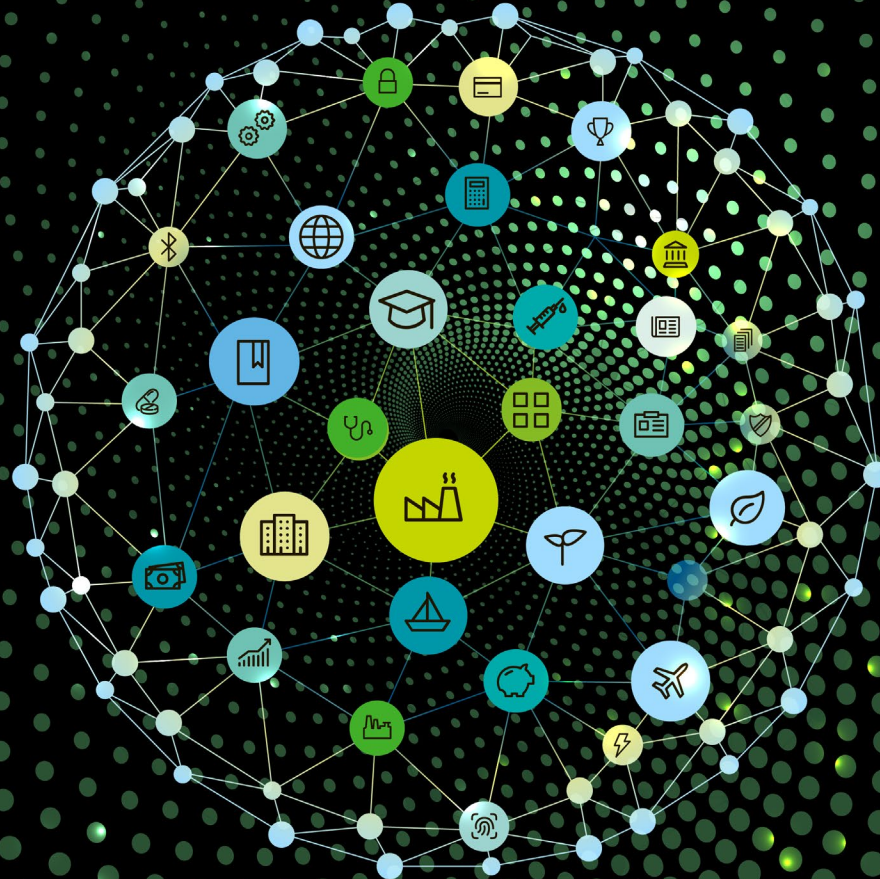


7 June 2022





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Foreword

Promoting Economic Transformation and Social Inclusion

Mauritius Budget 2022 – 2023

7 June 2022

The Honourable Finance Minister delivered his third Budget speech against the backdrop of a stressed international context marked by the prevailing Russia-Ukraine war and the resulting repositioning of geopolitics, a considerable rise in global energy and commodity prices due to supply shortages and disruptions, the continued albeit lower prevalence of COVID-19, and the spreading of Monkeypox. He highlighted the considerable policy response put in place over past two years to support the economy and preserve social inclusion. He announced measures to address current hardships faced by a growing part of the population due to erosion of purchasing power, through social aid and subsistence allowances aimed at ensuring access to basic commodities such as rice, cooking gas, milk, edible oil and pharmaceutical products.

To support the domestic economy amid the current challenging growth environment, public investment will be enhanced in existing economic pillars and emerging sectors, with due regard to environmental impact of projects given the commitments by Mauritius at the COP26 Summit held in November 2021. The opening of borders in October 2021 has resulted in an increase in tourist arrivals which is forecast to reach 1 million in 2022, though the Russia-Ukraine War, if sustained over a lengthy period, might have an adverse impact, since Europe is the main source of tourists.

Domestic macro fundamentals have, in general, continued to be under pressure over the past year. Headline inflation has been on a steady rise, reaching 7 percent in April 2022, driven by international commodity and freight prices, and depreciation of the Mauritian rupee. The Current Account Deficit to GDP ratio further worsened, from 12.6 percent in 2020 to a trough of 15.3 percent in 2021.



Foreword

From January to April 2022, the Gross Official International Reserves fell by 15 percent, from US\$ 8.56 billion to US\$ 7.28 billion, with Import Cover decreasing from 17.6 months to 14.8 months. Public sector debt in June 2022 is estimated at 87.4 percent of GDP, down from 96.1 percent in June 2021. The rate of economic growth, estimated at 4.8 percent for 2021 and at 6.9 percent for 2021/22, and forecast to be at 8.5 percent for 2022/23, should improve debt repayment capacity, amid prevailing pressures on the country’s reserves. Budget Deficit to GDP has been evolving in a stable range of 3.0–3.5 percent up to 2018, jumping to 13.6 percent in 2019/20 due to the COVID-19 pandemic, and is estimated at 5 percent in 2021/22 and at 4 percent in 2022/23. The Budget deficit might remain under pressure over the coming financial year should global prices result in higher domestic prices. Unemployment rate fluctuated between 7 percent and 8 percent prior to COVID-19, stood at 9.1 percent in 2021 and is forecast at 7.8 percent in 2022. Over the past decade, consumption expenditure increased from 73 percent to 84 percent of GDP while private investment and exports combined, decreased from 70 percent to 50 percent of GDP, implying a need for rebalancing aggregate expenditure away from consumption, a major part of which leaks out in the form of imports. Non-Performing to Total Loans, which decreased from 6.2 percent in December 2020 to 5.8 percent in December 2021, might reverse its course should support measures by the Bank of Mauritius be phased out.

From January to April 2022, the IMF has revised downward global growth forecast by 80 basis points, to 3.6 percent and is projecting global inflation at 7.4 percent. This reflects, to a considerable extent, the direct and indirect impact of the Russia-Ukraine war. In response to heightened inflation, global central banks led by the Federal Reserve have been switching to a tightening mode and are set to remain so, at least until end of 2022, with multiple interest rate hikes expected. The Monetary Policy Committee of the Bank of Mauritius,



Foreword

met last week on 3 June and raised the Key Repo Rate by 25 basis points to 2.25 percent. Of note, the spread between Mauritius and US yields has been on a declining trend, moving into negative territory since early 2022, and may lead to further weakening of the Mauritian rupee.

This Budget promotes food security, including through incentives and grants aimed at intensified use of marine resources by fishermen and of agricultural land by planters and farmers, thereby reducing import dependence and enabling the country to better face global supply disruptions. Manufacturers, including SMEs, targeting the local market, will receive deeper institutional and financial support, whilst exporters will benefit from planned regional feeder vessels in addition to existing rebate schemes. To consolidate the tourism industry, marketing budget will increase by 10 percent and additional facilities to welcome high-end tourists will be set up. The commitment to construct 12,000 houses by 2024 is reiterated and the road construction programme has been extended.

Authorities will continue to upgrade financial sector infrastructure and legislation, including a regional clearing mechanism for the yuan, the issuance of “RuPay” cards and Indian QR Code, a digital industry academy and enable re-insurance companies to set up shop in Mauritius. International talent will continue to be attracted through premium visa. The Bank of Mauritius will expedite opening of bank accounts for individuals and corporates, within a week. A domestic minimum top-up tax of 15 percent will be imposed on resident companies of multinational corporations. Carbon neutrality is targeted by 2030, through incentives to engage in renewable energy and switch to hybrid or electric vehicles.

Foreword

Excise duty on alcohol and tobacco products will increase by 10 percent. The municipal tax has been phased out from July 2022, while all basic pensions will increase by MUR 1,000. A new income tax rate of 12.5 percent for middle-income workers earning between MUR 53,846 and up to MUR 75,000 monthly, has been introduced.

This Budget, whilst seeking transformation of the economy, also attempts to address the immediate concern of the population experiencing eroding purchasing power. The outcome will depend on the achievement of robust domestic economic growth, which in turn is inevitably linked to the uncertain global economic landscape.

Deloitte Mauritius



Economic snapshots



Economic snapshots

2022 Highlights

Downside Neutral Upside

GDP growth

- GDP growth forecast for year ended December 2021 was estimated at 5.4 percent in June 2021, against a lower actual growth of 4.8 percent.
- The 2021 positive growth followed economic contraction of 14.7 percent in 2020 marked by COVID-19.

Inflation

- In April 2022, the YOY inflation was 11 percent, compared to 0.2 percent in April 2021.
- Headline inflation for the 12-month ending April 2022 was 7 percent, compared to 1.9 percent as at April 2021.

Forex reserves

- From January to April 2022, the Gross Official International Reserves decreased by MUR 58.2 billion (USD 1.3 billion).
- This corresponds to a decrease in import cover from 17.6 months to 14.8 months.

Fiscal deficit

- Budget deficit was 13.6 percent in 2020/21 and 5 percent in 2021/22 and is forecast to 4 percent in 2022/23.
- At June 2021, public sector debt amounted to 96.1 percent of GDP and is forecast to fall to 87.4 percent at June 2022.

Economic snapshots

2022 Highlights

Downside Neutral Upside

KRR and Yield

- The KRR was raised by 15 basis points to 2 percent on 9 March 2022 and was further raised to 2.25 percent on 3 June 2022.
- Consequently yield on 1 year T-bills increased by 30 basis points, from 0.78 percent on 4 March 2022 to 1.08 percent on 20 May 2022.

Exchange rate

- The Mauritian Rupee depreciated by 8.8 percent between January 2021 and December 2021 against US Dollar.
- The MERI 1 increased by 7.8 percent in 2021, reflecting Mauritian Rupee depreciation against major trading partner currencies.

Current account deficit

- The current account deficit has been deteriorating since 2020, reaching a trough of 15.3 percent of GDP in 2021.
- The services sector, which was contributing positively to the current account prior to COVID-19, has moved into deficit, from 6 percent of GDP in 2019 to -2 percent of GDP in 2021.

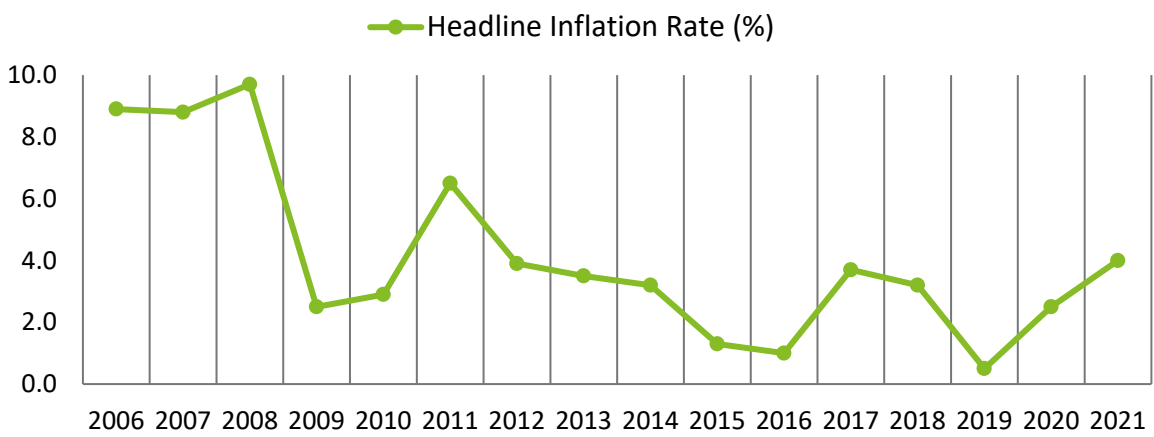
Tourism arrivals

- For the first four months of 2019 (pre COVID-19), 460,000 tourists entered Mauritius, which is 92 percent higher than the figure for the first four months of 2022.
- Tourist arrivals for year 2022 is forecast at 1 million.

Economic snapshots

2022 Highlights

Economic growth (%) and inflation (%)



- Economic growth was on a declining trend prior to COVID-19.
- COVID-19 led to an economic contraction of 14.7 percent in 2020.
- Real GDP rebounded by 4.8 percent in 2021 and is forecast to grow at 8.5 percent in 2022/23.

- Prior to COVID-19, headline inflation was on the downward trend.
- Inflation has been on the rise since COVID-19 and has deteriorated further since the Russia-Ukraine war mainly on account of supply shocks.
- In April 2022, the annual average headline inflation jumped to 7 percent, with no clear sign of abatement in the near term.

* Forecast (Fiscal Year: July – June)

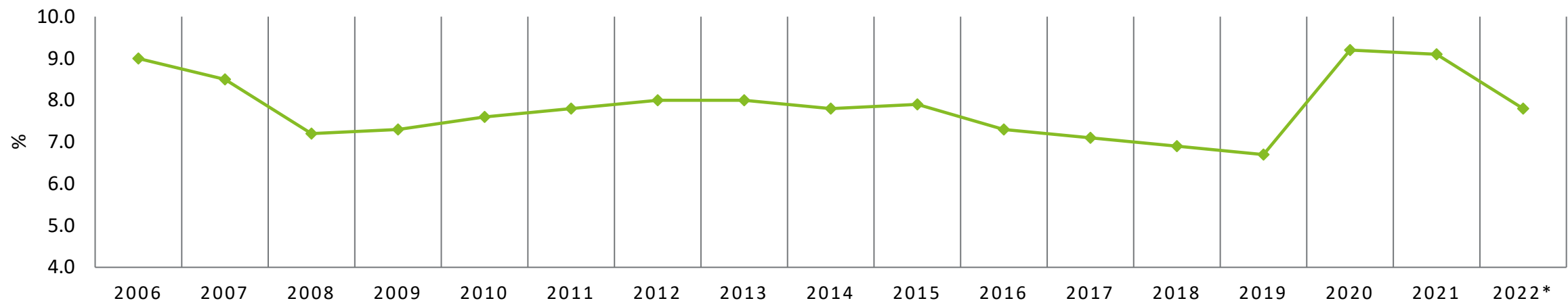
Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2022/2023

Economic snapshots

2022 Highlights

Unemployment rate (%)

◆ Unemployment Rate (%)



- Over the last 15 years, unemployment rate averaged to 7.8 percent.
- Unemployment rate is forecast at 7.8 percent in 2022, down from an actual rate of 9.1 percent in 2021.
- This positive outlook depends on the forecast higher domestic economic growth, which is inevitably linked to the uncertain global economic landscape.

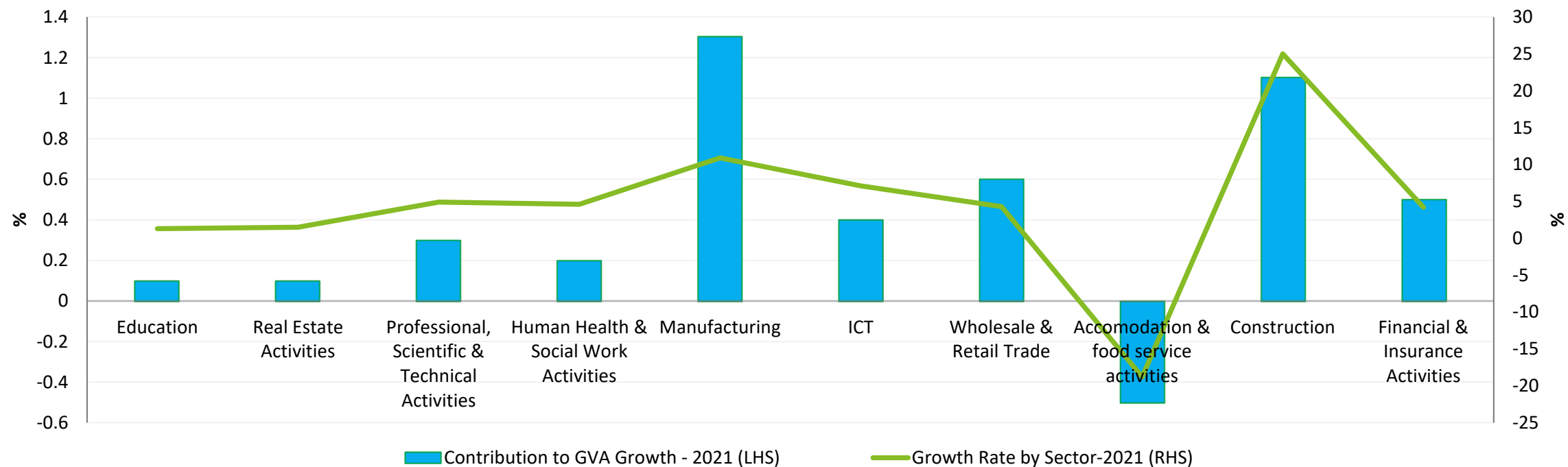
* Forecast

Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2022/2023

Economic snapshots

2022 Highlights

Contribution to GVA growth (%) & sectoral growth rate (%) of major sectors - 2021



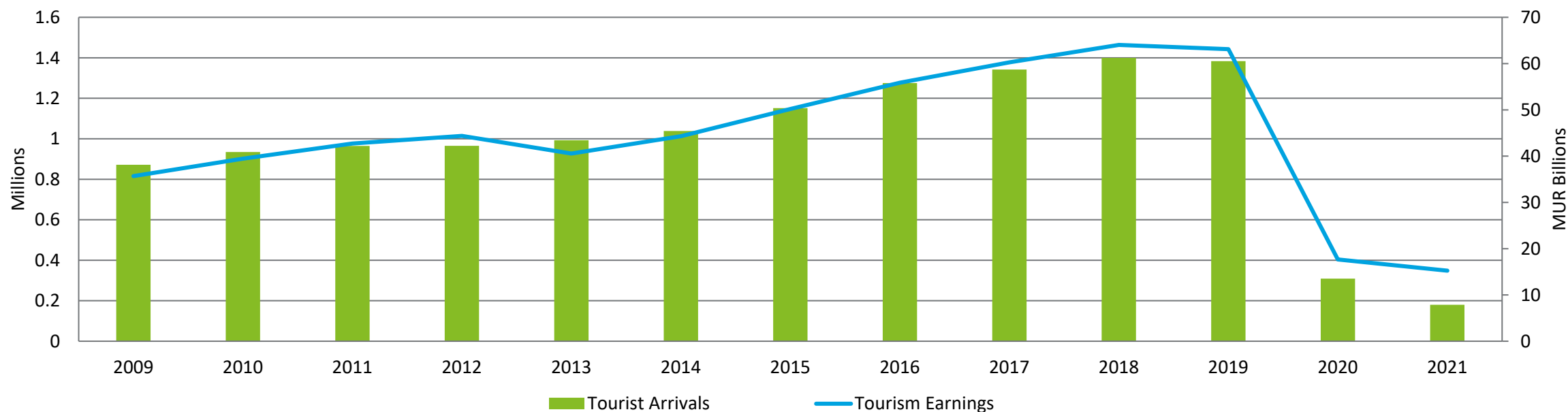
- Manufacturing and construction together contributed to half of GVA growth in 2021 (2.4 percent out of 4.8 percent).
- Accommodation & food service activities (essentially tourism) continued to depress GVA growth.

Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2022/2023

Economic snapshots

2022 Highlights

Tourist arrivals in million (LHS) and Tourism earnings in MUR billion (RHS)



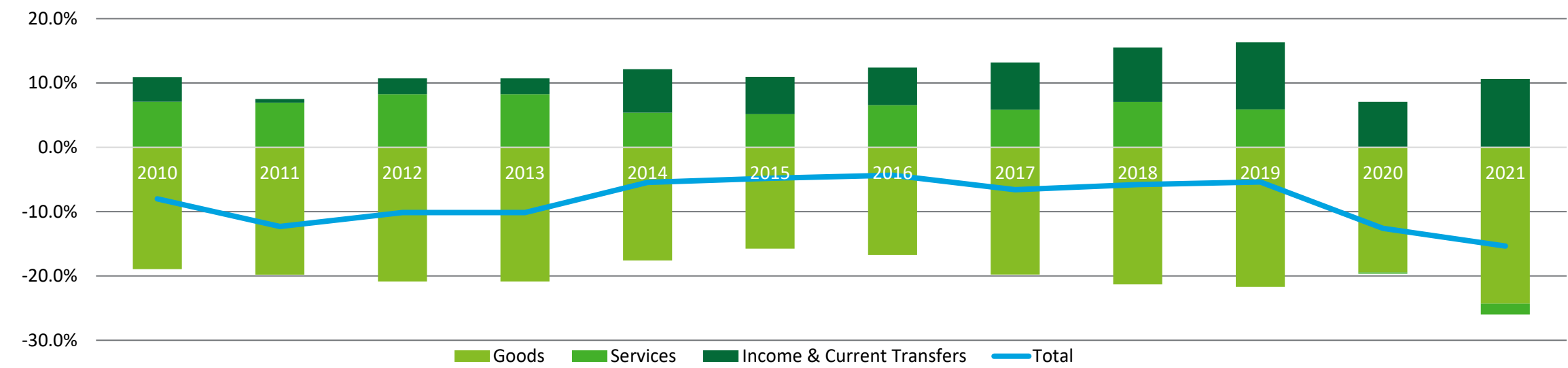
- Since March 2020, tourist arrivals fell drastically due to lockdowns and closure of borders.
- Tourist arrivals in 2021 stood at 179,780, the lowest arrivals over the last decade.
- Tourist arrivals for year 2022 is forecast at 1 million.

Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2022/2023

Economic snapshots

2022 Highlights

Current account balance (% of GDP)



- The current account deficit has been on deteriorating since 2019, reaching a trough at 15.3 percent of GDP in 2021.
- This has been driven by an increase in the deficit on trade in goods and services.
- The evolution of the Russia-Ukraine war should have a bearing on forthcoming current account trend via global commodity prices and supply chain disruptions.

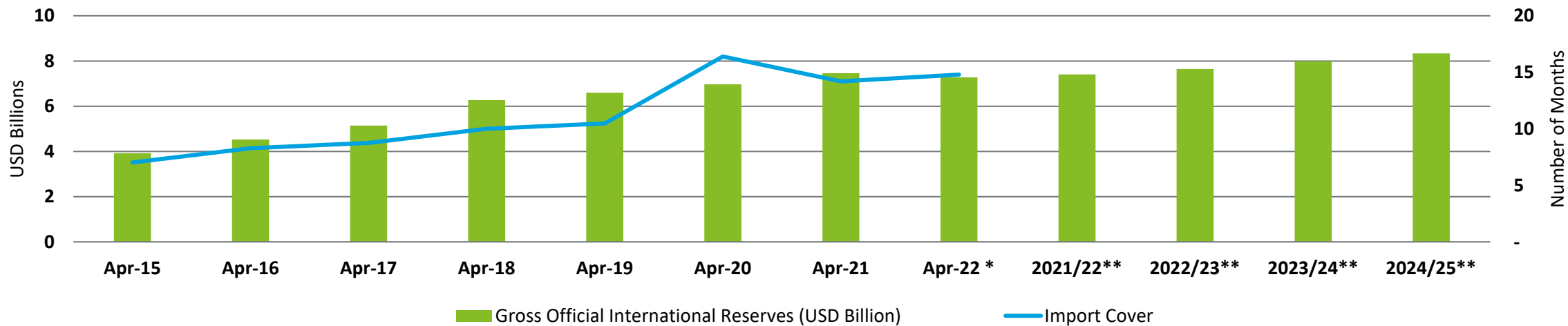
Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2022/2023

Economic snapshots

2022 Highlights

Gross Official International Reserves (US\$ billion) & import cover (months)

Gross Official International Reserves (LHS) & Import cover (RHS)



- Gross Official International Reserves fell from USD 7.46 billion at April 2021 to USD 7.28 billion at April 2022.
- From January to April 2022 these reserves fell by 15 percent, from USD 8.56 billion to USD 7.28 billion. Import cover correspondingly decreased from 17.6 to 14.8 months.
- Gross Official International Reserves is forecast to increase over the coming financial years.

* Provisional Figure

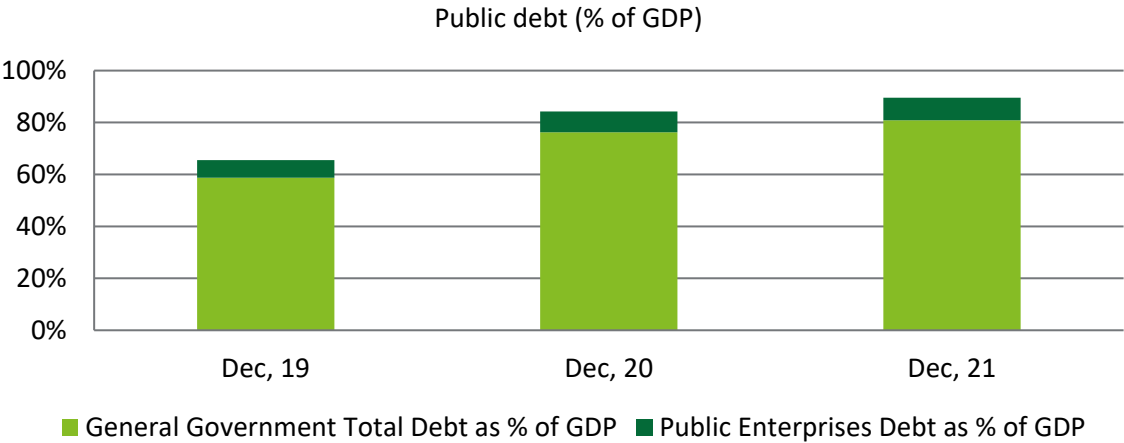
** Forecast

Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2022/2023

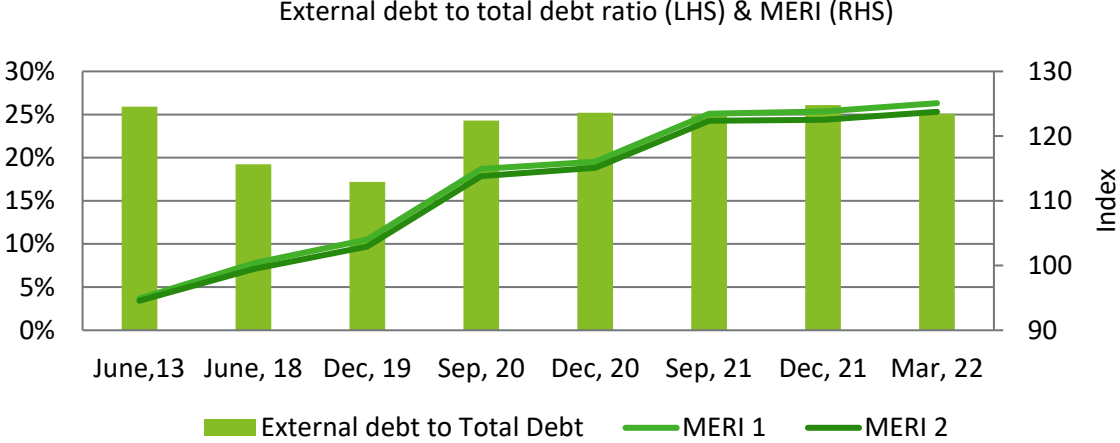
Economic snapshots

2022 Highlights

Public debt and Mauritius Exchange Rate Index (MERI)



- At December 2021, public sector debt reached 90 percent of GDP, up from 66 percent for 2019 and 84 percent for 2020.
- The debt repayment capacity will be closely related to economic growth rate, the more so due to prevailing pressures on the country's reserves.
- Public sector debt is forecast to fall to 71.8 percent of GDP by 2024/25.



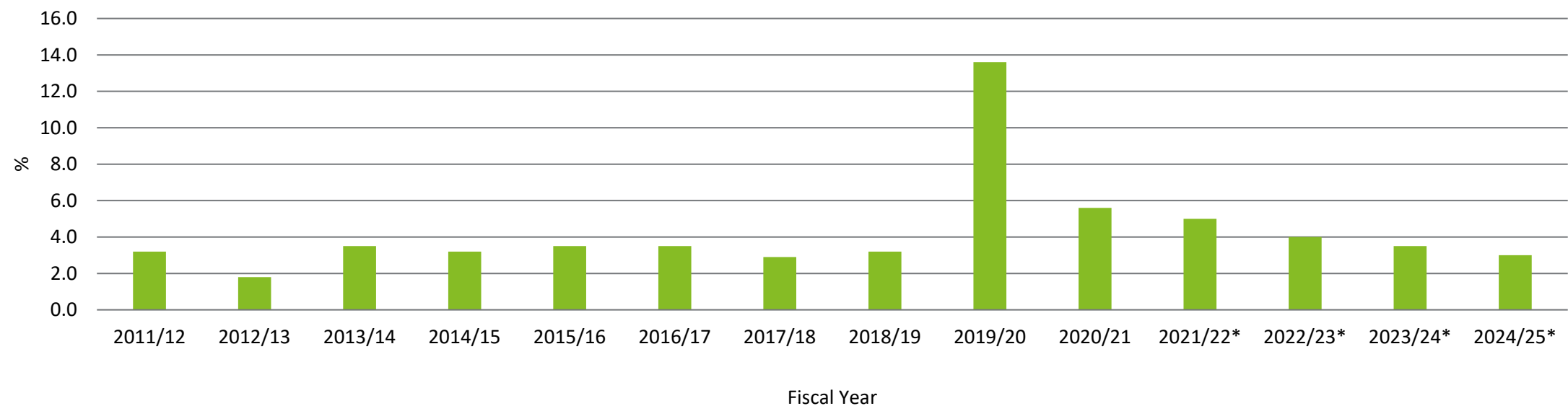
- MERI 1 and MERI 2 both increased in 2021 due to depreciation of the Mauritian Rupee against major trading partner currencies.
- Since September 2020, the ratio of external to total debt has oscillated around 25 percent.
- The exchange rate of the Mauritian Rupee will have a bearing on this ratio.

Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2022/2023

Economic snapshots

2022 Highlights

Budget deficit (% of GDP)



- Budget deficit to GDP has been evolving in a stable range of 3.0 percent - 3.5 percent up to 2018 but rocketed to 13.6 percent in 2019/20.
- Budget deficit to GDP is estimated at 5 percent in 2021/22 and at 4 percent in 2022/23.
- The budget deficit might remain under pressure over the coming financial year should global prices result into higher domestic prices, triggering further calls for social assistance.

* Forecast

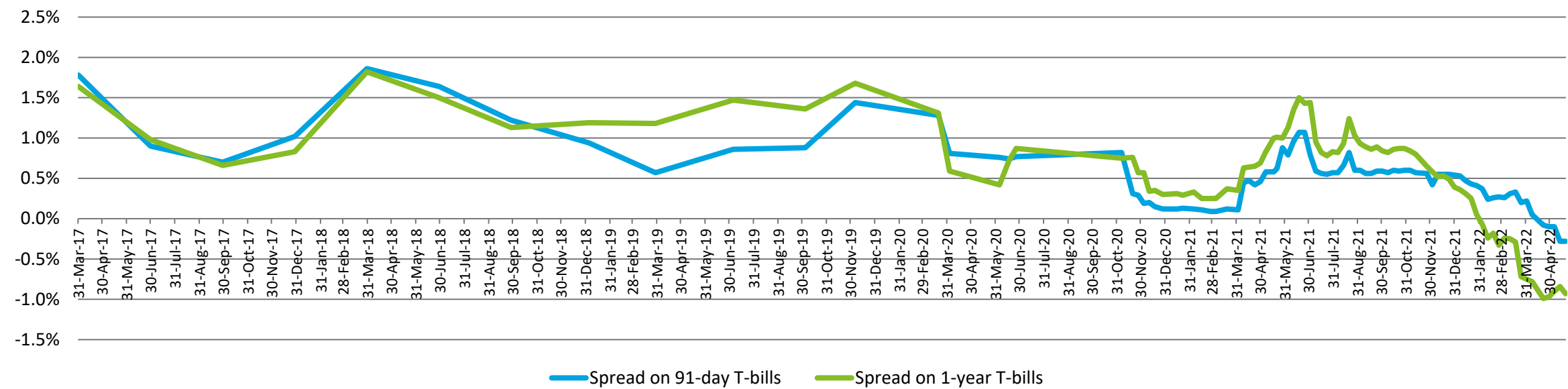
Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2022/2023

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2022 Highlights

Spread on Mauritius and US T-Bills (%)

Spread between Mauritius and U.S. 3-month and 1-year T-bills



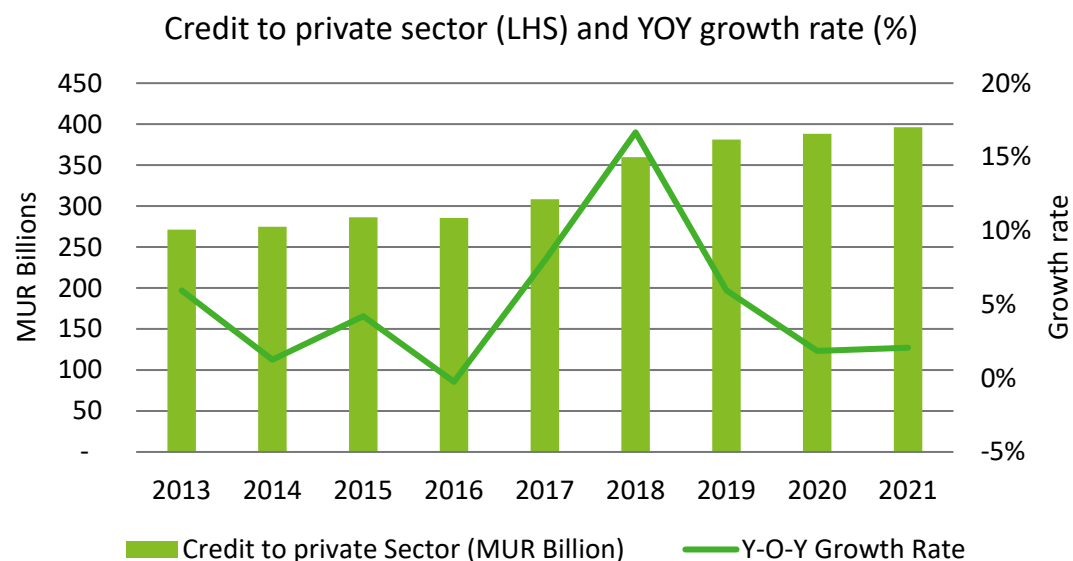
- The spread between Mauritius and US Yields has been on a declining trend, breaching into negative territory since early 2022.
- This negative spread is likely to perdure, the more so given the inclination of the Fed to raise US interest rates.
- If left unchecked, this may lead to a further weakening of the Mauritian Rupee.

Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2022/2023

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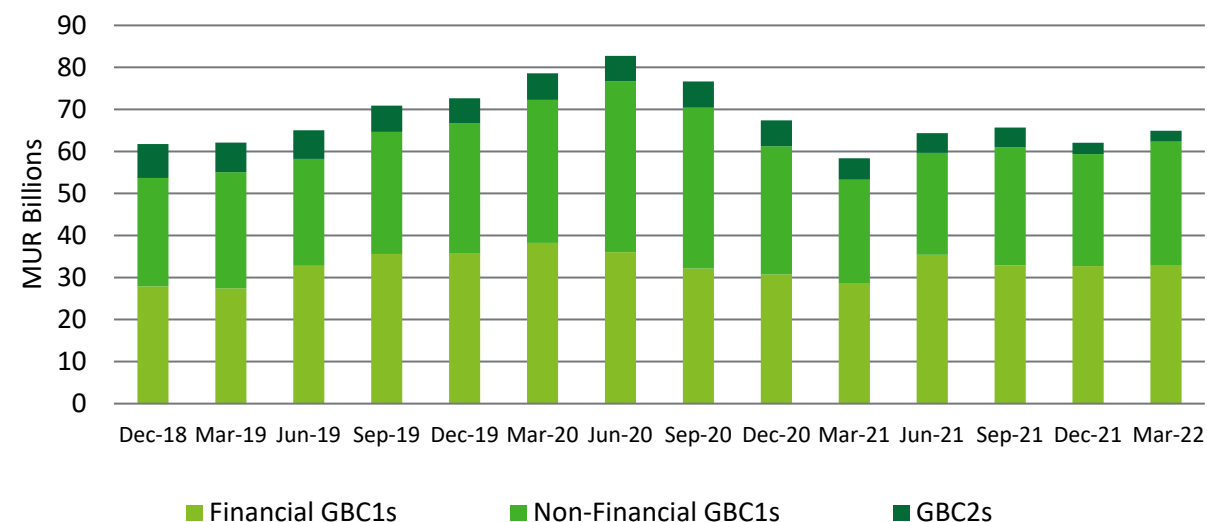
2022 Highlights

Credit to private sector and to Global Business Companies (GBCs)



- Credit to private sector inclusive of GBCs, kept on rising, reaching MUR 404 billion at March 2022.
- Above credit resilience emanates from the domestic segment.

Bank loans to GBC



- Credit to GBCs witnessed a clear reversal as from June 2020, falling steadily from MUR 82.6 billion to MUR 58.4 billion in Mar 2021.
- Since then, the credit to GBCs has been stabilizing at around MUR 64 billion.

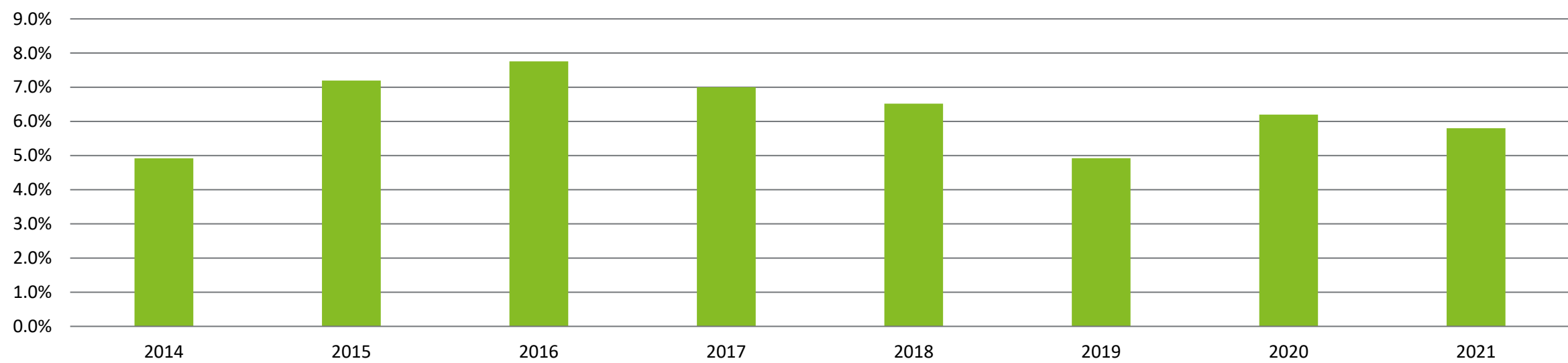
Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2022/2023

Economic snapshots

2022 Highlights

Asset quality

Non-performing loans to total loans (%)



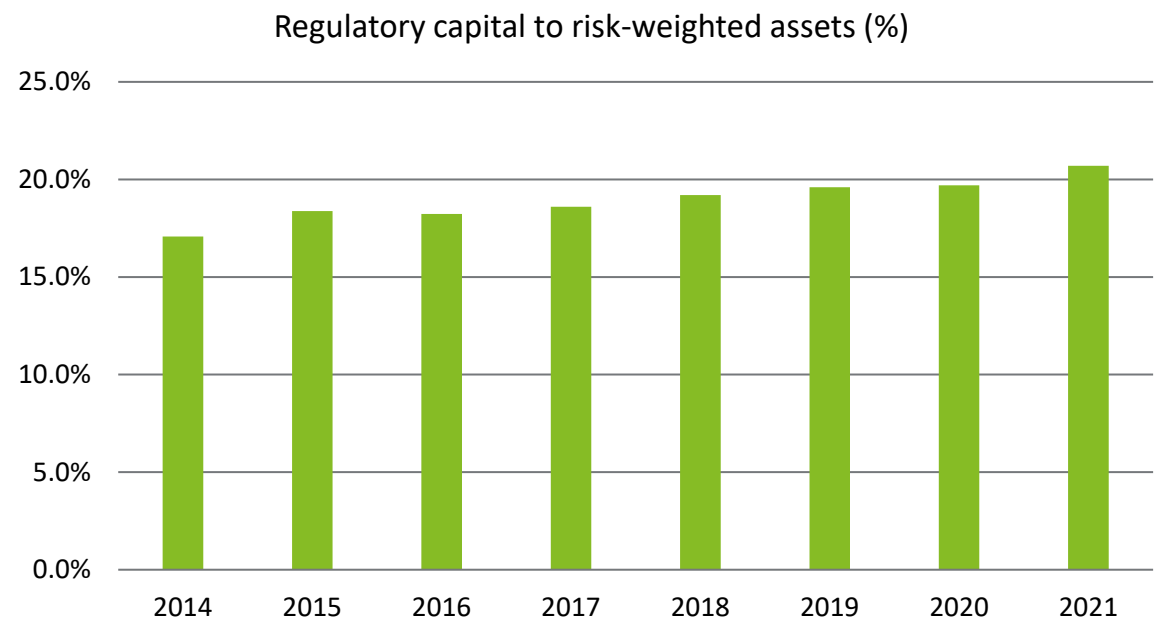
- In spite of the occurrence of COVID-19 since early 2020, the ratio of non-performing to total loans has not experienced a burst.
- This is largely explained by related support measures and moratoria from Bank of Mauritius.
- The near-term evolution of this asset quality indicator will heavily depend on extension of these support measures, potentially subject to exacerbation by the Russia-Ukraine war.

Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2022/2023

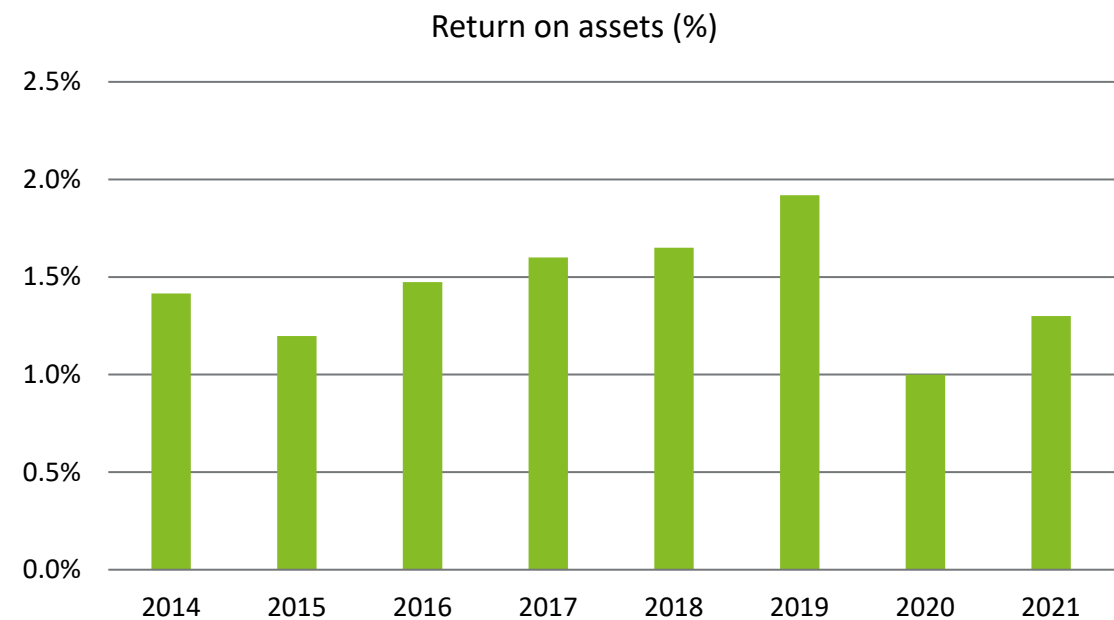
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2022 Highlights

Banking sector: Capital base and Profitability



- Regulatory capital has maintained an upward trend in spite of economic challenges, reaching 20.7 percent in 2021.



- Return on assets which fell from 1.9 percent in 2019 to 1.0 percent in 2020, bounced back to 1.3 percent in 2021, explained partly by reversal of net impairment charges.

Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2022/2023

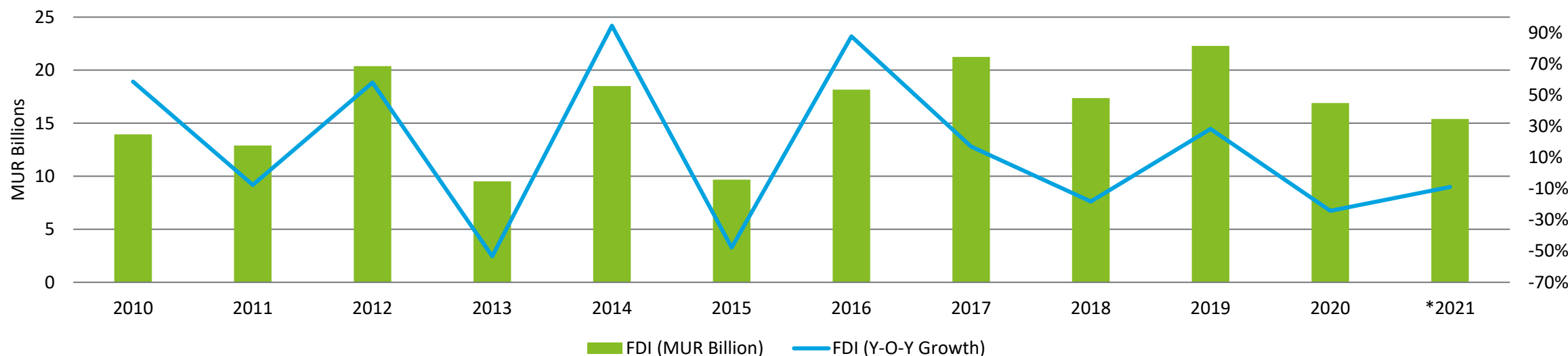


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2022 Highlights

FDI (LHS) and FDI YOY growth rate (RHS)

FDI (MUR Billions) VS FDI (Y-O-Y growth rate - RHS)



- In 2020, FDI fell by 24 percent to MUR 16.9 billion largely due to the impact of COVID-19.
- FDI for 2021 is estimated to be lower than FDI for 2020, MUR 15.4 billion against MUR 16.9 billion.
- FDI is projected to exceed MUR 20 billion in 2022.

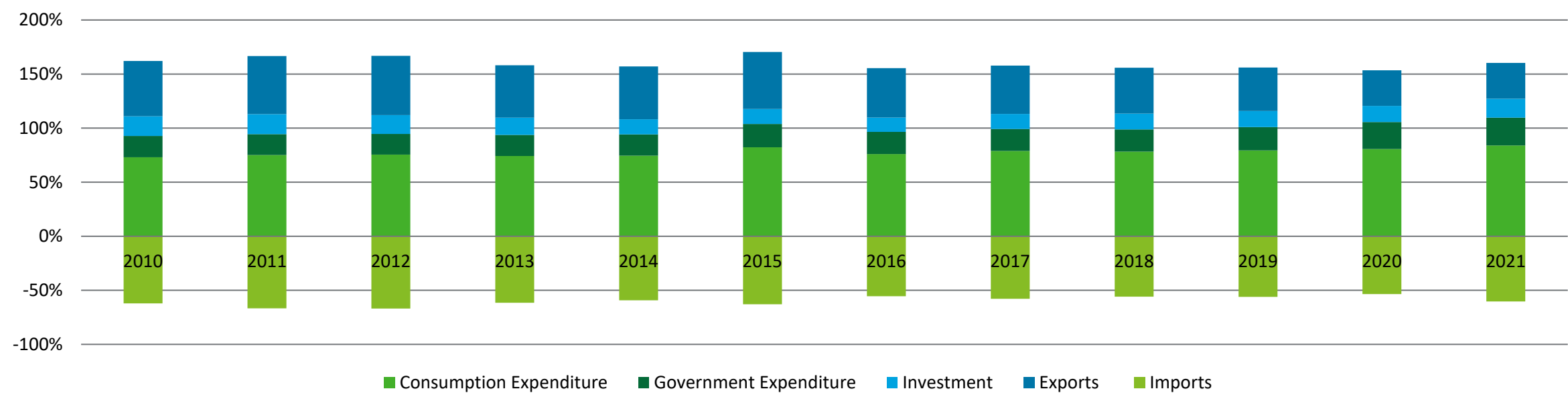
* Preliminary Estimates

Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2022/2023

Economic snapshots

2022 Highlights

Aggregate expenditure (% of GDP)



- Over the last decade, consumption expenditure increased from 73 percent to 84 percent of GDP.
- Conversely, private investment and exports combined decreased from 70 percent to 50 percent of GDP.
- For sustainable economic growth, Mauritius has to shift from consumption-led to investment-cum exports-led model.

Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2022/2023

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Corporate Tax

Global minimum tax

- Introduction of a domestic minimum top-up tax at the rate of 15 percent on Mauritian resident companies forming part of multinational enterprise groups with a global annual revenue of at least EUR 750 million

Premium Visa Scheme

- Income Tax Act amended to clarify that foreign employers of holders of Premium Visa will not be subject to corporate tax in Mauritius as a result of work performed by their employees

Taxation of Digital Economy

- Regulations covering internationally agreed policies to be issued to address tax challenges arising from digitalisation of the economy

Tax holidays

- Introduction of eight-year income tax holiday to:
 - Newly set-up freeport operator or developer making an investment of at least MUR 50 million subject to starting operations on or after 30 June 2022 and satisfying substance requirements set by OECD
 - Planters engaged in sustainable agricultural practices registered with EDB

Accelerated annual allowance

- Accelerated annual allowance on green technology equipment expenditure under Transit Oriented Scheme (TOS)

Transfer of asset to related company

- Transfer of assets to related companies deemed to be made at net value now extended to cover any asset which is subject to depreciation

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Corporate Tax

Additional deduction on products manufactured locally by SMEs

- Large manufacturers acquiring products manufactured locally by SMEs now allowed deductions of 125 percent of amount incurred instead of 110 percent

Tax deduction at source

- TDS rate increased as follows:
 - From 3 percent to 5 percent on services provided by professionals
 - From 5 percent to 7.5 percent on rent paid to resident

- TDS of 3 percent now extended to:
 - Consultancy Fees
 - Security Services and Cleaning Services
 - Pest Management Services
 - Payment of fees made by insurance companies to motor surveyors and mechanics for repairs of motor vehicles of policy holders

Waiver of Income Tax penalties for SMEs

- Waiver of outstanding penalties due by SMEs as of 25 March 2022 for late submission of income tax returns and late payment of income tax during the years 2020 and 2021

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Personal Tax

Reduced income tax rate

- Introduction of reduced tax rate of 12.5 percent for individuals earning annual net income between MUR 700,000 and MUR 975,000

Petrol or travelling allowance

- Maximum exemption in respect of petrol or travelling allowance increased from MUR 11,500 to MUR 20,000

Solidarity levy

- Individual deriving pension or director's fees, liable to solidarity levy, may request the payer to deduct SL under PAYE at 10 percent

Medical insurance relief

- Increase in relief for medical insurance premiums from:
 - MUR 20,000 to MUR 25,000 for an individual and his first

dependent; and

- MUR 15,000 to MUR 20,000 for other dependents

Additional deductions

- Maximum deduction for a child pursuing tertiary education increased from MUR 225,000 to MUR 500,000 and now extended to cover postgraduate courses
- **Deduction in respect of the following increased to MUR 50,000:**
 - Contributions made to a personal pension scheme
 - Donations to an approved charitable institution including a religious body

Deduction for dependent who is a bedridden next of kin

- Taxpayer now allowed to claim spouse as bedridden next of kin irrespective of any financial assistance provided under the National Pensions Act

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VAT refund

- Events attended by at least 50 participants now eligible for VAT refund under the Meetings, Incentives, Conferences and Exhibitions (MICE) scheme
- VAT refund scheme on residential building, house or apartment amended as follows:
 - Refund to be processed by MRA within 30 days post receipt of all documents
 - Eligibility condition of cost not exceeding MUR 3 million replaced by construction area not exceeding 1,800 square feet

VAT exemption

- Imported cars including spare parts and automobilia for exhibition in a motor museum now exempted from VAT.

VAT registration

- MRA now empowered to register a person who fails to be VAT registered
- List of VAT registered persons to be communicated on MRA website to avoid fraudulent practices
- Successor deemed to be agent of deceased VAT registered person, liable to submit VAT return and pay VAT dues

VAT return

- MRA now empowered to publish electronically the name and address of a VAT registered person including the directors who failed to submit VAT return within 3 months after its due date
- MRA to notify VAT registered person prior to publication

VAT



Input VAT

- Government bodies empowered to remit directly to MRA a percentage of VAT on procurement contracts exceeding a specified threshold
 - VAT registered contractors to make adjustment in respect of input tax and output tax in their VAT returns

Representation to the ARC

- ARC not to entertain submission of information by a taxpayer where his objection was lapsed by the MRA due to non-submission of such information

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Other Taxes

Excise duty

- Hybrid and electric vehicles exempted from duty as from 1 July 2022
- Introduction of negative excise duty of 10 percent, capped at MUR 200,000, on purchase of electric cars by individuals
- 10 percent increase of excise duty on cigarettes and alcohol products
- Implementation of excise duty of six cents per gram on sweetened products further deferred to 1 July 2025

Land transfer tax and registration duty

- Land transfer tax and registration duty extended to cover share buybacks for companies holding immovable property
- Registration duty exemption on lease or land acquired for project under the Transit Oriented Scheme within a radius of 100 metres of metro stations

- Refund of 5 percent up to MUR 500,000 under existing Home Ownership and Home Loan Schemes extended up to 30 June 2023
- Transfer of VRS property to heirs of deceased beneficiary exempt from duty and tax with retrospective effect from 1 July 2016

Municipal tax

- Municipal tax on family home to be phased out as from 1 July 2022

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Income Tax Act

- MRA empowered to request information from a Foundation or Trust for the purpose of:
 - Making an assessment;
 - Collecting tax; or
 - Complying with any request for the exchange of information under a DTAA

Tax Arrears Settlement Scheme (TASS)

- TASS reintroduced for arrears under income tax, VAT and gambling tax
 - Taxpayers to register by 31 December 2022 and settle arrears by 31 March 2023
 - Taxpayers with pending assessments before ARC, Supreme Court or Privy Council required to withdraw their cases to register under the scheme

Mauritius Revenue Act

- Threshold of tax assessed amount reduced from MUR 10 million to MUR 5 million for taxpayers desiring to appear before ATDR
- MRA empowered to recover foreign taxes on behalf of other countries

Registrar General's Department

- Arrears Payment Scheme reintroduced for arrears under the Registrar General's Department
 - Taxpayers to register by 31 December 2022 and settle arrears by 31 March 2023

SME Act

- Turnover threshold to be categorised as SME increased from MUR 50 million to MUR 100 million
- Introduction of a mid-market enterprise category with a turnover up to MUR 250 million

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Global Business and Regulatory



Global Business and Regulatory

Financial Services

- Removal of Global Headquarters Administration, Global Shared Services and Global Treasury Activities from the scope of financial services under the FSA
- Setting up of a Settlement Committee to assess for early resolution of disciplinary matters with a licensee
- FSC to enable re-insurance companies to set up operations in Mauritius

Combatting financial crimes

- FIAMLA to be amended to include combatting of proliferation financing
- Establishment of a Financial Crime Commission for effective coordination in the fight against financial crimes

Facilitating business

- BOM to facilitate opening of a bank account for individuals and businesses within one week
- Introduction of a Business Regulatory Reform Bill as an apex legislation for ease of doing business

Banking

- Launch of a regional Renminbi Clearing Centre with Bank of China
- Banking Act amended to modify the criteria for in-principle approval in connection with the application for a banking license
- Financial institution or service provider to comply with confidentiality requirements as required by BOM.
- BOM Act amended to allow opening of accounts and acceptance of deposits for issuing digital currency
- BOM Act amended to increase the functionalities of the Central KYC system and the Central Accounts Registry

Global Business and Regulatory

Companies Act

- Companies Act amended to:
 - Remove temporary time extensions and reinstate pre COVID-19 provisions for registered companies to call annual meeting of shareholders, prepare financial statements and file financial statements with the ROC
 - Reinstate Section 162 of Companies Act, relating to the duty of directors on insolvency
 - Provide for the disclosure of particulars of interest, donations made by the subsidiaries, details of present and past directors, fees payable to auditors and details of major transactions with respect to subsidiaries in annual reports
 - Prevent companies from being simultaneously registered in both Mauritius and in another jurisdiction
 - Allow the ROC to remove a company from the Register of Companies where there is no other reason for the company to continue its existence

Work and residence permits

- Residence permit holders allowed to acquire residential property of a minimum of US\$350,000 outside existing schemes, subject to a 10 percent contribution to the Solidarity Fund
- Requirement for HNWI and families reviewed to a minimum portfolio of US\$ 5 million per management family office
- Holders of Global Headquarters Administration licence entitled to work and residence permits for five executives and their dependents
- Work Permit Committee chaired by the Prime Minister to be set up to expedite issuance of work permits
- Non-citizens eligible to apply for residency when acquiring residential property under 'fractional ownership' provided that individual investment exceeds US\$375,000

Industry measures



Industry measures

In line with “With the People, for the People” framework, the Government is proposing the 2022-2023 Budget woven around 3 major themes:

- Strengthening our economic growth and resilience to future shocks
- Accelerating our transition to a sustainable and inclusive development model
- Investing in people



Industry measures

Strengthening our economic growth and resilience to future shocks

Agro-industry

Local production of fruits and vegetables

- Provision of a grant of 50 percent up to a maximum of MUR 500,000 to planters for the purchase of a sheltered farm
- Increase in subsidy of seeds of certain produce sold by AMB from 50 percent to 75 percent
- Introduction of a minimum guaranteed price for planters for certain produce
- Investment of MUR 200 million in two food security clusters by the DBM
- Introduction of grants for the support of fruit and flower growers
- Acceleration of the re-emergence of the tea sector through measures such as increase in winter allowance, investment in the rehabilitation of roads, building of drainage systems and provision of tea plantlets at subsidised cost

Apiculture

- Support of the agri-transformation programme for the mechanisation, innovation and sustainability of the agro-industry sector financed by the Industrial Finance Corporation of Mauritius Ltd (IFCM)
- Introduction of an integrated modern agricultural morcellement scheme to encourage innovative agricultural practices



Industry measures

Strengthening Economic Growth And Resilience to Future Shocks

Sugar sector

- Provision of support to small sugarcane planters by maintaining the minimum guaranteed price of sugar
- Increase in grant under the cane replantation scheme and introduction of a “Cane Replantation Revolving Fund” by the DBM to encourage sugar planters to renew plantation of crops

Livestock

- Investment of MUR 200 million by the DBM in 5 livestock zones
- Other measures to support farmers and breeders such as increase in subsidy on animal feed, extension of cattle breeding scheme as well as other measures targeting pig breeders, owners of goat farms, etc.

Blue economy and fisheries

Optimisation of our resources in this sector through a series of measures:

- Conduct of a stock assessment of Saya de Malha bank
- Increase in grant for acquisition of semi-industrial fishing vessels by registered cooperatives
- Allocation of off-lagoon aquaculture sites and amendments in legislation
- Introduction of a new concession framework in the Maritime Zones Act to allow for in-lagoon pearl oyster and algae culture
- A series of assistance to small fishers such as increase in bad weather allowance



Industry measures

Strengthening Economic Growth And Resilience to Future Shocks

Manufacturing

- Promotion of locally manufactured products and ‘a buy local’ culture
- Extension of the SME international fairs refund scheme to freeport operators
- Operation of two regional feeder vessels to support our industries in exporting in the region to South Asia and Eastern African countries

Construction

- Setting up of a Construction Industry Training Council (CITC) and merging of Construction Industry Development Board (CIDB) and the Building Control Advisory Council (BCAC) into the Construction Industry Authority to reinforce the capacity of the construction industry and improve the skills of its workforce
- Introduction of a TO within a radius of 100 metres of metro stations whereby property developers will be offered incentives such as exemptions from payment of registration duty on lease or acquisition of land to develop an approved project

Tourism

- Increase in the marketing budget of the MTPA to MUR 400 million
- Provision of personalised facilities to ultrahigh net worth passengers by Airport Holdings Ltd
- Extension of the 50 percent lease rent waiver up to June 2023 to support hotels in their refurbishment
- Rejuvenation of the SSR Botanical Garden
- Preparation of a 10-year blueprint for the tourism sector



Industry measures

Strengthening Economic Growth And Resilience to Future Shocks

Arts and culture

- Professionalisation and development of the creative sector through a series of measures such as setting up of a National Arts Centre, revamping of Centre de Formation Artistique, etc

Financial services

- Launching of a regional Renminbi Clearing Centre as a joint effort between the Bank of Mauritius and Bank of China
- Collaboration of the Bank of Mauritius with the National Payments Corporation of India for the issuance of 'RuPay' cards and Indian QR code
- Introduction of a National Payment Card for customers
- Revamping of the framework of the FSC to enable Re-Insurance companies to set up operations in Mauritius
- Review of the legislative framework to converge the domestic and the global business regime
- Issuance of a 5-year Emerald Jubilee Bond at 4 percent annual interest rate
- Setting up of a Financial Crime Commission to coordinate the fight against financial crimes

ICT

- Setting up of a Digital Industry Academy (DIA) Incubator for high-end ICT product development
- Support of MUR 15M for a second connection for the Government Online Centre to ensure continuous access to government e-services
- Offering of online services in line with the public service digitalisation strategy such as application for Certificate of Character, payment of road traffic fines and application for social benefits
- Preparation of a 5-year blueprint for the continuous dynamism and expansion of the ICT sector

Industry measures

Strengthening Economic Growth And Resilience to Future Shocks

Small and medium enterprises

- Amendment to the SME Act to redefine Micro-Enterprises from a turnover of MUR 2 million to MUR 10 million, Small Enterprise from a turnover above MUR 10 million and up to MUR 30 million and Medium Enterprise from a turnover above MUR 30 million and up to MUR 100 million
- Inclusion of enterprises with a turnover up to MUR 250 million in a new category, Mid-Market Enterprise, under the SME Act
- Extension of SME interest free loan scheme and the COVID-19 Special Support Scheme by the DBM up to June 2023
- Setting up of a venture capital of MUR 5 billion by the MIC
- Provision of facilities for the purchase of recycling equipment and transportation vehicles from local suppliers for the cooperative sector

Doing business

- Free of charge business start-up and incorporation of company
- Opening of bank accounts for an individual or a business within one week
- Streamlining of licences and permits in the construction, tourism, healthcare and logistics sectors
- Introduction of a Business Regulatory Reform Bill as an apex legislation on business facilitation
- Granting holders of residence permits permission to acquire residential property of a minimum of USD 350,000 outside the existing schemes subject to a 10 percent contribution made to the Solidarity Fund
- Organising of the Mauritius International Silver Economy Festival to attract foreign retirees in Mauritius
- Provision of support of businesses investing in the training and skilling of our youth through the National Apprenticeship Programme, the National Skills Development Programme and the Graduate Training for Employment

Industry measures

Accelerating our transition to a sustainable and inclusive development model

Cleaner, greener renewable energy

- Increase of energy production from 761 MW to 1,196 MW by 2030
- Setting up of hybrid renewable energy facilities in partnership with private promoters
- Provision of a loan facility up to MUR 250,000 by DBM to domestic consumers at a concessional rate of 2 percent p.a to finance the acquisition of solar PV systems
- Waiver of existing rental fee for production meters of Renewable Energy Schemes

Carbon neutral industrial sector

- Implementation of an energy transition framework through the provision of an agreed feed-in tariff of MUR 4.20 for industrial users by the CEB and the introduction of a Carbon Neutral Loan Scheme by the IFCM over 7 years at a preferential rate of 3 percent



Industry measures

Accelerating our transition to a sustainable and inclusive development model

Accelerating the land transport electric vehicles transition

- Provision of leasing facilities of 3 percent p.a over 10 years to transport operators to acquire electric vehicles and charging infrastructure by IFCM
- Acquisition of 200 electric buses by the National Transport Corporation
- Provision of a concessionary leasing at 3.5 percent p.a by IFCM to companies renewing their company fleet to electric only
- Provision of a 0.5 percent loan of up to MUR 3 million to taxi and van operators over a period of 7 years for the purchase of electric vehicles by DBM
- Exemption of duty on all hybrid and electric vehicles
- Introduction of a negative excise duty scheme of 10 percent for the purchase of electric vehicles by individuals up to a maximum of MUR 200,000



Industry measures

Accelerating our transition to a sustainable and inclusive development model

Adopting an effective demand management strategy

- Introduction of mandatory minimum energy performance standards for air conditioners and extension of the mandatory energy labelling to certain household appliances
- Allocation of MUR 1 billion to the clean-up and embellishment programme and for the rehabilitation of beaches, lagoons and coral reefs
- Undertaking of landslide rehabilitation works across the island for MUR 400 million
- Payment of a tipping fee to local recyclers per tonne of waste, excluding used tyres and PET bottles and provision of a margin of preference for products manufactured from recycled materials
- Setting up of an additional déchetterie for disposal of waste oils, construction and demolition wastes
- Setting up of a pilot composting unit and a sorting unit for dry and wet waste resource for sale to registered recyclers
- Setting up of a scrapyard for vehicles declared total loss and beyond their economic life
- Provision of MUR 90 million over the next three years for the purchase of oil spill combat equipment

National flood management programme

- Allocation of MUR 3.8 billion to continue the national flood management programme
- Introduction of a sustainable city scheme for the development of a new concept of sustainable living built for people and nature
- Organisation of an international sustainable city summit by the EDB this year
- Preparation of a carbon credit trading framework and an ESG framework and the issuance of an inaugural Sustainable Bond



Industry measures

Accelerating our transition to a sustainable and inclusive development model

Education

- Provision of a one-off grant to further support private pre-primary schools in disadvantaged regions.
- Provision of support to students with special education needs and learning difficulties
- Construction of a new student accommodation facility on a PPP basis at Côte D'Or, for both the public and private higher education sector

Health & wellness

- Increase in the healthcare budget from MUR 13.1 billion to MUR 14.7 billion
- Implementation of the second phase of the New Flacq Teaching Hospital project under the public-private partnership framework
- Recruitment of 1,354 staff this year in the public health sector
- Setting up of Healthcare University spin-offs to promote research and development in new healthcare products
- Increase of 10 percent of excise duty on cigarettes and alcoholic products

Gender

- Provision of a one-off grant of MUR 500,000 for upgrading of creches
- Introduction of National Adoption Bill to provide a legal framework for both local and foreign adoption of children
- Provision of 3 month mentoring and a monthly stipend of MUR 11,500 to promote women entrepreneurship



Industry measures

Accelerating our transition to a sustainable and inclusive development model

Community development

- Investment of MUR 1.4 billion for the construction and upgrading of community development facilities

Water

- Provision of MUR 100 million to start the construction of the Rivière des Anguilles dam and for the upgrading of La Ferme reservoir
- Investment of MUR 1 billion in water distribution projects
- Allocation of MUR 100 million for the provision of water tanks and water pumps to some additional 12,500 households
- Provision of MUR 1.1 billion for the implementation of sewerage infrastructure projects

Law and order

- Provision of MUR 10.9 billion to the police force to offer a quality and efficient service to the population
- Allocation of MUR 15 million for the implementation of e-passports and e-gates to enhance border security

Road Connectivity

- Provision of MUR 2.6 billion for the road decongestion programme.
- Implementation of a new regulatory framework to enable users to book taxi services

Social housing

- Delivery of 485 housing units by NHDC by June 2023 at Wooton and Mare D'Albert
- Construction of further 1,273 housing units at Mon Gout, Malherbes and La Valette



Industry measures

Accelerating our transition to a sustainable and inclusive development model

Youth and sports

- Provision of MUR 50 million for the preparation of athletes and the organisation of the CJSOI Games in december this year
- Allocation of MUR 30 million for the preparation of our athletes for Indian Ocean Islands Games 2023 and the 2024 Olympic Games
- Allocation of MUR 50 million to sports federations to enable athletes to prepare for high level games
- Provision of MUR 55 million to upgrade 8 youth centres, MUR 10 million for smart youth programmes as well as a special grant of MUR 15,000 to high-level professional athletes for the purchase of sports equipment

Rodrigues and outer islands

- Provision for a total budget of MUR 6.8 billion for Rodrigues and Outer Islands
- Allocation of MUR 125 million for the completion of the technology park at Baladirou in early 2023.
- Construction of 30 Kilometres of track roads at MUR 100 million
- Allocation of MUR 60 million for the implementation of environmental projects
- Allocation of MUR 36.3 million for the construction and upgrading of reservoirs, dams and boreholes and renewal of rain harvesting scheme in Rodrigues
- Extension of the subsidy on Special Rodrigues Holiday Package and Subsidy on Airfare to September 2023.
- Provision for a Freight Rebate Scheme (FRS) and Trade Promotion & Marketing Scheme (TPMS) for exports from Rodrigues to Mauritius
- Increase in the budget of the Chagossian Welfare Fund to MUR 7 million

Industry measures

Investing in people

Accessibility to essential products

- Provision of MUR 1.4 billion as subsidy to bakers to maintain retail price of “pain maison” at MUR 2.60 per unit
- Provision of MUR 2 billion subsidy to keep the unit price of the 12 kg cooking gas cylinder at MUR 240 instead of MUR 680
- Allocation of MUR 370 million to maintain the price of rice at MUR 10.80, 60 percent down compared to the actual price of MUR 26.20
- Provision of a grant of MUR 500 million to the STC for the supply of essential products such as milk, edible oil and pulses at a subsidised rate
- Introduction of price control measures on pasta, wheat cereal, infant food, as well as baby and adult diaper
- Reduction of margin on pharmaceutical products under a regressive mark-up regime
- Sale of products at 50 percent discount after their “best before date” but prior to their expiry date

Employment

- Provision of a monthly Prime à l’Emploi of MUR 15,000 for the first year for employment of 10,000 youths between 18 and 35 years and women of up to 50 years
- Creation of new employment opportunities for some 8,353 people in the public sector
- Waiver of MITD examination fees for all students
- Provision of a subsidy to the tune MUR 500 million to Mauri-Facilities Ltd for the recruiting 2,000 cleaners

Industry measures

Investing in people

Home ownership

- Maintaining Home Ownership and Home Loan Schemes with a 5 percent refund up to MUR 500,000 for another year
- Allowing each spouse married under the regime “corps et bien” to benefit from the exemption of registration duty for first-time buyers

A decent, safe and affordable home

- Construction of 13,758 social housing units across the island
- Rebuilding some 1,800 Ex-CHA Asbestos-free houses for MUR 800 million over the next two years

A level playing field for the rural and urban residence

- Abolition of the municipal tax on the family home as from the 1 July 2022, thereby increasing the purchasing power of some 110,000 families



Industry measures

Investing in people

Sale by levy reform

Comprehensive reform of the sale by levy system to ensure, amongst others, that:

- The “mise à prix” shall not be less than 90 percent of the value of the “logement familial” of the borrower
- Lenders recover only the capital and interest due from a sale, and penalties waived
- Any amount recovered from the sale exceeding the amount due to the lender be remitted entirely to the borrower
- All sales by levy be conducted solely following a sealed bid process
- The lender be legally obliged to erase a charge once a debt has been repaid
- Provision relating to ‘contrainte par corps’ be repealed

Social Register of Mauritius (SRM)

For beneficiaries under the SRM:

- Rise in the minimum monthly subsistence allowance from MUR 500 to MUR 1,000
- Increase in the monthly child allowance from MUR 957 to MUR 1,046
- Waiver of administration fee for full time courses at the MITD and other recognised public tertiary institutions
- Provision of free diapers for infants aged up to one year
- Exclusion of basic invalidity pension for the income eligibility threshold



Industry measures

Investing in people

Social aid

- Increase in benefits under social aid by at least 20 percent effective 1 July 2022 to mitigate impact of rising prices
- Increase in funeral grant from MUR 10,300 to MUR 12,360 in the event of the death of the head of the family or any of their dependents
- Increase in financial assistance to households with a monthly income of less than MUR 30,000 for purchase of –
 - Spectacles from MUR 2,000 to MUR 5,000
 - Wheelchairs from MUR 5,000 to MUR 10,000
 - Hearing aids from MUR 5,000 to MUR 10,000

Better inclusiveness

- For charitable and religious institutions:
 - Increase in grant by 5 percent under the per capita subsidy scheme and the fixed grant scheme;
 - A one-off assistance of MUR 10 million given the sanitary restrictions at places of worship; and
 - Exemption from payment of wastewater charges
- Increase in budget of the National Social Inclusion Foundation to support programmes and projects of NGOs from MUR 900 million to MUR 1.1 billion



Industry measures

Investing in people

For our elderly

- Increase in basic retirement pension, basic widow's pension, basic orphan's pension and basic invalid pension by MUR 1,000 effective 1 July 2022
- Entitlement to a monthly child allowance of MUR 1,700 for dependent children up to 23 years attending university for beneficiaries of basic pensions
- Extension in the basic widow pension to muslim widows through tardy registration of religious marriage before the Muslim Family Council
- Guarantee of an additional MUR 1,000 to all mauritians aged 65 and above under the CSG Retirement Benefit, thus earning a total monthly benefit of MUR 11,000

For our people

- Provision of a baby bonus MUR 1,000 to parents of every new-born as from 1 July 2022
- Allowance of up to 10 sick leaves for parents to cater for children with healthcare related issues



Glossary



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Glossary

AMB	Agricultural Marketing Board
ARC	Assessment Review Committee
ATDR	Alternative Tax Dispute Resolution
BCAC	Building Control Advisory Council
BOM	Bank of Mauritius
CIDB	Construction Industry Development Board
CITC	Construction Industry Training Council
CJSOI	Commission de la Jeunesse et des Sports de l'Océan Indien
CSG	Contribution Sociale Généralisée
DBM	Development Bank of Mauritius

DIA	Digital Industry Academy
DTAA	Double Tax Avoidance Agreement
EDB	Economic Development Board
ESG	Environmental, Social and Corporate Governance
EUR	Euro
FIAMLA	Financial Intelligence and Anti-Money Laundering Act
FRS	Freight Rebate Scheme
FSA	Financial Services Act
FSC	Financial Services Commission
HNWI	High Net Worth Individuals
IFCM	Industrial Finance Corporation of Mauritius Ltd

Glossary

MIC	Mauritius Investment Corporation
MITD	Mauritius Institute of Training and Development
MRA	Mauritius Revenue Authority
MTPA	Mauritius Tourism Promotion Authority
MUR	Mauritian Rupee
NGO	Non-Governmental Organisation
NHDC	National Housing Development Co. Ltd
OECD	Organisation of Economic Co-operation and Development
ROC	Registrar of Companies
SL	Solidarity Levy

SME	Small and Medium Enterprise
TASS	Tax Arrears Settlement Scheme
TDS	Tax Deduction at Source
TOS	Transit Oriented Scheme
TPMS	Trade Promotion & Marketing Scheme
VAT	Value-Added Tax

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