & services still provide the biggest slice of the pie (~56%), confirming buoyant domestic demand; income and profit based levies supply the second engine, and social contributions are consolidating as a reliable third stream.
- **FY26 budget:** Revenue is targeted at **MUR 224Bn**, an astounding **23%** leap from the FY25 estimates. The Government is relying on continued growth in the same pillars. Property income is also expected to increase.



Expenditure – a closer look

Expenditure will continue focusing on Social Protection and General Public Services.

- Total expenditure for FY-25 is projected to be **MUR 252Bn,** a significant **32%** rise compared to the previous year. Those revised estimates are higher than the original budget by MUR 15Bn.
- While most sectors will see similar allocations to previous years, General Public Services have seen a substantial increase in its share of total expenses (from 27% in FY-24 to 32% in FY-25), including public debt servicing shooting from MUR 18Bn to MUR 22Bn.
- For FY-26, expenditure is expected to rise to **MUR 261.4Bn**, marking a modest increase of **3.6%**, with the apportionment between the different expense segment remaining relatively the same from one year to the other.
- Social Protection and General Public Services will continue to take the lion's share of government spending, which is set to account for a combined 65% of the overall expenditure in FY-26. This includes servicing of debt of MUR 26.1Bn (10% of total expenses).

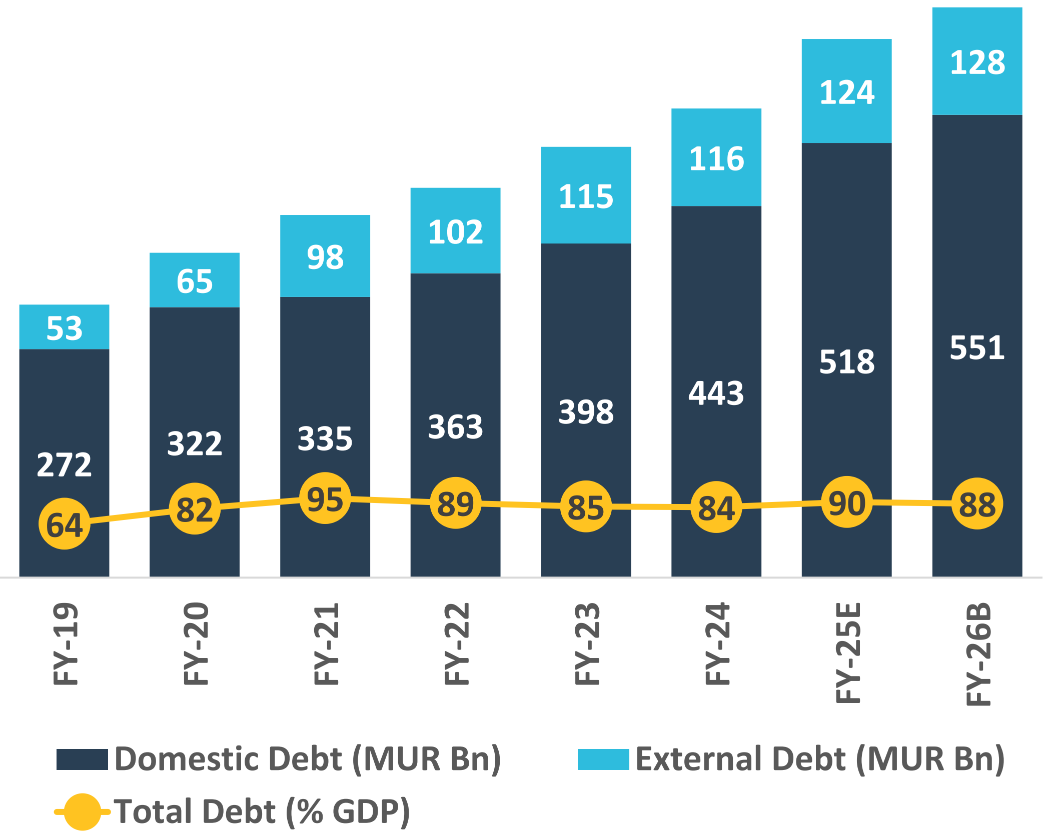


Public Indebtedness

- Mauritius has seen **significant growth in public indebtedness** over recent years. Domestic debt is expected to rise from MUR 272Bn in FY-19 to a budgeted MUR 551Bn in FY-26. Similarly external debt has been on an increasing trend, from MUR 53Bn in FY-19 to MUR 128Bn in the FY-25 budget. Overall total debt stood at MUR 559Bn in FY-24, projected at MUR 642Bn in FY-25 (+15% YOY) and budgeted at MUR 679Bn in FY-26.

- The total debt-to-GDP ratio stood at 64% in FY-19, its lowest in the statistics displayed. The ratio increased during the COVID period and remained high ever since, peaking at 95% in FY-21. The estimate for FY-25 is still very high at 90%.

- The government aims to reduce the debt-to-GDP ratio to 75% by the end of its mandate and eventually to 60% in the longer term. The budgeted 88%, although a meagre improvement from FY-25, is a testament to this vision. Fiscal consolidation efforts are underway, focusing on controlling public spending and boosting growth, but careful debt management will be essential to ensure sustainability and avoid further economic strain.



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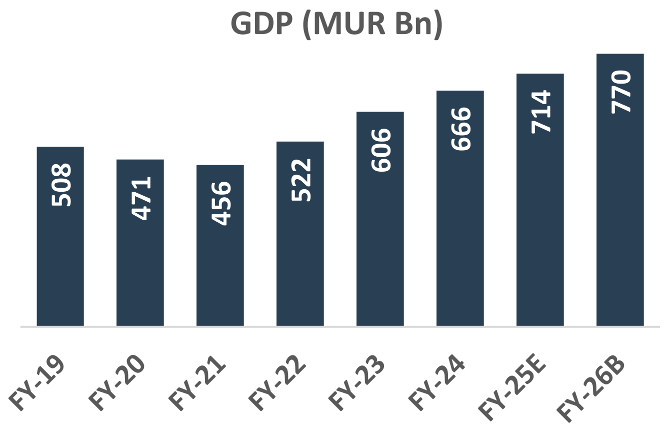
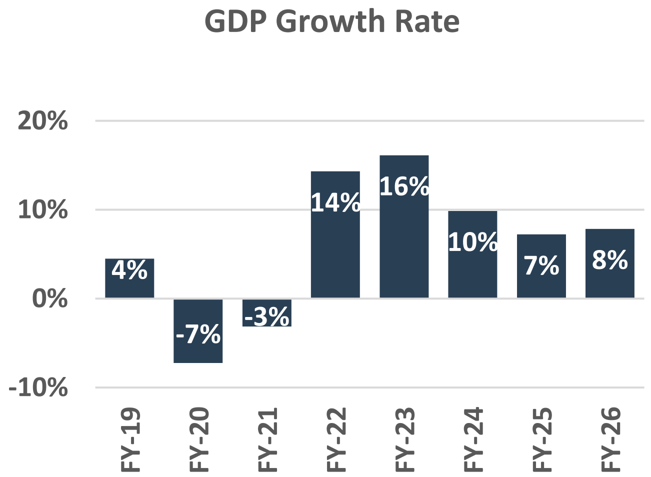
The Economy

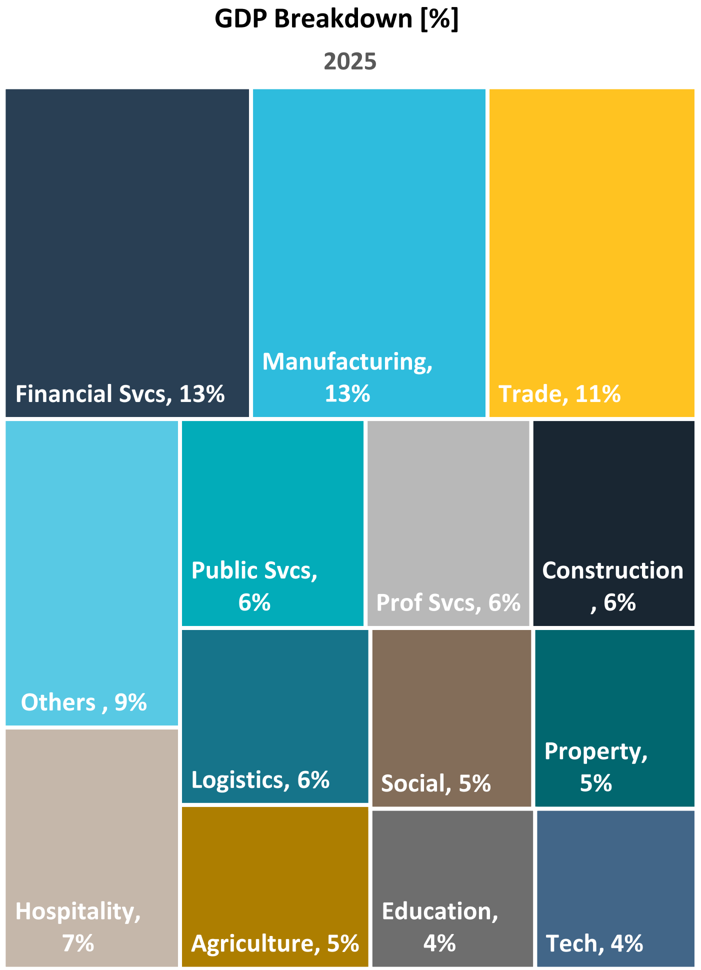
Economic Overview

Mauritius' GDP has demonstrated fluctuations from FY-19 to FY-24, reflecting both global challenges and recovery post-pandemic. The GDP peaked at MUR 666Bn in FY-24, following a dip to MUR 456Bn in FY-21 due to the pandemic's impact. Projections for FY-25 and FY-26 estimate GDP growth to reach **MUR 714Bn** and **MUR 770Bn**, respectively, signaling a recovery trajectory. The real GDP growth rate saw a sharp decline in FY-20 by **-5.8%**, followed by rebounds in FY-22 and FY-23, at 6.9% and 8.0%, respectively. However, growth is expected to moderate to 3.9% in FY-25 and 3.7% in FY-26, suggesting cautious optimism amidst global uncertainties.

Sector-wise, the largest contributors to the economy are financial services, manufacturing, and trade, with steady relative contributions expected to continue. The government's budget initiatives focus on innovation, infrastructure, and AI adoption, ensuring sustained economic growth and social inclusivity in the coming years.







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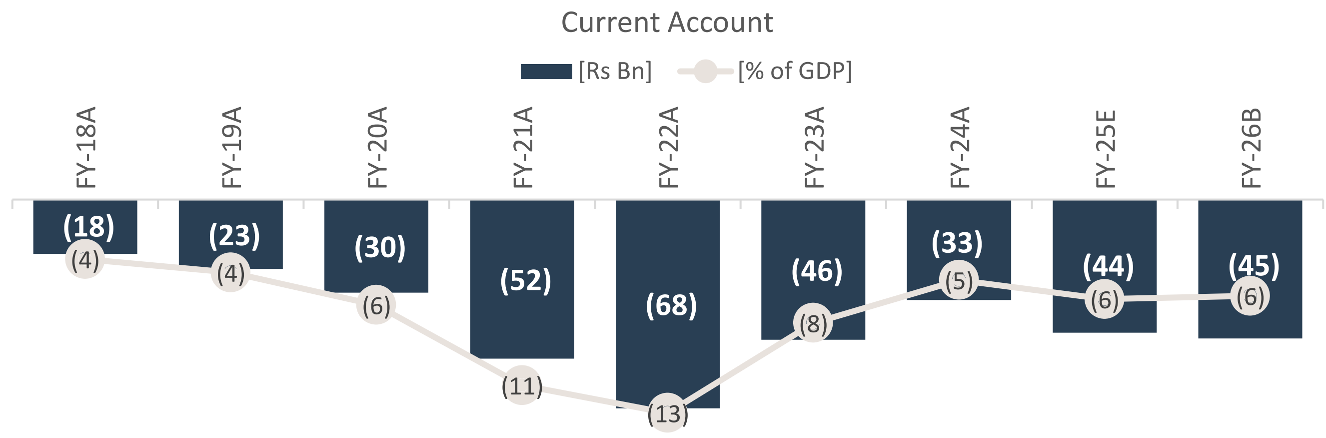
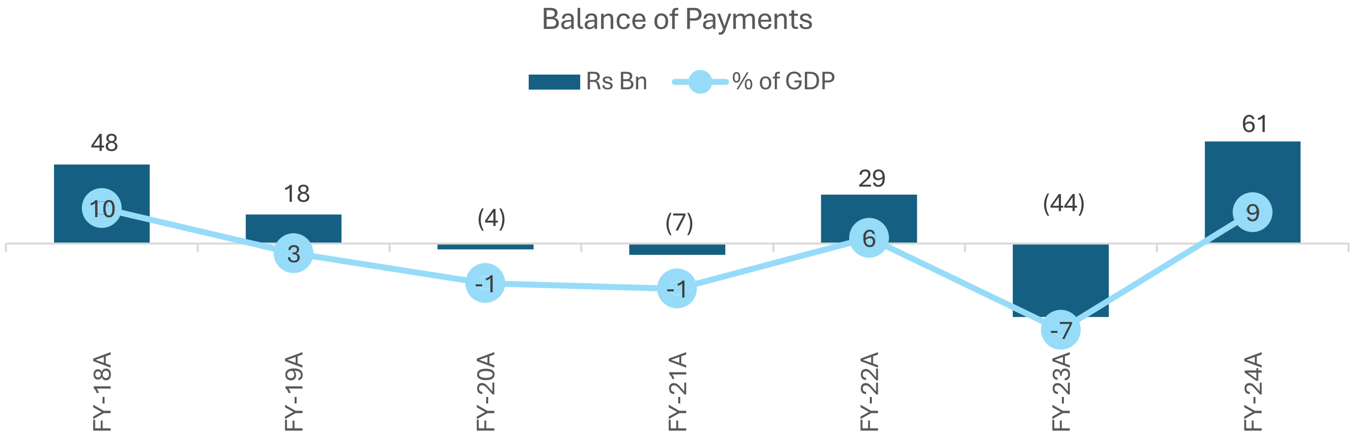
Economic Exchanges

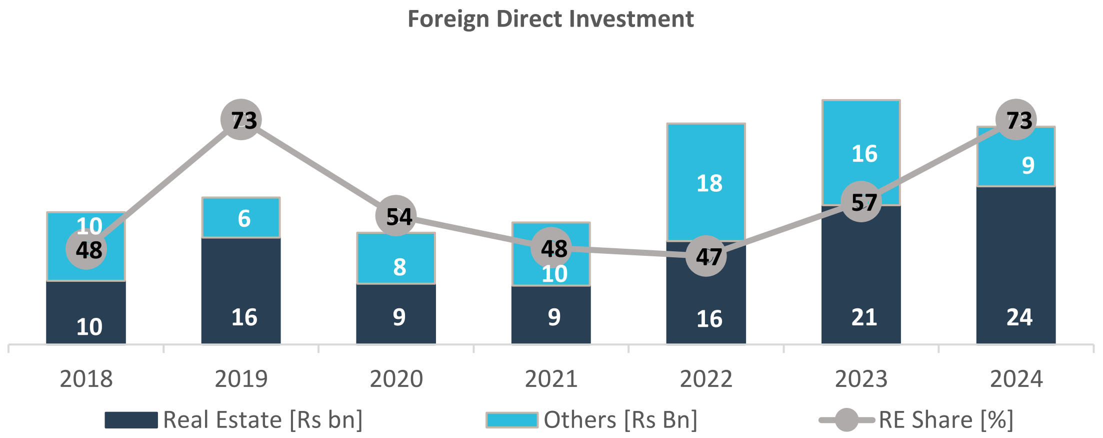
- Mauritius has seen fluctuations in its overall balance of payments in recent years. From a positive surplus of MUR 48Bn in FY-18, it shifted to a deficit in FY-20 and FY-21, before recovering again with a surplus of MUR 61Bn in FY24.
- Mauritius' reliance on imports has been steadily increasing due to its heavy dependence on foreign goods for consumption and raw materials. The situation is now being further worsened by the sustained depreciation of the Rupee over the last few years.
- The current account has been consistently in deficit, increasing from MUR 18Bn in FY-18 to MUR 68Bn in FY-22. However, improvements have been observed since then with the projections showing that the deficit will stabilise at MUR 45 Bn by FY26.

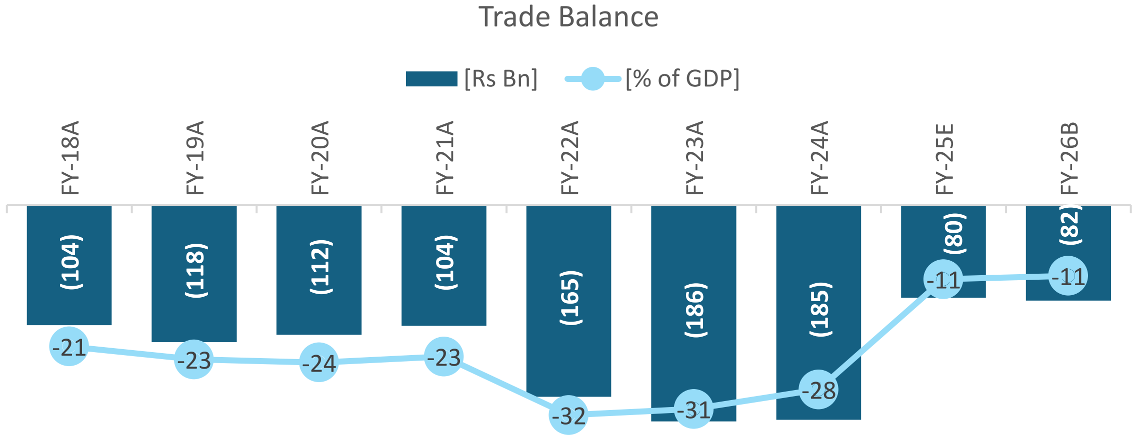




Economic Exchanges (Cont'd)

- The trade balance has also been negative throughout the period, peaking at more than MUR 180Bn in both FY-23 and FY-24. However, this is expected to narrow in FY-25 and FY26 (MUR 82Bn), reflecting a shift towards trade balance improvement.
- Foreign Direct Investment (FDI) has been relatively stable, with real estate contributing a significant share. FDI inflows into real estate remain the dominant contributor, reaching its pre-COVID share of total FDI at 73% in FY-24. This pattern indicates the importance of real estate as a major attractor of foreign capital.
- The trade imbalance remains a key challenge for the economy, but measures targeting sustainable investments, such as those in renewable energy and the blue economy, are expected to foster longer-term growth and help address the deficit in the balance of payments.





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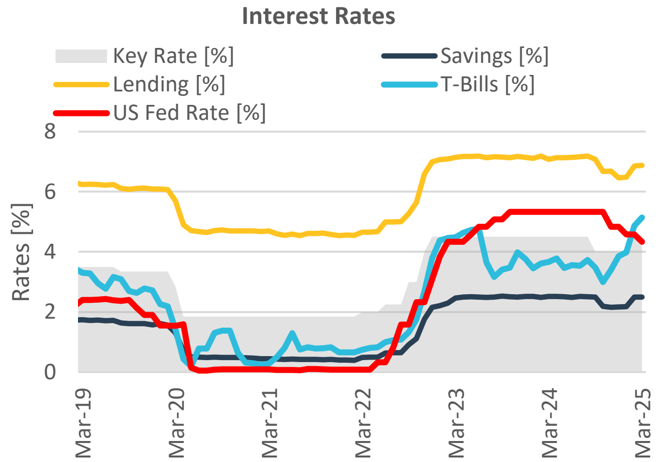
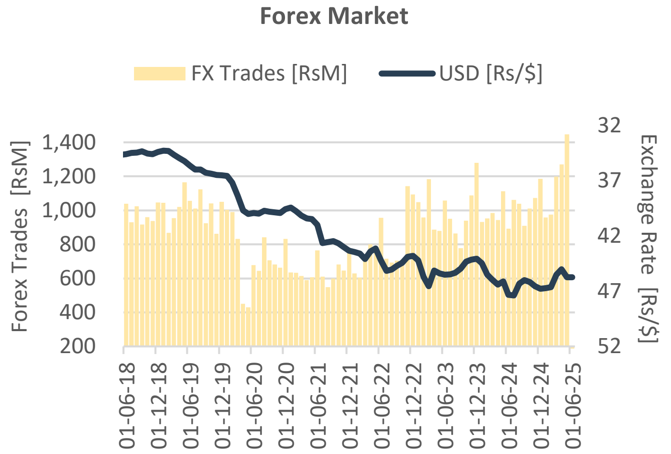
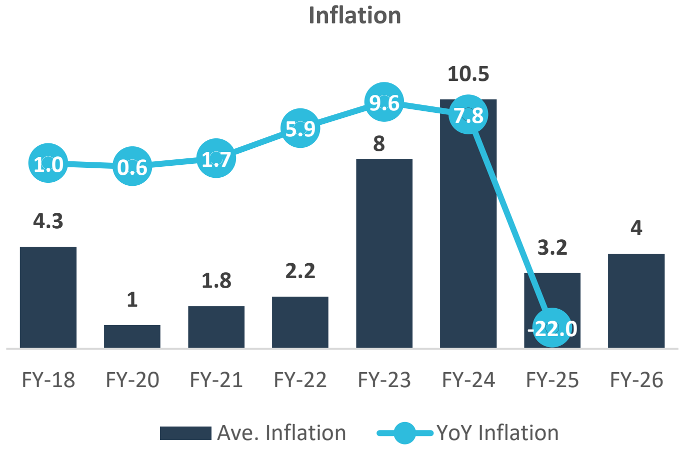
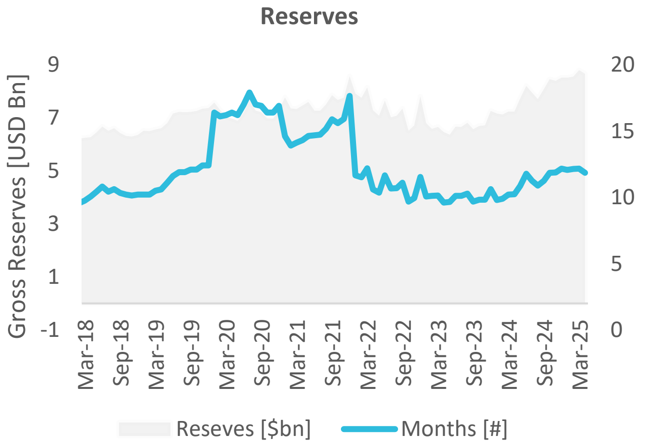
Rates & Reserves

- The key rate was cut to 4% in September 2024 to stimulate domestic growth amid global uncertainty. However, this easing coincided with a depreciating rupee, increasing trade vulnerabilities and import costs. **To curb inflationary pressures and stabilize the currency**, the BoM raised the key rate to 4.5% on 4 February 2025.
- Transactions on the forex market remained volatile even peaking at MUR 1.4Bn in a single month. The Rupee remained relatively stable against the US Dollar in the last year, consistently hovering around **MUR 46 to MUR 47**. The rate stayed within this range, reflecting limited volatility in the currency exchange.
- As a result of a stable exchange rate and supportive monetary policy measures, FOREX reserves have improved and inflation is set to fall to 3.2% in 2025.









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Fiscal Measures

Fiscal Measures

Increase in Land Transfer Tax & Registration Duty

Value Added Tax

- **As from 1 October 2025**, companies having a turnover of taxable supplies exceeding MUR 3 million will have the obligation to compulsorily register for VAT purposes, replacing the current threshold of MUR 6M.

Smart City Scheme

- The fiscal incentives granted to smart city promoters and developers under the Smart City Scheme Regulations **are being waived**, except for a project relating to the construction of a public transport station or terminal or the National Regeneration Programme.

Corporate Social Responsibility

- Corporates may now spend **up to 50% of their CSR Fund**, an increase from the previous 25%.

Land Transfer Tax

- Non-citizens selling residential property under EDB schemes or an apartment with at least 2 floors will pay the higher of: 10% of the property value or 30% on the profit from resale.
- Land transfer tax increases **from 5% to 10%** for promoters selling residential units under the EDB schemes, including apartments with at least 2 floors.

Registration Duty

- An increase in registration duty **from 5% to 10%**, in relation to the acquisition of a residential property under the EDB Schemes by a non-citizen.

Tax Deduction for AI Investments

- Start-ups and MSMEs will be eligible to tax deductions for investments in AI technologies, **capped at MUR 150,000.**

Fiscal Measures (cont'd)

Fair Share Contribution for Corporates

- A Fair Share Contribution is being introduced to ensure higher contributions from corporates earning annual chargeable income above MUR 24M (**not applicable to GBCs**).

Fair Share Contribution for High-Income Earners

- As from 1 July 2025, individuals whose annual net income exceeds MUR 12M, will be subject to a 15% fair contribution on their total chargeable income, inclusive of dividend income derived from domestic companies.
- The fair share contribution will be applicable **up to 30 June 2028.**

Alternative Minimum Tax

- An Alternative Minimum Tax (AMT) is being introduced to ensure minimum tax contributions on companies operating in specific sectors (**not applicable to GBCs**).
- AMT payable shall be 10% of book profits if regular income tax is less.

Partial Exemption Regime

- It will be clarified that a company's income-generating activity must meet substance requirements to qualify for partial exemption on that income.
- For Virtual Asset Service Providers - 80% partial exemption on income derived, subject to compliance with substance requirements.
- For Banks - **No partial exemption allowed on foreign-source dividends**.

Income Tax Holiday for SMEs

- The 4-year income tax holiday for SMEs converting from sole trader/partnership to company no longer applies to professional services, tourism, or training institutions.

Individual Tax Regime

- The income tax rates applicable to individuals with effect from 1 July 2025, will be structured as follows:

Chargeable income	Rate (%)
First MUR 500,000	0
Next MUR 500,000	10
Remainder	20

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Doing Business

Doing Business & Investing in Mauritius

↓ 11% ≈
Gross Direct Investment inflows (FY24)

MUR 32 Bn
Gross Direct Investment flows (FY24)

≈ 41k
Foreign workers (Mar 24)

New Schemes by the EDB

- Introduction of the Innovative Mauritius Scheme, New Investment Incentive Scheme, and other new initiatives with eligibility criteria and incentives to **attract investments** and **support SMEs**.

Occupation and Residence Permits

- **Two different categories** for non-citizen professionals and investors.
- Duration of permits reduced for retired non-citizens, investors, and self-employed from **10 to 5 years**, with renewals allowed.
- Young Professional Occupation Permit duration **reduced** from 3 to 2 years, with a pathway to a Professional category permit.
- **Retired non-citizens** will be required to reside in Mauritius for at least 180 days annually and transfer USD 2,000 initially and USD 24,000 annually or USD 2,000 monthly thereafter.

Doing Business & Investing in Mauritius (cont'd)

Non-citizen property scheme 2023 discontinued

Property and Investment Reforms

- Registration Duty for non-citizen property acquisitions under EDB schemes **increased to 10%.**
- The 2023 scheme for non-citizens purchasing property **above USD 500,000** will be discontinued.

Work and Residence Permit System

- A combined work and residence permit will be introduced, carrying a **Unique Identification Number.**
- Company deposit/bank guarantee obligations for expatriate workers will be replaced by an **annual non-refundable fee**.

Simplification of Non-Citizens Employment Act

- **Streamlining the process** for foreign workers with electronic applications and combined permits for work and residence.

Changes to Legislation

Changes to Legislation

29 New Acts Gazetted in 2024/25

34 Bills proposed in 2024/25

20 Proposed Amendments

Companies Act 2001

- Public Interest Entities must submit annual reports **within 6 months of their balance sheet date**, regardless of their turnover amount.
- Debenture Holders' Representative requirement will be simplified to reduce costs and follow global best practices.
- Companies, Partnerships, and Foundations must retain a written confirmation from their beneficial owners confirming their status as same. Existing entities must comply with this requirement **by 30 June 2026.**

Data Protection Act 2017

- To fully align provisions with international & regional standards including that of the Council of Europe Convention for Protection of Individuals.

Non-Citizens (Property Restriction) Act 1975

- The 2023 scheme allowing non-citizens to buy residential properties (including bare land) in Mauritius for over USD 500,000 will be discontinued.
- The Prime Minister's authority to approve property acquisitions by non-citizens after the deed has been registered will be removed.

Changes to Legislation (cont'd)

Strengthening Banking and Financial Services Legislations

Financial Services Act 2007

- Share transfers to existing shareholders allowed without FSC approval if no change in control.
- Licensees listed on foreign Exchanges will be exempt from seeking FSC approval for non-control-changing share transfers.
- Enable the FSC to initiate investigations against a person, who ought to have been licensed under the Act.
- Global Business License holders must have at least two directors at all times and report director changes to FSC within 7 days.

Banking Act 2004

- Expand BOM's regulatory scope to cover forex swaps and similar currency transactions by licensed foreign exchange dealers.

Financial Reporting Act 2004

- To align the definition of Public Interest Entity with international best practices.

Sectoral Brief

Financial Services

13.4%
GDP contribution (FY24)

4.7%
Growth rate (FY24)

USD 538.3Bn
Global Business Assets (FY24)

Key Financial Sector Developments

- A Bill will be enacted to **legally recognize digital bills of exchange** and trade instruments.
- Legislation will be amended to accept **secured electronic signatures** for registration and transcription.
- Investment into a wide range of skills development including **advanced AML/CFT training**.
- **FSC licensing fees** will be reviewed to reflect evolving market conditions.
- The Bank of Mauritius is introducing **bullion banking** to boost investment, employment, and economic growth.
- **A new licensing framework** for Wealth Management and Family Offices will offer integrated services, including investment advisory and succession planning.

Regulatory Enhancements

- A **unified e-licensing** platform will be deployed, integrated with a centralized KYC depository.
- FSC will gain **expanded powers** to conduct investigations and issue directions to licensees.
- **Flexible provisions** will be introduced for issuing shares and simplifying approval processes for financial activities.
- Seven **new tailored investment incentive schemes** will be introduced, with improvements to existing ones for greater impact.

Strategic Growth

- A new strategy will position Mauritius as a **key platform for Africa-bound investments.**
- **A formal request** will be made to the IMF and the World Bank to conduct a Financial Sector Assessment Program (FSAP), evaluating the soundness of the financial sector and the regulatory framework.

Infrastructure

MUR 128 Bn earmarked over five years

6%
Share of GVA (FY24)

~3k
Kms of Road (2022)

~50M
m^3 Wastewater treated annually

Road Management

- An Adaptive Traffic Control System will be introduced to improve traffic flow, shorten travel time and reduce traffic congestion.
- Parking rates and areas will be reviewed to discourage long-term occupancy.

Housing

- MUR 40M for a new National Syndic Scheme to ensure better maintenance of NHDC estates and timely provision of scavenging services.
- In connection with Phase 1 of the 8,000 social housing units, 10 priority sites will be included in the National Flood Management Programme.

Infrastructure Investments

- Motorway M4 Project, connecting Forbach to Pont Blanc and extending the motorway to Bel Air
- Ring Road Phase 2
- Construction of the Rivière des Anguilles Dam
- The Mauritius Ports Authority will invest approximately **MUR 5.4Bn** to expand the cruise jetty, construct a small jetty, acquisition of tugs and expansion of the Mauritius Container Terminal
- Overall, ~MUR 128 Bn of investments have been planned for the next five years in infrastructure development, including housing, transport, water, wastewater, solid waste, land drainage and electricity.

Tourism

7%
Share of GDP (CY24)

1.4M
Visitors (CY24)

MUR 94Bn
Receipts (CY24)

~76 000
direct jobs

Allocation of MUR 900M to the Ministry of Tourism

Tourism Strategy Reimagination

- Focus on **quality and value-added tourism** so as to increase tourism spending.
- Embrace **sustainability challenges** of the industry.
- Diversify **offers and geographical footprint** and grow off peak arrivals and address seasonality.
- Address the critical issues of **air connectivity and competitiveness**.
- Build a **strategic partnership with the private sector** and ensure better synergies and coordination between the public and private sectors.

- Introduction of **e-gates** to facilitate visitors upon arrival.
- Amendment of Tourism Authority Act to **extend the validity period** of both the *Tourist Accomodation Certificate* and the *Tourist Enterprise Licence* from 1 year to **3 years**.
- Introduction of a **tourist fee of EUR 3 per tourist**, **per night** on stays in designated establishments - hotels, guesthouses, tourist residences or domaines, effective from 1st October 2025 (Not applicable for tourists under the age of 12).

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Manufacturing

12.9%
Share of GDP (CY24)

1.5%
Growth (CY24)

MUR 104Bn
Exports (CY24)

Industrial Policy & Productivity

- Establish an **Industrial Policy Coordination Committee** focused on raising *capital productivity in the manufacturing sector*.
- Roll-out of **expanded product-quality certification** to raise domestic & export demand for Mauritian products.

Investment Tax Credit for Small Businesses

- Available to businesses or service providers with annu**al turnover not exceeding MUR 10M**.
- **5% tax credit** on the cost of acquiring new equipment, valid for **3 years** (total of 15%).
- The maximum annual investment eligible for the tax credit is MUR 500k.

Expanding Partnerships

- Equip embassies to focus on economic and developmental diplomacy, creating actionable trade and investment projects through **economic cooperation agreements**.
- Strengthen **trade and investment ties** with the UK, EU member states, and **negotiate a trade agreement** with the USA to boost economic cooperation.
- Maximise opportunities from existing agreements, particularly the CECPA with India, the FTA with China, and the AfCFTA to **enhance Mauritius' global trade presence.**
- **Align Mauritius' trade and investment policies with the Africa 2063 Agenda** to support integration and growth across the African continent.

Real Estate

Registration Duty & Land Transfer Tax at 10% (Non-citizens)

4.9% Share of GDP (CY24)

2% Growth (CY24)

1 million m^2 Office Space GLA (June 24)

Smart City Scheme

- The **fiscal incentives** granted to **smart city** promoters are being **discontinued**, with a transitional period for projects already under construction.

Property Acquisition Measures

- The **registration duty** payable by *non-citizens* acquiring residential property under the EDB schemes or an apartment will **increase from 5% to 10%**.
- **Land transfer tax** on the seller of residential property or apartment will be **increased from 5% to 10%,** *for non-citizens.*

Resale of Residential Property by a Non-Citizen

- If a non-citizen is selling a residential property originally acquired under the **EDB schemes** or **G+2 scheme** (an apartment in a building of at least 2 floors above ground floor), the land transfer tax will be the **higher of**:
  - **10%** of the **value of the property**, or
  - **30%** on the **gain realised on the resale** of the property.
- The gain will be computed as the difference between the **resale value** and the **value at the time of acquisition**.

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Renewable energy

“Unlocking MUR 30Bn of investment over the next 3 years in the renewable energy sector”

1,263
Electric cars registered (2024)

17%
Share of electricity from renewables

82%
Local Production of Renewable Energy based on Bagasse

Commitment to Sustainable Energy

The earmarked MUR 30Bn shall be used to expand the renewable energy sector, with a primary focus on solar energy and biomass projects. This investment aims to accelerate the transition to sustainable energy sources, reduce dependence on fossil fuels, and support the country's long-term energy goals.

A **Climate Finance Unit** within the **Ministry of Finance** is also being established to focus on managing and mobilizing resources for climate adaptation, mitigation, and building resilience. This unit will oversee funding and ensure that climate-related projects align with national priorities.

Waste-to-Energy Focus

Through the new **“Waste-to-Wealth Investment Scheme”**, the government is setting up a transformative initiative that will turn waste into valuable resources, including **energy**. This scheme is expected to drive innovation in waste-to-energy projects, waste composting, and the reuse of materials such as metal scrap.

Blue Economy and Ocean-Based Renewable Energy

The government is investing in the **blue economy**, focusing on ocean-based renewable energy through the “***Assise de l’Océan***” initiative. This collaboration will create a Blueprint to harness ocean energy, diversifying Mauritius' renewable sources and enhancing environmental sustainability.

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Digitalisation/AI

Digital Blueprint

- Set up of a **National Digital Transformation Steering Committee** under the Ministry of Information Technology, Communication, and Innovation to oversee and guide the implementation of the **Digital Transformation Blueprint** (2025–2029). This aims to ensure efficient, secure, and citizen-centered delivery of digital services.
- Implementation of the **Digital Twin Mauritius Project**, to create a digital replica of the country to enhance decision-making and improve resource management by optimizing land use, minimizing environmental impact, and supporting efficient planning in sectors like agriculture, development, and conservation.

Innovation with R&D and AI

- Launch of a new **Innovative Mauritius Scheme** to promote R & D and innovation with new fiscal incentives.
- Creation of a new **National Research and Innovation Institute (NRII)** under the Ministry of Tertiary Education, Science and Research, to support both public and private sectors.
- Provision of **MUR 200M** to the various Ministries to finance research that result in policy innovation.
- Allocation of **MUR 70M** to establish a **Tier IV Government Data Centre** for disaster recovery.
- Offer of a package of incentives including eligibility to a new **Premium Investment Certificate**, fast-track permits and easy access to infrastructure, attracting foreign research laboratories to Mauritius.

AI Governance

- Provision for an **AI Innovation Start-Up Programme** to be spearheaded by the Ministry of ITCI. With the set up of a dedicated **AI Unit** to accelerate the transition to a digitally advanced economy.
- **MUR 25M** earmarked to kick-start a **Public Sector AI Programme**, to enhance policy-making and public service delivery through AI tools.
- Start-Ups and MSMEs will be able to **claim tax deductions** on their AI technology investments, up to **MUR 150,000**.

Small & Medium Enterprises

Women Empowerment

- An extended grace period on DBM loans under the Women Entrepreneur Loan Scheme (from 12 to **18 months**). The maximum credit limit for these loans is raised from MUR 500K to **MUR 1.2M**.
- Increased access **to financing and non-financial support**, including **mentorship programs**, **marketing assistance**, and **networking opportunities**, will be provided to SMEs, particularly those led by women.

Promoting participation of SMEs

- Public contract for works costing above **MUR 30M and up to MUR 50M** will be reserved for Medium Enterprises; and
- the threshold of MUR 30M will be raised to **MUR 50M** for an SME to benefit from the 30% margin of preference in respect of public works contracts.
- The **4-year income tax holiday** granted to an SME on conversion from a sole trader or partnership into a company will no longer be allowed where the SME is providing professional services, tourism operator or a training institution.

Tax credit

- A qualifying small business or service provider with annual turnover not exceeding Rs 10 million will be granted an investment tax credit of 5% over 3 years (i.e., 15% in total) on the cost of acquisition of new equipment not exceeding MUR 500,000 in a year. No tax credit will be granted in respect of acquisition of motor vehicles.

Perigeum Capital

Transport

24,717
new registered vehicles in 2024

5.4%
Share of GDP (FY24)

212
Vehicles per Km of road

Excise and Registration Duties

Excise duties on hybrid and electric vehicles will be reintroduced, while excise and customs duties on conventional vehicles will increase by 45% to 100%. A 30% rise in registration duty will apply to first registrations of new vehicles, though registration duty on the sale and transfer of domestic pre-owned vehicles will be abolished.

Road Safety

The Budget allocates Rs 205M to enhance road safety, including the introduction of a points-based driving license system in January 2026 and the expansion of Safe City cameras for better traffic management. Additionally, a Road Safety Fund will be established to support initiatives and infrastructure development.

Public Transportation

The Bus Service Bill will be introduced to regulate the service level of public bus transport, focusing on maintaining high standards for safety, reliability, and quality in bus operations.

A fleet of 105 new electric buses will be deployed in January 2026 under the National Transport Corporation (NTC).

A Fleet Management System as well as a Cashless Ticketing System will be introduced in public buses to enhance operational efficiency and passenger convenience across the network.

Agriculture

4.9%
Share of GDP (FY24)

17.5 Tn
Yield per hectare (Food Crops)

+8.3%
Total production of food crops

Food Resilience Scheme

This scheme aims to modernize the agricultural sector by facilitating vertical farming, indoor climate-controlled farming, and advanced seed and fertilizer production. These innovations are key to boosting productivity, food safety, and sustainability.

AI and Farming

Artificial Intelligence (AI) tools will be made available to small producers to enhance food safety, streamline operations, and improve food self-sufficiency. These tools will help improve precision in farming, pest management, and yield forecasting.

Financial Support for Farmers

A total of MUR 800M has been allocated for grants to support farmers, breeders, and planters. Sugarcane planters producing up to 60Tn will receive Rs 35,000 per tonne, while small-scale planters will benefit from a MUR 1,000 per tonne subsidy. Farmers investing in modern harvest machinery will also be reimbursed MUR 200,000.

Land Use & Infrastructure

A new **Land Repurposing Scheme** will allow small landowners to invest in agriculture without the need for special permits. Additionally, the expansion and **digitization of the agricultural land database** will link landowners to investment opportunities and modern farming resources.

Reforming Healthcare

MUR 18.5Bn allocated for the healthcare budget

"Path to Remission Programme"

- Allocation of **MUR 47M** to kick-start a programme, targeting diabetic and prediabetic patients, which amibitions to reach 450k citizens, including children in the current School Health Programme with such health problems.
- 5 diabetes centres will be set up in regional hospitals

Promotion of preventive health care as from 6 June 2025

- Alcoholic and tobacco products: Excise duty rates ***rise by 10%***; and
- Sugar sweetened product: Excise duty rate **increase *from 6 cents to 12 cents*** per gramme of sugar. Same shall be extended to **chocolates and ice cream** (effective from 1 October 2025), which were previously exempted.

Other Measures

- Implementation of **digital health solutions**, including electronic health records, telemedicine, and e-prescriptions.
- Creation of a **National Health Quality Commission** to secure strong and effective quality control.
- Recruitment of **1,000 student nurses, 50 trainee midwives**, **50 medical and health officers**, and **30 specialists** over the next three years to address staffing shortages and improve service delivery in healthcare centers .
- The School of Nursing will be merged into the Mauritius Institute of Health for a more coordinated and interdisciplinary approach to training of healthcare professionals.
- Increasing the **training and capacity building** in the health care system from MUR 22M to *MUR 44M*.
- Planned investment of MUR 24M in the Sterile Insect Technique (SIT) Production Facility to deal with mosquito-borne diseases.

Education

4%
Share of GDP (FY24)

MUR 21Bn
Government Expenditure (FY24)

50,011
Tertiary level enrolment (FY23)

- **MUR 20M** allocated for the consolidation of the **Foundation Programme**.
- Establishment of a **National Education Council** and **National Curriculum Advisory Board** to guide improvements in education quality. Along with a **Quality Assurance Unit** for pre-primary and primary.
- **MUR 438M** allocated for infrastructure improvements in educational institutions from pre-primary to tertiary levels.
- Review of the **Free Tertiary Education Scheme** to cover only full-time students as from **academic year 2025-2026**.
- Launch of a **cyberbullying sensitisation campaign** and implementation of **two drug prevention programmes.**
- Full subsidies for the **School Certificate** and **Higher School Certificate** for first-time candidates meeting attendance requirements, with limited subsidies for repeaters from eligible households.
- **Pre-Primary Education Scheme** to be reviewed; grant-in-aid set at **MUR 2,750 per child monthly** for private pre-primary schools from **January 2026** instead of reimbursement of operational costs.
- Construction of a **Hall of Residence** at Réduit for local and international students. Goal to **double the number of foreign students in Mauritius** in the **next three years**, with a marketing strategy for the "Study Mauritius" brand.
- Creation of a **STEM Education Programme** to encourage student engagement in science, technology, engineering, and mathematics.
- Implementation of **National AI Policy Guidelines** in schools, as well as making **AI a mandatory module** in all public higher education curricula.
- Development of a **TVET strategy** to address skills mismatch, integrate TVET into mainstream education, and ensure training programmes meet industry needs.
- **Refund of taxi fares** for children with Autistic Spectrum Disorder (ASD) and Attention Deficit Hyperactivity Disorder (ADHD).

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Glossary

AML	Anti Money Laundering
Bn	Billion
BoM	Bank of Mauritius
CDS	Central Depository & Settlement Company Ltd
CECPA	Comprehensive Economic Cooperation and Partnership Agreement
CFT	Combating the Financing of Terrorism
CSG	Contribution Sociale Généralisée
CY	Calendar Year
DBM	Development Bank of Mauritius
EDB	Economic Development Board
FATF	Financial Action Task Force
FSC	Financial Services Commission
FTA	Free Trade Agreement
FY	Financial Year (June)
GBC	Global Business Company
GDP	Gross Domestic Product
k	Thousands
LTT	Land Transfer Tax
M	Million
MC	Management Company
MIC	Mauritius Investment Corporation
MRA	Mauritius Revenue Authority
MSME	Micro, Small and Medium Enterprises
MTPA	Mauritius Tourism Promotion Authority
MUR	Mauritian Rupees
SME	Small and Medium Enterprise
STC	State Trading Corporation
Tn	Ton
TVET	Technical and Vocational Education and Training

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Disclaimer

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