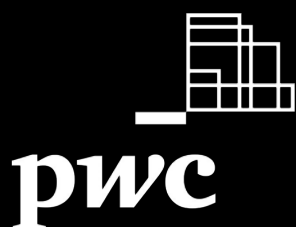
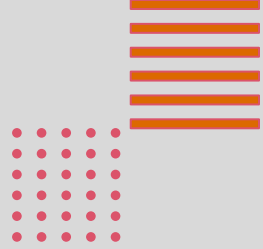


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# National Budget 2023 - 2024




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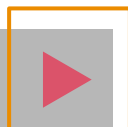
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 Sustainability measures



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1

# Our opinion

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# Our opinion

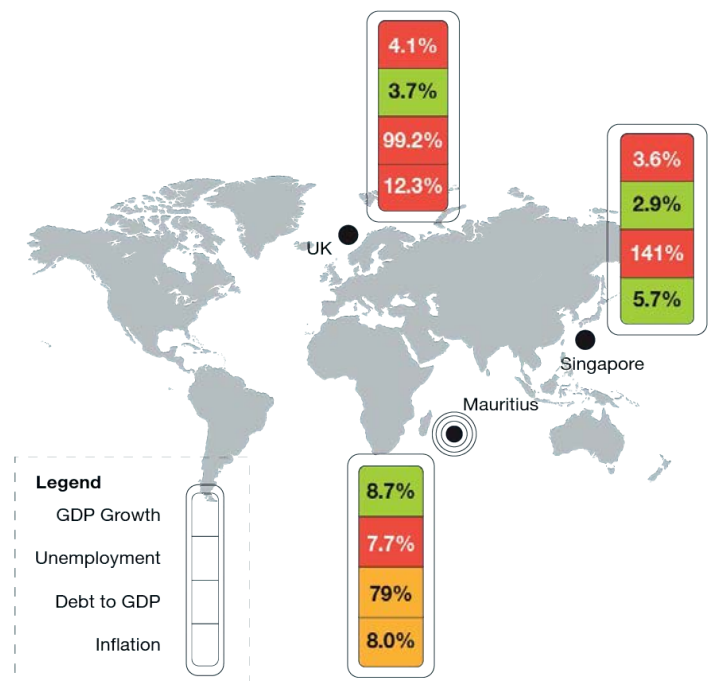


The global economy remains fragile, although the outlook today is slightly more optimistic on the back of improved confidence, with some sectors surpassing pre-pandemic levels. Inflation remains persistently high but is projected to recede gradually in 2023 as global energy and food prices ease off. In recent years, a handout culture has emerged to support the population. However, these measures should be rebalanced as the economy recovers because, once instilled, these will be hard to take back.

Since the 2020 pandemic, the country has been steadily recovering from the plunge in GDP, and our economic indicators are rather impressive, with actual performance exceeding forecasts. Last year, the Mauritian economy grew by 8.7%, with the unemployment rate, and the gross public debt to GDP ratio now at 7.7% and 79% respectively. In comparison to the UK and Singapore, our GDP growth and debt level appear more favourable (refer to figure 1).

However, the drivers underpinning growth as well as the utilisation of the debt facilities should also be considered. The Country's growth depends on consumption, which in turn depends on imports, and this is unsustainable in the long run. Also, whilst Singapore has one of the world's highest debt to GDP ratio, its productive assets far outweigh its debt level. It is critical that we strengthen our productive base and circular economy. The Budget does not go far enough to address these.

Figure 1: A bittersweet affair



\*Figures taken over several periods during years 2022 and 2023.



## Our opinion



Looking ahead, economic growth remains surprisingly high, and the Government seeks to maintain the momentum of the economic recovery through import substitution, diversification and revitalising exports. Long-term, growth is however dependent on the capacity of the labour force, the quality of institutions and conducive macro policies. Unemployment is back down to nearly its pre-COVID level and, although there are some 43,000 unemployed, there is an acute skills shortage in key sectors. Also, operators continue to face institutional bottlenecks and delays in project implementation.

The streamlining of work permits, 4 weeks approval deadline, reduced application threshold, etc, will further open the Country to skilled talents and help to alleviate some of the labour force challenges. In addition, the removal of the solidarity levy is welcome and, although our effective tax rate remains higher than some of our competing jurisdictions, this measure will help restore the Country's attractiveness to foreign investors and expatriates.

The macro measures in the form of grants subsidies, tax rebates and concessional financing to sectors such as agriculture and manufacturing will incentivise local production and support exports in the short term. However, more is needed in the long-term to drive productivity and efficiency to re-engineer the fabric of the economy towards a more sustainable model.

The continued consolidation and promotion of the tourism, financial services and ICT sectors will build more resilience, but these are no game changer policies.



The positioning of the island as a carbon neutral and green certified destination offers interesting prospects but we await to see more in its realisation.

The heavy investments in the road and metro infrastructure in recent years have transformed inland mobility and, looking ahead, international connectivity remains challenging as shipping lines are deserting the island. Whilst the freight rebate scheme helps to reduce costs, the real problem of the inefficient port services is being overlooked; a more buoyant port can help reduce not only export cost but also imports to generate greater economic value.

The Budget continues to rely on Special Funds as a significant source of financing. During the pandemic, over Rs55bn were transferred to these Special Funds for the funding COVID-19 projects and other support schemes. However, implementation delays have resulted in underspending and Rs31bn remains available.

# Our opinion



Rs24bn is to be spent in this year’s programme (refer to figure 2), out of which 46% on infrastructure projects, 33% on assistance and support measures and 21% on sustainability. 57% of the infrastructure projects spending relates to social housing and these do not enhance our productive capacity while the Rs8bn on assistance and support measures have expenditure attributes, with little long-term productive value.

In terms of sustainability, we welcome the spending on beach protection, landslide and flood management as these are essential to adapt to climate change and to preserve the Country’s natural capital. As a low carbon emitter, the Country should focus more on climate change adaptation measures rather than emission reduction in its pursuit for a more sustainable Mauritius.

Whilst the Budget contains a myriad of measures, it remains principally socialist in nature. The Government announced an array of socially geared projects such as the upgrading of sports complex, community centres, health facilities, etc as well as the introduction of various income support allowances. Further, the pension allowance will increase by a further Rs1,000 and over Rs65bn will be spent on social benefits in the coming year; this represents an increase of 16% compared to last year and of 38% since 2021. The burden of the welfare state keeps increasing.

Overall, given the current inflationary environment, some of the measures may be necessary to curtail the loss in purchasing power of the population but the emerging handout culture is worrying as social objectives triumph over economic priorities, and we eat into our future (refer to figure 3).

Figure 2: The money trail

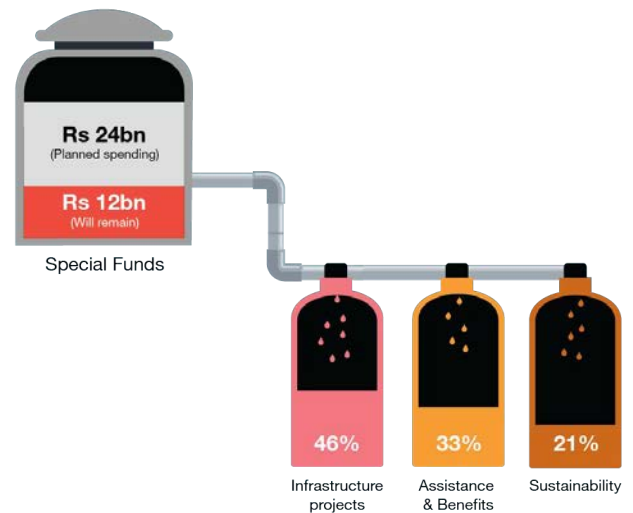
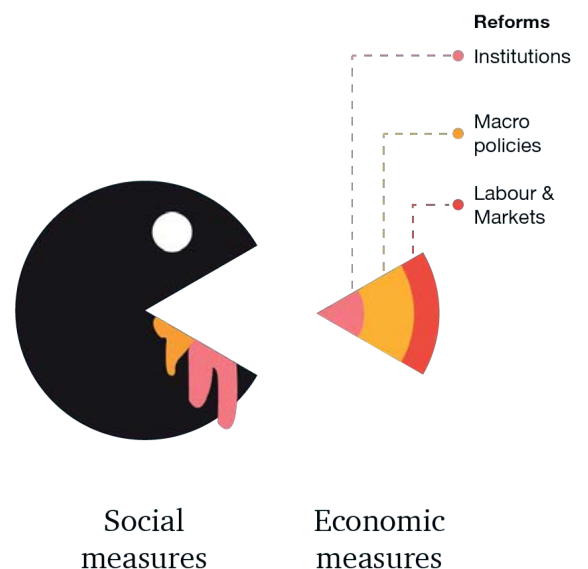
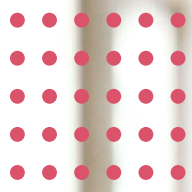
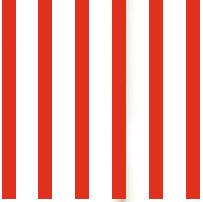


Figure 3: Eating into the future





2

Tax

perspective

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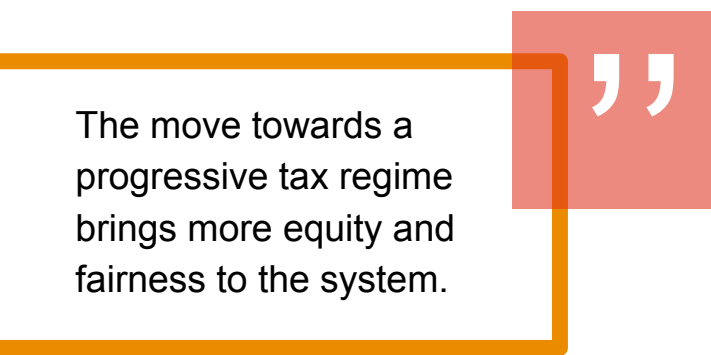




## Towards restoring a competitive environment

The 2023-2024 budgetary measures aim at making Mauritius an even more competitive and attractive destination to work, together with the ambition to attract investments and strengthen the economy. Taxation is one of the premise to attain this aim.

We will now move to a progressive tax system to make it more equitable and fair for taxpayers. This represents a major reform to the long-standing flat rate system. What is also significant is the abolition of the solidarity levy which undermined the competitiveness of Mauritius. With an income tax rate, coupled with a solidarity levy, that can go up to 40%, Mauritius had lost its reputation of a low tax jurisdiction. This was also one of the causes of an exodus of talents. It is encouraging that this tax reform comes together with a streamlining of the immigration rules to attract new talents in the country.



The move towards a progressive tax regime brings more equity and fairness to the system.

The rate of levy applicable to Telephony Service Providers on the turnover component will be reduced from 1.5% to 1%. However, the 1% levy will apply even if the Telephony Service Provider is in a loss making situation. While there are attempts, in the Budget, to move towards a more equitable and fairer tax system, imposing a levy on the turnover of a company making losses does not espouse to this philosophy.

Banks with a taxable income of more than Rs1.5bn will be taxed at a flat rate of 15%, while the rate will be 5% for taxable income below Rs1.5bn. It has now been clarified that the incentive tax rate of 5% has ceased to apply. This means that large banks will have to amend their tax returns for the year of assessment 2022-2023, which comes as a blow to the banking industry. In addition, the rate of levy under the VAT Act has increased to 5.5% for large banks.

Since its introduction in 2006, the list of payers subject to Tax Deduction at Source (TDS) has widened. Insurance companies will need to apply TDS on payments made to panel beaters and spray painters for repairs of motor vehicles of policy holders. Also, interior decorators/designers will be subject to TDS.



## Towards restoring a competitive environment (cont.)

No doubt TDS has enabled the Mauritius Revenue Authority (MRA) to increase its tax base and it is not a surprise to see an increasing number of service providers being subject to TDS in the future. In this context, the collaboration of the MRA is much needed to make the TDS system as seamless and flexible as possible with expeditious TDS refunds, where applicable.

Among others, one of the attributes of an effective and attractive tax system is a business-friendly litigation process. It is a fact that the tax litigation process in Mauritius is struggling with the increasing number of cases, and this is negatively impacting Mauritius as an international financial centre. Tax cases are taking, in some cases, years to be resolved. The initiative to revisit the tax appeal process is welcomed, which will hopefully provide some useful and effective solutions to the problem.

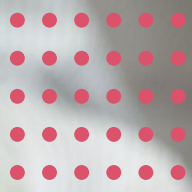
The Tax Arrears Payment Scheme (TASS) will be re-introduced. This is yet another support on the part of the Government to reduce tax disputes and increase tax collections. However, we make an appeal that this measure benefits all taxpayers who are willing to settle their tax matters.

We expected the introduction of tax incentives to position Mauritius as a destination of choice for virtual asset service providers especially in the wake of the Virtual Asset and Initial Token Offering Services (VAITOS) Act. However, the Budget remained silent in this regard.

An effective tax system is key to the economic development of a country. It is encouraging to see that the measures announced in the Budget Speech 2022-2023 have restored some of the attributes of Mauritius as an attractive financial centre. We should, however, continue on that route in an ever-changing and competitive tax landscape.

[Read the key tax measures](#)





# 3

## Public

# Finance

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Budget deficit

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Budget composition

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Expenditure by Ministry

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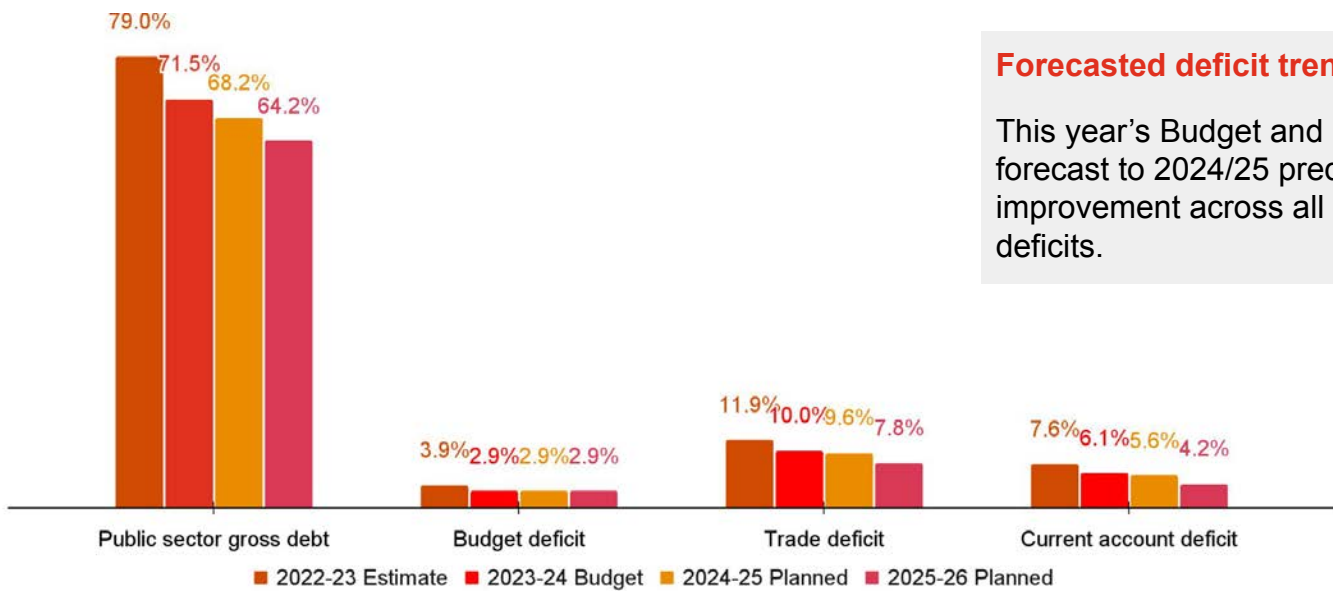
3.4

GDP vs public sector debt

15

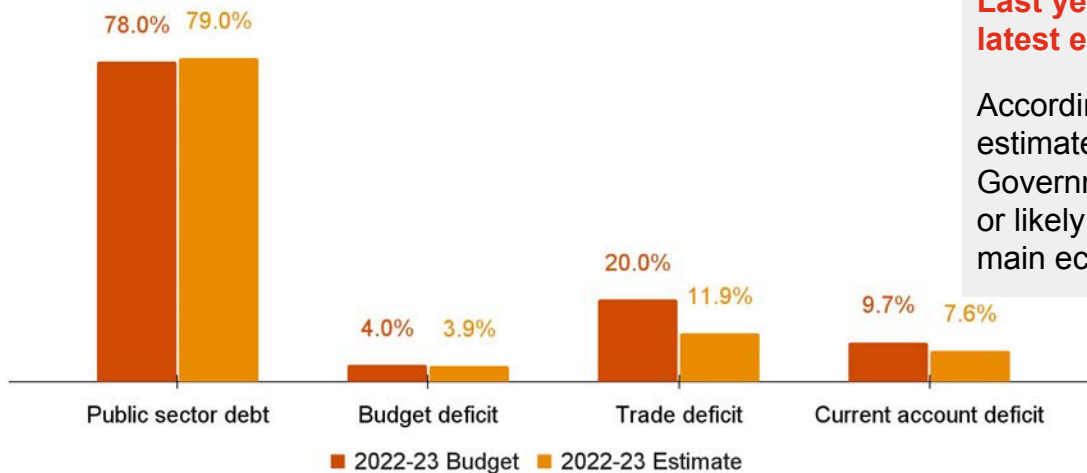


# Public Finance



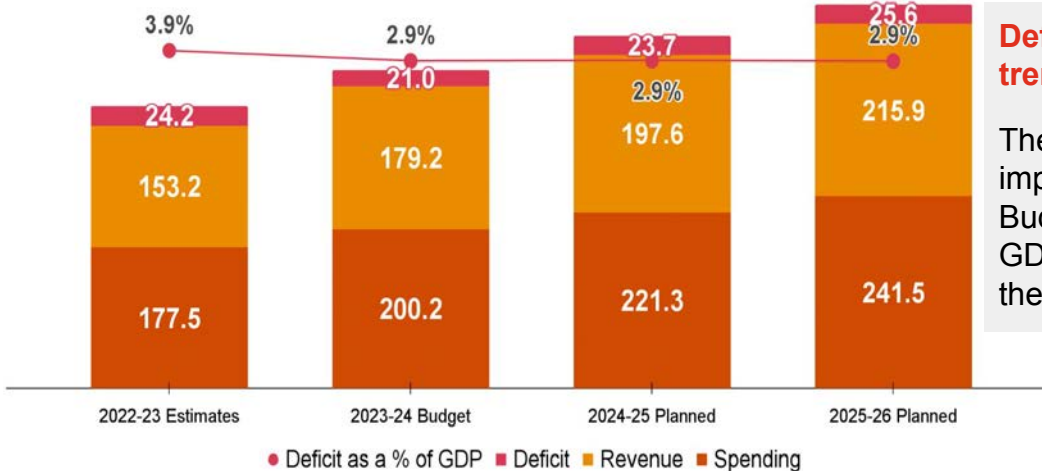
## Forecasted deficit trend

This year's Budget and forecast to 2024/25 predict an improvement across all major deficits.



## Last year's Budget v latest estimate 2022/23

According to the latest estimate of 2022/23, the Government is either close or likely to outperform its main economic targets.



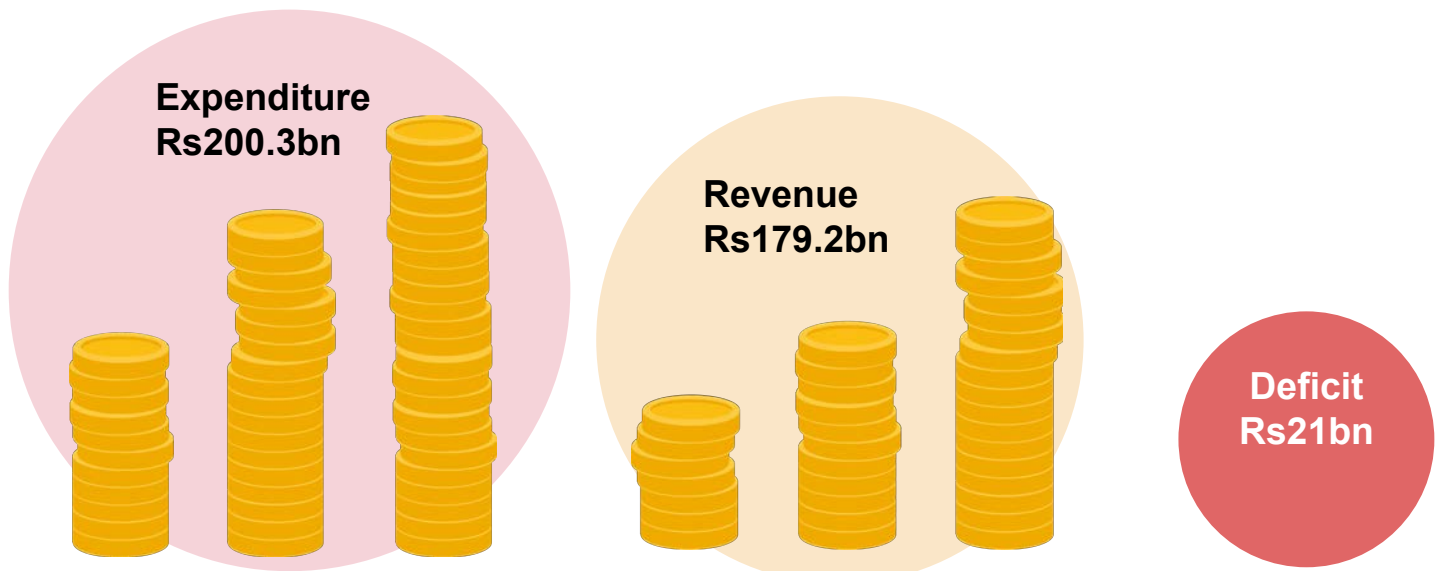
## Deficit as a % of GDP trend

The Government intend to improve on the target Budget deficit as a % of GDP from 3.9% to 2.9% for the next 3 years



## Budget composition

2023/24 Budget Deficit: Rs21bn



### Expenditure

	Rs bn
Old age pension	43.9
Employee compensation	38.9
Subsidies & grants	33.0
Capital expenditure	21.8
Interest	17.8
Social benefits	16.9
Purchase of goods & services	13.7
Others	14.3
<b>Total</b>	<b>200.3</b>

### Revenue

	Rs bn
Value added taxes	61.5
Corporate/Personal tax	47.2
Customs & excise duty	25.4
Grants and social contributions	15.3
Property taxes	4.3
Others	25.5
<b>Total</b>	<b>179.2</b>

### Deficit

Deficit  
Rs21bn

### Major capital projects

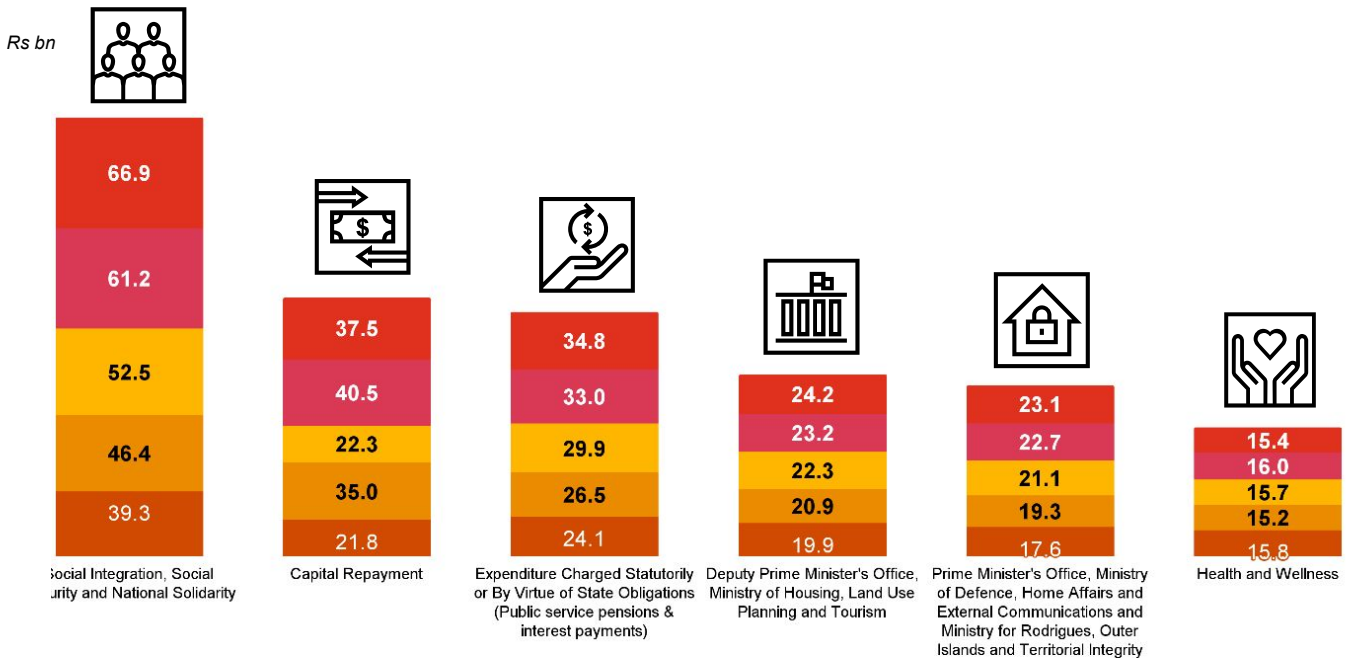
- Metro Express - Rs6.8bn;
- Construction of new runway project at Plaine Corail Airport - Rs7.7bn.

We note that the balance of the Special and other extra budgetary funds is to be reduced from MUR31bn to MUR12bn.

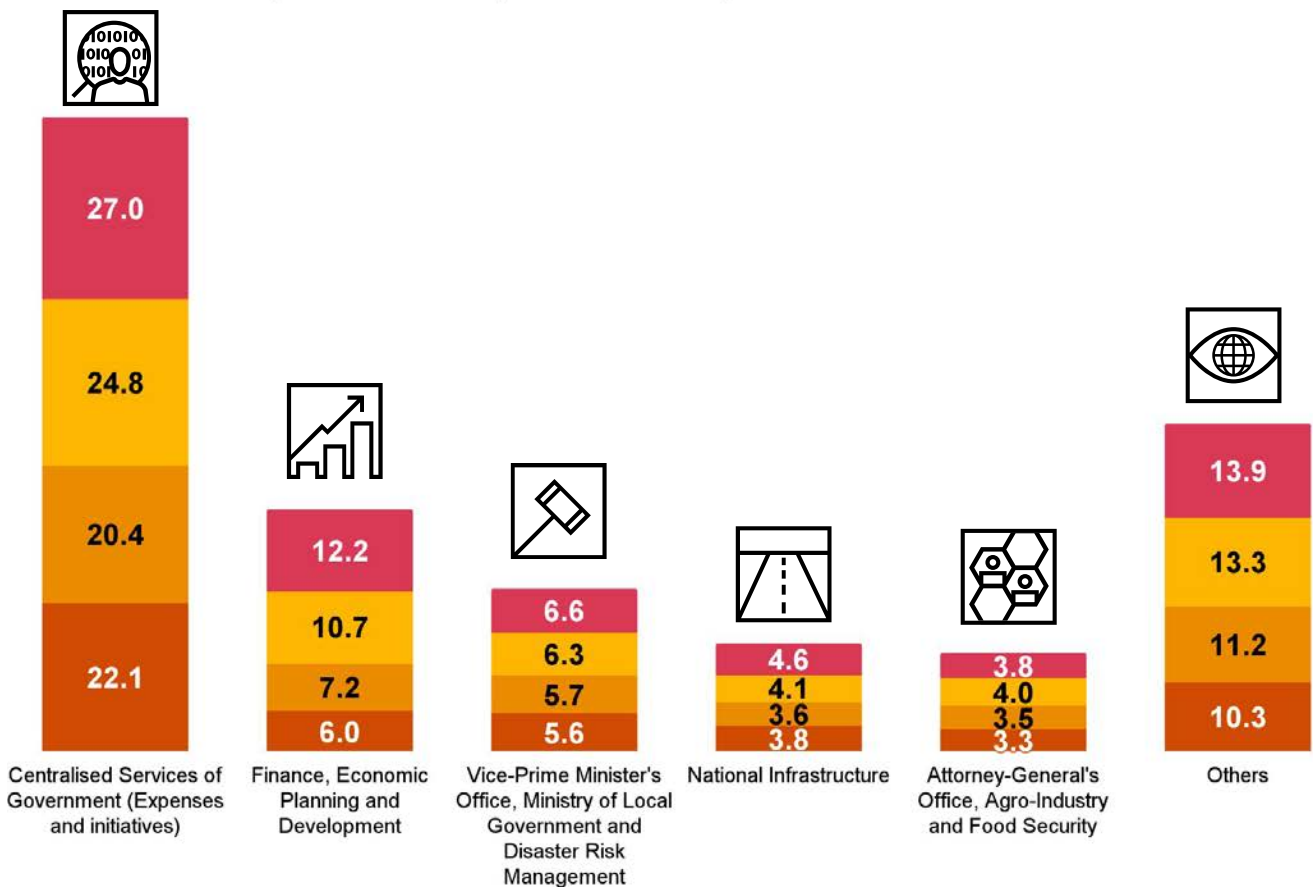
The MUR21bn deficit will be funded via a mix of domestic debts (issue of government securities) and foreign debts (support loans from International Bank for Reconstruction & Development and Agence Francaise de Developpement).

# Public Finance

The Budget has been allocated to each ministry and department identified in the Budget as follows:



■ 2025/26 planned ■ 2024/25 planned ■ 2023/24 planned ■ 2022/23 revised ■ 2021/22 revised

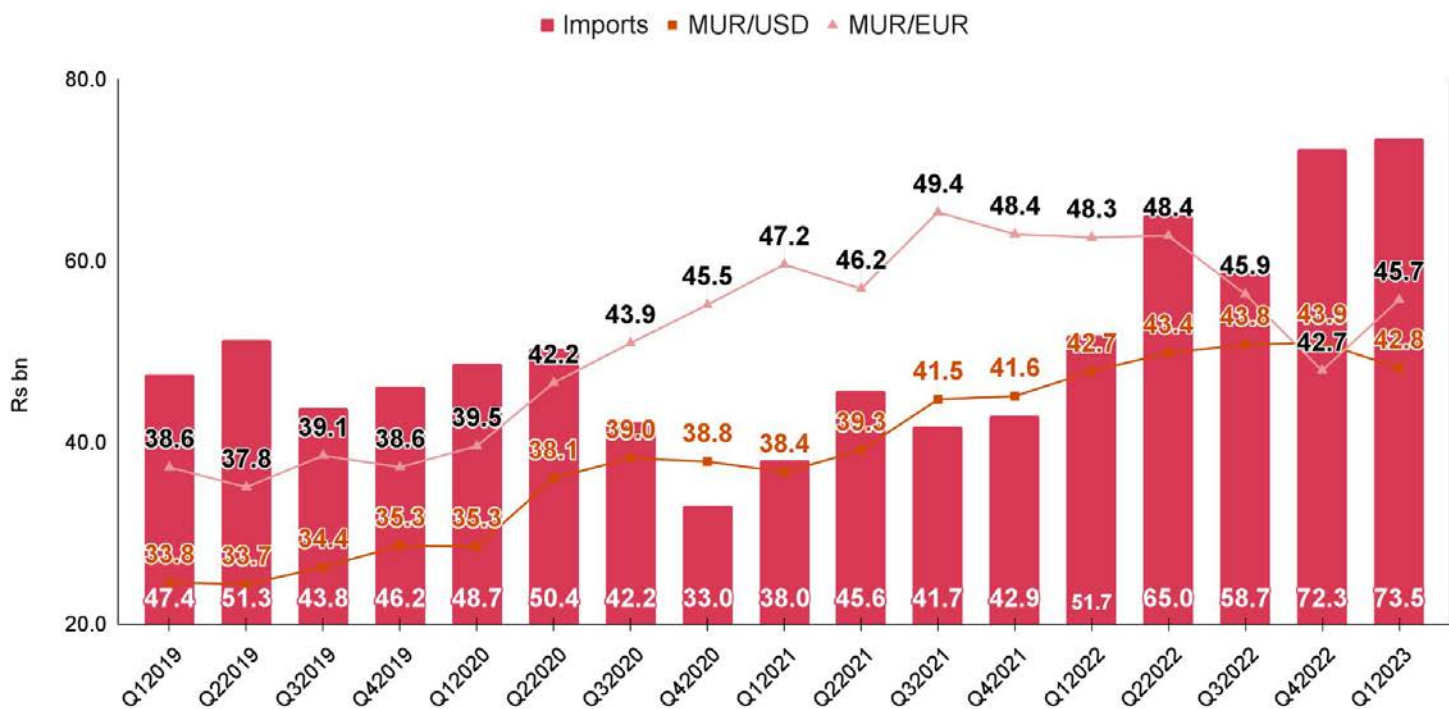


# Public Finance

## Currency depreciation v value of imports

The Mauritian Rupee has depreciated vis-a-vis the USD and EUR at a compounded annual growth rate (CAGR) of 1.5% and 1.1% respectively each quarter since Q1 2019 to Q1 2023.

This has contributed to a quarterly CAGR of 2.8% for the same period on the value of imports.

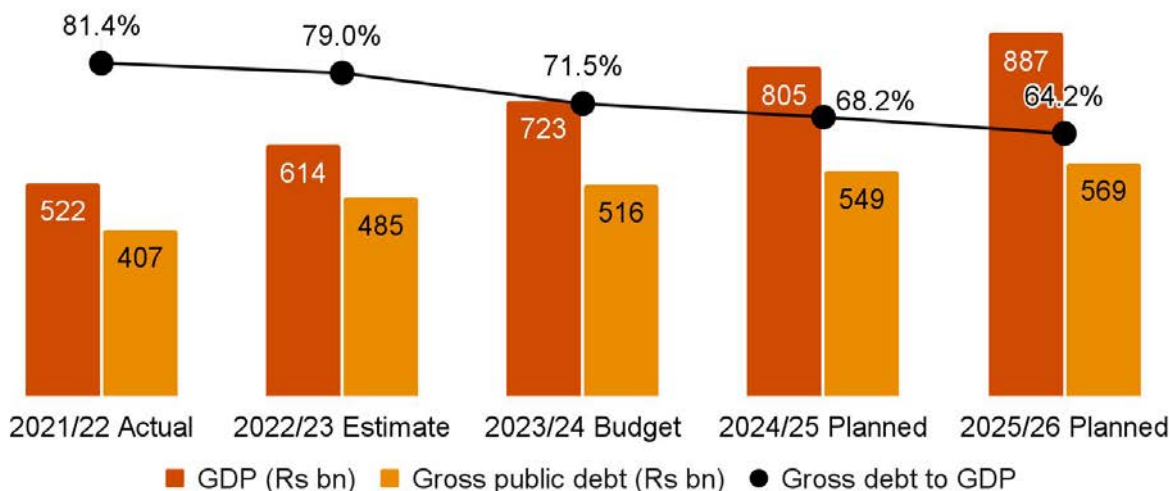


Source of exchange rates: oanda.com

## Gross Domestic Product v public sector debt

The Government has set an ambitious target to reach a gross debt as a percentage of GDP of 71.5% for 2023/24.

Although the debt to GDP ratio is on the decreasing trend since 2020/21, the sustainability of the public debt level should remain a priority.





# 4 Sustainability

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## Key measures



### Gender equality

Series of measures to connect women to opportunities, including listed companies to have a minimum of 25% of women on their boards.



### Energy transition

Continued emphasis towards renewable energy including additional investment in approximately 86 Megawatt of solar projects.



### Afforestation

Planting of 1,000,000 trees.



### Poverty alleviation

Minimum salary increased to MUR 15,000 per month.



### Adapting to rising sea level

Rehabilitation and protection of 20 km of shoreline.

## Sustainability again misses the centre stage

Any issue that has the potential to put the future of our nation and its people in jeopardy merits a bold solution from national policy. At this point in our economic history, no issue is as prominent as climate change and the need for sustainable development. Mauritius' vulnerability to climate change and biodiversity loss has been largely documented. Our island will bear the consequences of rising temperatures, sea levels, intense natural calamities and nature degradation.

This Budget, like in previous years, is only skimming the surface of sustainability. The initiatives being proposed are trying to respond to our country's climate commitment under the UN Paris Agreement, but remain fragmented. It also suggests that the Government's green agenda centres largely around climate mitigation, with only a few measures like flood management and prevention of coastal erosion being aimed towards adaptation. However, Mauritius being a relatively insignificant carbon emitter globally, the focus should be more on climate adaptation measures in order to build resilience in the face of the adverse impacts of a changing climate.

One of the most positive aspects of this Budget is the announcement of a number of initiatives towards **gender equality**. Women are a key pillar of our society and the measures announced will contribute in a great way towards not only creating a resilient economy but a resilient and sustainable society.

The initiative of the Bank of Mauritius to develop a **Carbon Trading Framework** for both blue and green credits is an excellent measure. To succeed, this will now need to be designed and implemented well, and the right market will have to be developed through participation of all relevant stakeholders.



On **energy transition**, like last year, a number of initiatives have been announced, which is a good thing. However, there is not a comprehensive energy transition strategy to meet the ambitious plan of achieving 60% renewable energy by 2030. More needs to be done in the next seven years towards this goal.

The measures announced towards the **blue economy** also fall short of expectations. The Government's aim to increase the share of GDP of our blue economy to 20% in the medium term is unlikely to be met under existing policy decisions. A strategic and integrative framework is required with a new way of thinking about new sources of development opportunities. This requires transformative policy thinking and creative and workable policy instruments.

A number of initiatives have been proposed to support the **agro-industry** mostly in the form of subsidies and loans. However, we don't see any initiative which will significantly change this sector including policies to increase food security, support primary production and ensure that food security programmes are adequately monitored and evaluated in a participatory manner.

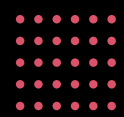
The intention of transforming Mauritius into a **Green-Certified Destination by 2030** is a laudable one. Yet, except for the mentioned reform of the Tourism Authority to foster sustainable tourism development, little has been shared on this. We would have liked to see more on product diversification with ecotourism attributes and on the preservation of our country's natural attractions such as wildlife sanctuaries, national parks, highlands and islands.

At a national level, the Budget lacks a coherent strategy to infuse sustainability into every aspect of economic policy-making - a truly green and ambitious transformation of our economy that will set the tone for our country's future in line with the UN SDGs.

Mauritius needs a national-level plan, with its concomitant package of regulations and legislations that will fundamentally change the way our economy operates, something similar to the EU Green Deal or the Singapore Green Plan.

This Budget has also missed a huge opportunity to position Mauritius as a hub for sustainable finance as the achievement of the UN SDGs in Africa alone requires billions of dollars in financing. Not only could we have aimed to attract funding for our own sustainable development projects but also to become a trusted conduit for channelling investments into Africa and beyond.

As a nation dependent on its natural resources, there is a need to start thinking beyond GDP and start measuring "fully" the true wealth of our country and society. There is a need to set forth an agenda that will see our natural resources being officially recognised as a major stakeholder in our economic decision-making process.



## Number of sustainable measures announced per sector

### Financial Services



Read the measures for  
Financial Services



### Tourism



Read the measures for  
Tourism



### Agri-business & Real Estate



Read the measures for  
Agri-business &  
Real Estate



### Public Sector



Read the measures for  
Public Sector



### Manufacturing and SMEs



Read the measures for  
Manufacturing & SMEs



### ICT



Read the measures for  
ICT





# 5 Sector review

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## 5.1 Financial Services



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### Key measures

- Flat income tax rate of 5% for banks with chargeable income of up to Rs1.5bn and 15% for banks with chargeable income above Rs1.5bn.
- Rolling out of the Digital Rupee in November 2023 on a pilot basis.
- Reinforcement of AML/CFT framework with new set of legislative amendments.



**Some interesting measures but this was not, and probably wasn't meant to be, a game-changing Budget for the sector.**

While this Budget includes some measures with good intentions for the financial services sector, none of them is game changing and they fell short of expectations, especially for the global business sector which is at a crossroad.

There is a renewed focus to ensure that our current AML/CFT framework meets international standards and best practices. This is a continued journey from the prior years' Budget measures and implementations.

Not surprisingly, the most profitable banks are asked to contribute more to the Government's revenue with the change in the taxation rate, which is now flat at 15%. For banks with chargeable income of less than Rs1.5bn, the income tax charge shall remain unchanged.

The Digital Rupee shall become a reality with a pilot run planned for November 2023. However, not enough is said about the digital transformation of the financial services sector.

**Read all the measures announced for Financial Services**





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**Little real ammunition provided to a key booming sector of our economy**

### Key measures



**Objective of transforming Mauritius into a Green-Certified Destination by 2030.**



**Promotion and Destination Marketing Budget for MTPA of Rs500m.**



**Increase in minimum wage to Rs15,000**

Tourism players are in desperate need of quality staff as youngsters desert our hotels for cruise ships and better jobs elsewhere. Will the streamlining of the Occupational Permits and lowering of the threshold really help? We will need to wait to see the details to understand what has really changed.

However, many measures were announced in trying to make Mauritius more sustainable as a destination with incentives (e.g. PET bottle prices etc.) and this will be welcomed as global tourism trends have accentuated the need for this, particularly for a long haul destination.

The Mauritius Tourism Promotion Authority (“MTPA”) budget of Rs500m is actually a reduction of 5% compared to the pre-pandemic budget in 2019. Will this be enough to meet the 1.4m tourists (vs 1.2m in FY23) and Rs100bn sector size targets (vs Rs80bn in FY23)?

**Read the measures announced for Tourism**



## 5.3 Agri-business & Real Estate



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### Key measures



#### **Death of transformative measures for the Agro industry**

The Minister has extended and amended existing measures with only a few smaller new programmes.



#### **Home Ownership Scheme**

Extension of the scheme for an additional year from 1 July 2023 to 30 June 2024.



#### **Senior Living PDS**

Residence permit to retired non-citizens and their family on the acquisition of a senior living PDS exceeding USD200k.



**Drought and meagre pickings after a bountiful harvest for the sector in the last Budget.**

Land under sugarcane cultivation has almost halved in the last 20 years to 40,000 hectares. The Rs75m cane replantation scheme (c.350 hectares of cane) is well-intentioned but barely scratches the surface and we would question the use of state funds to prop up a declining industry.

Mixed results for the agro industry as some of the pleas of the representatives of the agriculture industry, small planters and livestock breeders remain unanswered. Their urgent need for foreign labour and the water scarcity/irrigation challenge have not been adequately tackled and will remain key obstacles in the country's pursuit of self sufficiency.

There have not been any major measures announced for the real estate sector but an extension of existing schemes.

The measures announced for the blue economy leave us wanting more and it feels like another missed opportunity. There's always next year.

**Read all the measures announced for Agri-business and Real Estate**



## 5.4 Public Sector



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#### Key measures



##### Healthcare

Enhancement of health services by allocating Rs15.7bn.



##### Disaster Management

Rs3bn earmarked for infrastructures works in flood prone regions.



##### Sustainability

Investment to achieve a 60 percent electricity production from renewable sources

“

### Rebuilding Resilience

A Budget that fortifies our societal infrastructure.

Be it in schools, hospitals and coastal infrastructure, all these investments are key to better prepare us against unforeseen risks. The announced public sector measures could infuse our economy with renewed vitality. The Government should continue to foster a trusted collaboration with the Private Sector to implement these laudable measures. Citizens' constructive engagement is also essential.

The Nation should benefit from a Public Infrastructure that would encompass technology and sustainability as core of its transformation. Effectively, the Government is attempting to build-back a smarter, and sustainability conscious Nation. It's now time to make the Aspirations become Reality.

So let's seize this spirit of togetherness that the Budget attempts to bring.

Read all the measures announced for Public Sector





## 5.5 Manufacturing and SMEs



**Olivier Rey**

Partner

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**A continuation of existing measures with a push for a greener sector.**

### Key measures



**Decarbonisation and promotion of renewable energy**

50% waiver on the increase in electricity prices for next 2 years



**Extension of existing schemes**



**Increase in minimum wage to Rs15,000**

Most of the key incentives provided in Covid-19 have been extended at the request of the key players (e.g. freight rebate scheme). This will be welcome and provide continued support to a sector in solid growth.

A real effort in pushing the decarbonisation of the sector which should increase its attractiveness to international merchants who are increasingly favouring sustainability centric players.

The lack of skilled resources has been a challenge for some years and has accentuated itself recently. The lowering of the threshold to Rs30,000 per month for migrant workers and streamlining of occupational permits will help, but perhaps not where it is most needed?

SMEs have been hit with an increase in the minimum wage. This will force some to reinvent themselves (e.g. bringing Artificial Intelligence (AI) in). For a sector which represents the backbone of the country's GDP, there could have been bolder measures to provide real impetus to our economy.

**Read the measures announced for Manufacturing and SMEs**



## 5.6 Information & Communications Technology



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**Measures are not game changing...**

This year's Budget could have allocated more importance to this sector and the digitisation of the public services to the citizens.

The ICT/BPO sector suffers from a shortage of talents indeed. Whilst measures announced are related to tax incentives, we, at PwC would have expected a more visionary approach through the African partnership. For example, attracting companies which are specialised in Generative Artificial Intelligence (AI) to come and set campus in Mauritius would have been more avant-garde and would have transformed this sector.

In all emerging economies across the globe, we are seeing digital transformation of public services during the post pandemic period, to bring more swift and efficient services to citizens and to attract talents. The measures announced in this year's Budget do not provide enough to address the digitisation of citizen services in other critical sectors, such as business facilitation, social welfare, education and traffic management.

We shall have to wait for the country's digital revolution...

### Key measures

**Towards a Digital Government**  
Promoting the use of digital technologies to better serve citizens

**Tech-enabled public Healthcare**  
Uplifting the delivery of healthcare services through technology

**ICT/ BPO industry focus**  
Partnerships with African counterparts

**Read all the measures announced for ICT**





# 6 Taxation

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## 6.1 Key tax measures

### **Progressive tax System**

2% to 20% applied on chargeable income

### **Solidarity Levy on Individuals**

Solidarity levy abolished and dividends fully exempt

### **95% exemption**

Interest earned by Collective Investment Schemes or Closed End Funds

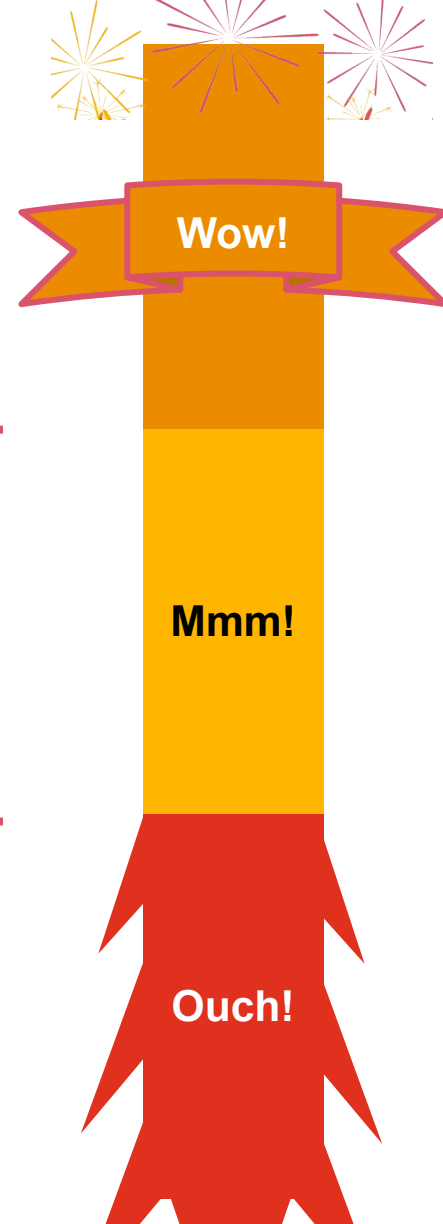
### **Special Levy on Banks under the VAT Act**

Special Levy of 5.5% for large banks

### **Solidarity Levy on Telephony Service Providers**

Loss making telephony service providers required to pay Solidarity Levy at 1% of turnover.

### **Wow - O - Meter**



The progressive tax regime brings more equity and fairness to the tax system. The abolition of the solidarity tax is a step towards restoring the competitiveness of Mauritius.

## 6.2 Corporate Tax

### 95% partial exemption on interest

- Partial exemption on interest earned by Collective Investment Schemes (CIS) or Closed End Funds increased from 80% to 95%.

### Tax Exemption on Green Bonds

- Interest income derived from bonds, debentures or sukuk issued by an overseas entity to finance an approved renewable energy projects (Green Bonds) will be exempted.

### Taxation of banks

- The reduced tax rate of 5% available to banks having a chargeable income in excess of the chargeable income for the base year of 2017/2018 has been abolished as from the year of assessment 2022/2023.

- Partial exemption on interest earned by Collective Investment Schemes ("CIS") or Closed End Funds increased from 80% to 95%.



### Export of Goods

- Profits derived from the sale of aviation fuel to an airline treated as export of goods and taxed at 3%.

### Solidarity Levy on Telephony Service Providers

- Solidarity Levy calculated at 5% of book profit and 1.5% of turnover for profitable telephony service providers have been amended to 5% of book profit and 1% on turnover.
- Loss making telephony service providers will be required to pay Solidarity Levy at 1% of turnover.

### Investment Tax Credit (ITC)

- A 15% ITC granted to manufacturing companies in respect of expenditure incurred on new plant and machinery (excluding motor cars) for a 3-year period (45% in total) has been extended up to financial year 2025/2026,
- Any unrelieved ITC may be carried forward for 10 years.
- Companies engaged in the manufacturing of both alcoholic and non-alcoholic beverages will be allowed to claim the ITC in respect of expenditure incurred on new plant and machinery (excluding motor cars) only on non-alcoholic beverages.

## 6.2 Corporate Tax (cont.)

### Tax deductions

- Double deduction on the cost of setting up childcare centres
- Double deduction granted to companies employing newly recruited women or women who were unemployed for at least a year under the Prime a L'Emploi Scheme.
- A 300% tax deduction granted to companies employing persons with disabilities under the Prime a L'Emploi Scheme.
- Double deduction granted to manufacturing companies in respect of expenditure incurred on market research and product development will no longer be restricted to the African market but is limited to companies having an annual turnover of less than Rs500m.
- Double deduction granted to local companies participating in the financing, sponsorship or marketing and/or distribution of an approved film project under the Film Rebate Scheme, intended for theatrical or media streaming release, subject to the production being at least 90% in Mauritius.

### Waiver of Covid-19 Levy

- All outstanding debts under the Covid-19 Levy as at 20 January 2023 inclusive of penalties and interest will be waived.

### Financial Assistance to Specified Enterprises - Salary Compensation 2023

- A monthly financial assistance will be provided for the payment of salary compensation 2023 of:

Sector	Salary compensation per employee (include an expatriate employee)	Payment terms
Small and Medium Enterprise (SME)	Rs250 or Rs500 (depending on profitability of enterprise)	January 2023 to June 2024 including a double payment in December 2023
Export Oriented Enterprise	Rs300	January 2023 to June 2024 including a double payment in December 2023
Large public bus operator	Rs500	January 2023 to December 2023, including a double payment in December 2023

### Tax holidays

- Additional 5-year tax holiday granted to Mauri-Facilities Management Co Ltd which has been given additional responsibilities under the National Clean-up Campaign.

## 6.3 Personal Tax

### Progressive income tax

- The annual chargeable income of an individual will be taxed as follows:

Chargeable income		Tax rate
0 - Rs390,000	First Rs390,000	0%
Rs390,001 - Rs430,000	Next Rs40,000	2%
Rs430,001 - Rs470,000	Next Rs40,000	4%
Rs470,001 - Rs530,000	Next Rs60,000	6%
Rs530,001 - Rs590,000	Next Rs60,000	8%
Rs590,001 - Rs890,000	Next Rs300,000	10%
Rs890,001 - Rs1,190,000	Next Rs300,000	12%
Rs1,190,001 - Rs1,490,000	Next Rs300,000	14%
Rs1,490,001 - Rs1,890,000	Next Rs400,000	16%
Rs1,890,001 - Rs2,390,000	Next Rs500,000	18%
Above Rs2,390,000	Remainder	20%

### Solidarity Levy

- Solidarity Levy imposed on individuals earning a leviable income of more than Rs3m has been abolished.

## 6.4 Value Added Tax

### Removals, exemptions & extensions

- Removal of VAT on 15 essential products (noodles, toothpaste, toothbrush, etc), medical grade silicone and all musical instruments.
- Removal of VAT and Customs Duty on glass ceramic blocks for dental use.
- Extension of VAT exemption to the construction of a purpose-built building for the provision of primary and secondary education.
- VAT, Customs Duty and Excise Duty exemption to contractors engaged in the construction of social housing units under a Social Housing project implemented by New Social Living Development Ltd. The tax exemptions will be applicable on the procurement of goods (excluding vehicles), works, consultancy services and other related services.
- Zero-rate VAT on instruments and appliances used in medical, surgical, dental or veterinary sciences of HS Code 90.18 (instead of VAT exempt).
- Zero-rate VAT extended to water supplied, infrastructure and renting out of meters by the Rodrigues Public Utilities Corporation.

### Special Levy on Banks

- Special Levy rate increased to 5.5% for large banks





## 6.5 Other Taxes

### Property Taxes

- Home ownership scheme in relation to refund of 5% of the cost of the property up to a maximum of Rs500,000 extended up to 30 June 2024.
- Under the home ownership scheme, refund on properties acquired under the 'vente en l'état futur d'achèvement' (VEFA), will be made in respect of the amount paid by the purchaser under the VEFA agreement up to 30 June 2025.
- A person contracting a secured housing loan under the home loan payment scheme to construct his residence will continue to benefit from a refund of 5% of the loan amount, up to a maximum of Rs500,000, until 30 June 2024. Amounts of loan disbursed up to 30 June 2025 will qualify under this scheme.

### Excise Duty

- Excise duty rebate scheme on motor vehicles extended up to 30 June 2024.

Motor cars	Excise duty rebate
Up to 1,000 cc	55%
Above 1,000 cc, including double/single space cabin vehicle and van	45%

- Negative excise duty scheme of 10% for the purchase of electric vehicles by individuals, up to a maximum of Rs200,000 extended up to 30 June 2024.
- Effective as from 3 June 2023, increase of 10% on excise duty for alcoholic and tobacco products.

## 6.6 Tax Administration

### Statement of Financial Transactions

- A virtual asset service provider and an issuer of initial token offerings will have to report annually to the MRA a transaction made by:

Transactions	Threshold
An individual, a société or succession	exceeding Rs250,000 or transactions exceeding in the aggregate Rs2m in a year.
A corporate	exceeding Rs500,000 or transactions exceeding in the aggregate Rs4m in a year.

### TDS exemptions

- TDS will not apply on fees paid to:

#### Exempt from TDS

a Management Company licensed by the Financial Services Commission (FSC)

an Investment Adviser licenced by the FSC

### Extension of Tax Deduction at Source (TDS)

- TDS applicable on:

Services	Rate
Payment of fees made by insurance companies to panel beaters and spraypainters for repairs of motor vehicles of policy holders.	3%
Interior decorator/Designer	5%



## 6.6 Tax Administration (cont.)



### Tax Arrears Settlement Scheme (TASS)

- Extension of TASS providing full waiver of penalties and interests for tax arrears outstanding under the Income Tax Act, the Value Added Tax Act and the Gambling Regulatory Authority Act, provided the taxpayer registers by 31 December 2023 and pays the tax in full by 31 March 2024.
- TASS also applicable to assessments pending before the Assessment Review Committee (ARC), the Supreme Court or Judicial Committee of the Privy Council.

### Protected Cell Company (PCC) and Variable Capital Company (VCC)

- The MRA will not recover tax owed by a cell of a PCC by having recourse to assets of other cells or non-cellular assets of the PCC.
- Likewise, each sub-fund or special purpose vehicle of a VCC will be treated as a separate entity for the purpose of recovery of tax.

### Power to require additional information from banks

- The MRA will be allowed to request additional information from a bank if a benefit payable by the MRA has been credited in a wrong bank account.

### Tax Administration: Value Added Tax (VAT)

#### Event organiser exempt from payment of VAT

- Event organisers are exempt from payment of VAT on accommodation costs incurred for a qualifying event.

#### VAT refund on residential building, house or apartment - additional condition

- Additional condition to be satisfied to qualify for VAT refund is that the construction value should not exceed Rs 3m.

## 6.7 Immigration

### Occupation Permit (OP)

- Reduction of salary threshold to Rs30,000 for OP as professional.
- Young Professional Occupation Permit (YPOP) opened to all fields of study.

- OP investor and self employed applicants granted 4 weeks from date of issuance of permit to show evidence of transfer of funds



- Bank statement along with a written undertaking to open a bank account within 2 months will be accepted for retired non-citizens instead of opening a bank account at an initial stage.

### Work Permit (WP)

- Abolition of ratio of foreign to local employees for sectors such as construction, Manufacturing, Agriculture and SMEs, including Bakery Operator.
- Application for WP allowed for non-citizens present in Mauritius under a tourist or business visa.
- Approval of WP will be deemed to have been granted upon the issuance of an electronic work permit certificate if no response has been received from the Ministry of Labour, Human Resource Development and Training within 4 weeks of the date of application.

### Work Permit (WP) Cont'd

- Introduction of three tier system to fast track the processing time of WP. Recruiting companies will be classified by the Economic Development Board and each category will have a specific timeframe.
- Maximum duration of stay of 4 years removed for carers who will now be allowed to work in Mauritius as long as their service is required.
- New policy framework for employment of domestic migrant workers (Maids and Babysitters) expected from the Ministry of Labour, Human Resource Development and Training.

### Visa

- Business Visa of 120 days granted to OP applicant without having to leave Mauritius.
- Introduction of 18 months International Expert Training Visa.
- Eligibility to premium visa for medical patients and retirees as well as up to 2 accompanying caretakers.



## 6.7 Immigration (cont.)



### Acquisition of Property

- Residence Permit granted to retired non-citizen and his family on the acquisition of property in PDS project relating to senior living provided:
  1. Acquisition price exceeds USD200,000
  2. Acquirer is older than 50 years old
- Property Acquisition outside existing schemes allowed subject to a payment of an additional registration fee of 10% .The minimum value of the property acquired has been increased to USD500,000.
- The main Residence Permit holder (not his spouse or children) is allowed to acquire only one property.
- Residence Permit granted to a non citizen and his family upon the acquisition of a property of a minimum price of USD375,000 under the sustainable city scheme.



# 7

## Appendix

### Detailed measures announced by Sector

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# 7.1 Financial Services

By John Li



## Key measures



### Bank tax rates

Flat income tax rate of 5% for banks with chargeable income of up to Rs1.5bn and 15% for banks with chargeable income above Rs1.5bn.



### Digital Rupee

Rolling out of the Digital Rupee in November 2023 on a pilot basis.



### AML/CFT framework

Reinforcement of AML/CFT framework with new set of legislative amendments.

## Banks and insurance

- Introduction of a Wealth Manager and Family Officer Licence under Private Banking.



Tax exemption on all interest income derived from bonds used in the financing of sustainable projects.



Development of a Carbon Trading framework by the Bank of Mauritius ("BOM") for all blue and green credits.

- Introduction of the Mauritius Deposit Insurance Scheme and the Mauritius Deposit Insurance Company to protect depositors.
- Setting up of the Centre for International Cooperation (CIC) by the BOM to host international ad-hoc and permanent representations and projects.
- Special levy on banks at a uniform rate of 5.5%.

## Asset Management

- Extending the scope of Variable Capital Companies for family offices and wealth management.
- National risk assessment of money laundering and terrorism financing risks with the assistance of the World Bank.

## Asset Management (Cont)

- Commissioning of an independent assessment of the effectiveness of our AML/CFT system.
- Introduction of a Whistleblowing Act.
- Introduction of a new framework for the licensing and operation of Electronic Money Institutions.
- Increase in partial exemption on interest earned by a Collective Investment Scheme or a Closed End Fund from 80% to 95%.
- Ring fencing of cells within a Protected Cell Company with regards to the recovery of tax owed by a cell. For the purpose of tax recovery, sub funds or special purpose vehicle of a Variable Capital Company will be treated as a separate entity.
- Mandatory reporting by a virtual service provider or issuer of initial token offerings to the MRA for transactions above defined thresholds made by an individual, society or succession and corporates.



## 7.1 Financial Services (cont).

By John Li



### Bank of Mauritius Act

- Repo rate to be re-termed Key rate in connection with the implementation of the new monetary policy framework.

### Sale of Immovable Property Act

- Amendment of the Sale of Immovable Property Act to alleviate hardship of families under the regime of sale by levy.

### Private Pension Schemes Act

- Amendments of The Private Pension Schemes Act regarding transfer of pension benefits, settlement of unclaimed benefits, maintaining records of abandoned funds by the FSC and the setting up of a private pension scheme for the informal sector.

### Insurance Act

- Amendment of the Insurance Act to allow insurance companies to provide non-pecuniary assistance to victims of hit and run road accidents.

### Financial Intelligence and Anti-Money Laundering Act

- Amendment in the The Financial Intelligence and Anti-Money Laundering Act (FIAMLA) to clarify on entities falling under the scope of the Act.

### Securities Act

- Amendment of the Securities Act to allow Funds to invest in loan and similar debt instruments.

### Virtual Asset and Initial Token Offering Services Act

- Amendment of the Virtual Asset and Initial Token Offering Services Act mainly to allow Virtual Asset Custodian to hold custody of securities token and to empower the FSC to set rules for the setting up of a Virtual Asset Register on virtual asset service providers.

**Go back to our opinion  
on this sector**





## 7.2 Tourism

By Olivier Rey



### Key highlights



**Objective of transforming Mauritius into a Green-Certified Destination by 2030.**



**Increase in minimum wage to Rs15,000**



**Promotion and Destination Marketing Budget for MTPA of Rs500m.**

### Sustainability



The objective is to make Mauritius a Green-Certified Destination by 2030.



A Sustainable Tourism Unit will be established within the Tourism Authority to assist tourism stakeholders to meet the above objective.



Renewable energy schemes will be implemented for hotels which will contribute to meeting the sustainability objectives.

### Climate change actions



Rs278m has been allocated for beach rehabilitation projects and coral reef programmes of which 3,3 kilometers of coastline have been completed and 2 kilometers are in progress.

### Visibility of tourism industry

- The amount under the Participation in International Fairs SME Refund Scheme has been increased to Rs250,000.

### Attracting workforce

- Minimum wage increased to Rs15,000.
- Streamlining of occupational permits and reducing of the threshold to Rs30,000.

### Enhancement of child-care

- It will be made mandatory for all hotels to have a nursing room for women.

### Amendments to the Tourism Authority Act

- The Tourism Authority Act will be amended to remove the restriction on the number restaurants a hotel can have under a Tourism Accommodation Certificate.
- An Automatic Identification System will be introduced at the level of the Tourism Authority to better monitor movements of pleasure crafts for safety and security purposes.

**Go back to our opinion on this sector**



## 7.3 Agri-Business & Real Estate

By Olivier Ma



### Key measures



#### Dearth of key measures for the Agro industry

The Minister has extended and amended existing measures with only a few smaller new programmes.



#### Home Ownership Scheme

Extension of the scheme for an additional year from 1 July 2023 to 30 June 2024.



#### Senior Living PDS

Residence permit to retired non-citizens and their family on the acquisition of a senior living PDS exceeding USD200,000.

### VAT Refund Scheme for planters and breeders



VAT refunds on (i) automatic irrigation controller, UV water filtration system, plant support mesh for plants and (ii) cooling tank for breeders.

### Crop Sector

- Extension of the following measures:
  - Grant of 50%, up to Rs500,000, for the construction of up to two sheltered farms;
  - Subsidy of 50% on fertilisers;
  - Subsidy of 75% on potato seeds to SMEs and cooperatives.
- Increase in :
  - Grant on equipment for (i) small planters to Rs250,000 and (ii) cooperatives to Rs300,000;
  - Winter allowance to tea growers by 25% to Rs2.50 per kg;
  - Maximum grant for micro gardens to Rs25,000.

- New measures:
  - Subsidy of 75% on seeds for cabbage, calabash, pumpkin, cucumber and carrot;
  - Grant of 50%, up to Rs300,000, for SMEs and cooperatives engaged in potato processing;
  - Grant of Rs200,000 for set up of seedling production by cooperatives societies.

### Livestock Sector

- Increase in grant by 50% to maximum of Rs225,000 for purchase of cows and extended to goats, sheep and pigs;
- Subsidy of Rs1,000 on veterinary costs;
- Rs200,000 for the construction and upgrading of sheds and purchase of goats and sheep;
- Increase in grant to Rs10,000 for calf breeders;
- Increase in subsidy on animal feed to Rs15/kg.



## 7.3 Agri-Business & Real Estate (cont).

By Olivier Ma



### Sugar Sector



- Extension of the Cane Replantation Scheme for an additional Rs75m;
- Increase in the Cane Revolving Fund Scheme from Rs200m to Rs500m;
- Earmarked amount of Rs22m for the maintenance of irrigation networks in Pointe-aux-Piments, St-Felix and Plaisance;
- Increase in minimum guaranteed price of sugar to Rs27,500 for crop 2023
- Sale of cane trash and woody biomass at Rs3.50/kwH
- For planters producing up to 60 tons of sugar:
  - Subsidy of 50% on fertilisers
  - Payment of premium of the Sugar Insurance Fund Board;
  - MUR150,000 for the acquisition of drip irrigation system;
  - Waive of CESS for crop 2023.

### DBM Schemes

- New agricultural loan scheme at 3.5% p.a. with a ceiling of Rs10m;
- Crop Replantation Scheme at 2.5% p.a. to biomass and afforestation;
- Write-off outstanding loans of more than 20 years and loans of deceased planters and fishermen.

### Blue Economy

- Grant of Rs2,500 for hooks and fishing materials and Rs5,000 to construct fish traps;
- Increase in grant from Rs200,000 to Rs300,000 for the acquisition of canottes;
- Installation of solar-powered lights at jetties to facilitate navigation at night;
- Replace 8 Fish Aggregating Devices;
- Upgrade fisheries posts, jetties and slipways at identified places;
- Increase in lump sum to fishermen above 65 years from Rs52,500 to Rs100,000;
- Increase in compensation to associations returning their licences to Rs200,000;
- Increase in daily Bad Weather Allowance for fishers from Rs575 to Rs650;
- Grant of 50% for construction of hatchery for shrimp farming, capped at Rs500,000;
- Increase in grant for acquisition of semi-industrial fishing boats from Rs4m to Rs6m;
- Exploratory licences for companies willing to conduct assessment of untapped resources in Mauritian waters will be provided with exploratory licences;
- Aquaculture Policy to be reviewed to encourage sustainable aquaculture;
- Introduction of technologies including Artificial Intelligence to provide digital information on sea conditions.



## 7.3 Agri-Business & Real Estate (cont).

By Olivier Ma



### Home Ownership Scheme



Extension of the aforementioned scheme for an additional year to 30 June 2024.

- Eligible buyers of a property for residence benefits from a refund of 5% of the property's cost, for up to Rs500,000.
- For properties under *vente en l'état futur d'achèvement* (VEFA), the refund will depend on the amount paid by the acquirer under the VEFA agreement. The property must be reserved on or before 30 June 2024 and registered not later than 30 June 2025.

### Home Loan Payment Scheme

- Extension of the aforementioned scheme for an additional year to 30 June 2024
  - Individuals who contracted a secured housing loan can benefit from a refund of 5% of the disbursed loan amount, up to Rs500,000 until 30 June 2025.

### Sale of serviced land

- Extension of an additional 2 years, up to 30 June 2026 where promoters of projects under Smart City Scheme (SCS) or Property Development Scheme (PDS) are allowed to sell one plot of serviced land not exceeding 2,100m<sup>2</sup> to a non-citizen holder of an Occupation permit, a Permanent Residence Permit or a Residence Permit.

### Acquisition of property in a PDS project relating to senior living

- Amendment of the Immigration Act to grant residence permit to retired non-citizens aged above 50 years and their family on the acquisition of a senior living PDS property exceeding USD200,000.
- This amendment will be backdated to 27 April 2019.

### Sustainable City Scheme

- Amendment of Non-Citizens (Property Restriction) Act to allow non-citizens to acquire residential property in a sustainable city, similar to the SCS.
- Amendment of the Immigration Act amendment to allow non-citizens and their family to be granted a residence permit on the acquisition of property of a minimum price of USD375,000 under the SCS.

### Sale by Levy

- Amended of the Sale of Immovable Property Act to alleviate the hardship of families where the seized property is the "logement familial".

### Transit Oriented Scheme (TOS)

- The EDB will amend the TOS to create vibrant, walkable and mixed-use areas within a radius of 1 kilometre of metro stations.

## 7.3 Agri-Business & Real Estate (cont).

By Olivier Ma



### Processing fees for the property schemes



Processing fees for Integrated Resort Scheme (IRS), Real Estate Scheme (RES), Invest Hotel Scheme (IHS), and SCS will be standardised.

- A new processing fee of Rs25,000 per application will be introduced for non-citizens acquiring “Ground plus two apartments” and for residence permit applications under the residential schemes.

### Construction Industry Development Board (CIDB) Act

- Amendment of the CIDB Act to waive the mandatory requirement for foreign and local contractors collaboration. This applies when a foreign firm is needed for a project and no suitable local counterpart is available due to industry size or specific expertise required.

### NHDC Housing Estates

- Construction of 8,000 housing units (compared to 12,000 announced last year)
- Waterproofing and remedial works in existing units.
- Construction of fire escape staircases in certain regions.
- Removal of asbestos and rehabilitation of Ex-CHA houses.

### Sugar Industry Efficiency Act

- Amendment to the Sugar Industry Efficiency Act to include:
  - Land conversion applications to be made on the National E-Licensing System and;
  - New Social Living Development Ltd exempted from paying the Land Conversion Tax.

### Casting of Roof Slabs Grant Scheme and Purchases of Building Materials Scheme

- Increase in grants:
  - From Rs100,000 to Rs130,000 for households earning up to Rs15,000 instead of Rs10,000 monthly;
  - From Rs50,000 to Rs100,000 for households earning up to Rs20,000 monthly;
- Extension of the above schemes to households earning from Rs20,001 to Rs30,000 monthly, with a maximum grant of Rs75,000.

**Go back to our opinion on this sector**



## 7.4 Public Sector

By Rajeev Basgeet



### Key measures



#### Healthcare

Enhancement of health services by allocating Rs15.7bn.



#### Sustainability

Investment to achieve a 60 percent electricity production from renewable sources



#### Disaster Management

Rs3bn earmarked for infrastructures works in flood prone regions.

### Public Infrastructure

- Extending the metro project to connect St Pierre and La Vigie
- Rs3bn earmarked for infrastructures works in flood prone regions
- Rs1.6bn earmarked to mitigate the impact of climate change on our coast
- Rs278m allocated for beach rehabilitation works
- Rs3.4bn earmarked for the building of new roads
- Construction of 8 satellite Fire Stations in various localities
- Construction of 8,000 housing units

### Healthcare

- Rs15.7bn earmarked to enhance health services
- Investment of Rs180m for an e-health project
- Rs2.2bn allocated for the modernisation of Health Infrastructure
- Rs210m earmarked to equip the New Cancer Centre with high-tech equipment
- Recruitment of 1,400 staff in the public health sector
- Introduction of 5 days leave in cases of pregnancy loss

## 7.4 Public Sector (cont.)

By Rajeev Basgeet



### Education

- Rs600m allocated to the improvement and building of new schools
- Increased provisions of aid for Special Education Needs (SEN) schools by 23 percent
- Recruitment of 414 teaching staff in primary, secondary and SEN schools, and 50 school clerks
- Rs500m has been allocated to upgrade 70 primary schools
- Free pre-primary education to ensure free education till tertiary education
- Improvement of 100 public pre-primary schools

### Law and Order




- Rs11.8bn earmarked to the Police Force
- Recruitment of 1,000 police officers
- Acquisition of vehicle and security equipment for the ADSU
- Acquisition of High Patrol Vessel for the NCG to track illicit activities on the high seas
- Renovation of the old Supreme Court building, the New Court House and the Flacq District Court
- Rolling out of an e-judiciary system for judges and the Supreme Court registry

## 7.4 Public Sector (cont.)

By Rajeev Basgeet



### Utilities

- Reduction in the price of petrol from Rs74.10 to Rs69 per litre
-  Investment to achieve a 60 percent electricity production from renewable sources
-  Installation of 6 Megawatt Solar PV on the rooftop of 200 state schools
-  Investing in 14-Megawatt of Solar PV at the airport
-  30 percent subsidy for the purchase of electric buses
-  Launching of a one million Tree plantation programme
- Rs117m earmarked to address water shortage
- Rs200m for the construction of new and upgrading existing water treatment plants
- Construction of 10 new service reservoirs with a capacity of 3000 metres cube
- Rs1.3bn for the implementation of sewerage infrastructure projects

### Leisure

- Provision of a retirement pension scheme to registered artists
- Allocation of Rs53m for participation of athletes in the Indian Ocean Island Games 2023
- Provision of Rs20m for the organisation of recreational activities across the island
- Investment of Rs80m to upgrade the Anjalay Coopen Stadium to host concerts
- Opening water sports centres on our beaches
- Recruitment of 500 beach lifeguards to service public beaches across the island

### Employment

- Government contribution of Rs15,000 per month to newly employed women
- Provision of workplace-based childcare in companies employing more than 250 employees
- CSG Income Allowance of Rs1,000 for income earners earning up to Rs50,000 monthly
- Introduction of a “Revenu Minimum Garanti” of Rs15,000 per month for employees



## 7.4 Public Sector (cont.)

By Rajeev Basgeet



### Rodrigues and Agalega

- Investment of Rs7.7bn for the construction of a new runway at Plaine Corail Airport
- Rs130m earmarked for the construction of 30 km of track roads in Rodrigues
- Construction of 50 social housing units and a refugee centre in Agaléga
- Provision of Rs250m for the acquisition of two tugs for Agalega
- Rs10m has been provided for the deployment of the Rainwater Harvesting Scheme in Rodrigues

### Other Measures

- Minimum of 25 percent of women on the board of listed companies
- "Provision of CSG Child Allowance of Rs 2,000 monthly
- for some 48,000 children aged up to 3 years"
- Enhanced allowance of Rs15,000 for children with special needs
- A grant of Rs20,000 for youngsters reaching 18 years
- Increasing the basic retirement pensions to Rs11,000
- Subsidy of Rs4.7bn to maintain the price of LPG, flour and rice

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on this sector**



## 7.5 Manufacturing & SMEs

By Olivier Rey



### Key measures



#### Decarbonisation and promotion of renewable energy

50% waiver on the increase in electricity prices for next 2 years



#### Increase in minimum wage to Rs15,000



#### Extension of existing schemes

### Manufacturing

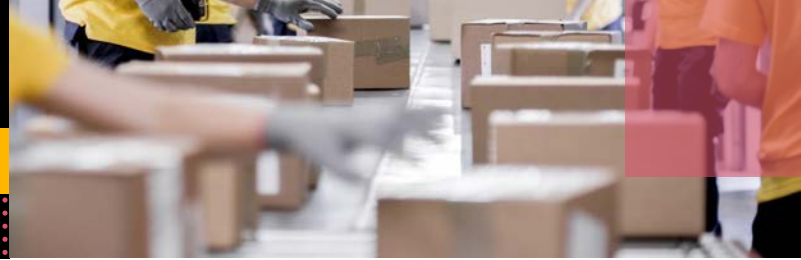


To promote the manufacturing sector as a carbon-neutral industry, the following decarbonisation and renewable energy measures are proposed:

- 50% waiver on the increase in electricity prices for next 2 years for companies moving towards 100% renewable energy
- 75% subsidy for the conduct of energy audits
- Maintenance of the following for another year:
  - Freight Rebate Scheme and Trade Promotion and Marketing Schemes to facilitate exports by sea and air
  - 50% reduction in export port charges
  - The Export Credit Guarantee Scheme
- Extension of the investment tax credit to all manufacturing companies for the next 3 years
- Renewal of the Africa Warehousing Scheme with regards to exports to Tanzania for a period of 3 years
- Opening of our economy to foreign talents by reforming the migration policy and reducing occupational permit to Rs30,000

## 7.5 Manufacturing and SMEs (cont).

By Olivier Rey



### SMEs

- Minimum wage increased to Rs15,000
- Streamlining of occupational permits and reducing of the threshold to Rs30,000.
- Maximum grant provided under the SME Support Scheme increased to Rs250,000
- Extension of SME interest-free loan scheme and the Covid-19 Special Support Scheme up to June 2024
- Salary compensation up to Rs500 for SMEs maintained
- Write-off of long outstanding loans of more than 20 years and loans of deceased micro entrepreneurs
- 10% increase in the margin of preference for public procurement of goods for Women owned MSMEs
- Extension of the Green Energy Loan scheme to SMEs for the production of electricity on the rooftop of their buildings up to a maximum amount of Rs1m.
- 30% margin of preference for SMEs for infrastructural projects
- Public contracts below Rs30m reserved for micro and small enterprises
- Micro-enterprises allowed to bid for contracts of up to Rs1m without a minimum turnover requirement
- Extension of DBM loan of up to Rs25m at a concessional rate of 3.5% per annum
- The SME Employment Scheme extended for another year
- The SME Refund Scheme and the SME International Fairs Refund Scheme extended to Rodriguan SMEs participating in trade fairs
- Increase in the amount under the Participation in International Fairs SME Refund Scheme by 25% to Rs250,000.



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## 7.6 Information & Communications Technology

By Jean-Pierre Young

### Key measures



#### Towards a Digital Government

Promoting the use of digital technologies to better serve citizens



#### Tech-enabled Public Healthcare

Uplifting the delivery of healthcare services through technology



#### ICT/ BPO industry focus

Partnerships with African counterparts

### Digital Government

- Digitisation of the Fisheries industry through AI to provide digital information on sea conditions
- 'MoKloud' digital signature on public sector employees' payslips as proof of authenticity
- IslandService Platform - One stop shop portal for citizens' hiring of services from the informal service sector
- Extension of the MauPass platform to the corporate sector for digital service access
- Rolling out of an e-Judiciary system for judges and the supreme court registry
- Implementation of an electronic inventory management system (e-IMS) to facilitate recording in the Government Asset Register

### Tech-enabled Public Healthcare

- Rs180m for the implementation of the e-Health system to enable the 'One Patient – One Record' for every Mauritian Citizen
- Collaboration with the World Health Organization for the development of a SMART Health Mobile App and the enhancement of the District Health Information System
- Introduction of an AI-enhanced electrocardiography test in public hospitals

# 7.6 Information & Communications Technology (cont.)

By Jean-Pierre Young



## BPO and ICT Sector

- Partnership of new campuses or local training institutions with African counterparts

## Other Measures



Introduction of a Carbon Neutral Scheme by the CEB for the ICT sector

- Roll out of a pilot basis digital rupee as from November 2023
- Upskilling of 2,000 individuals in fields including ICT/BPO
- Launch of developer’s portal for testing of the Electronic Billing Systems (EBS) for standard e-invoicing

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## 7.7 Sustainability

By Julien Tyack



### Energy Transition

SDG



Energy transition is aimed towards climate change mitigation and is one of the key objectives of the Mauritius NDCs for complying to the Paris Agreement. Some of the key measures included:

- Introduction of renewable energy schemes for hotels, commercial centres, shopping malls and the agricultural sector
- A carbon neutral scheme for the ICT sector
- Renewable energy facilities of 32 Megawatts floating solar PV systems at Tamarind Falls
- Install solar PV kits on rooftops of social housing units
- Commission 33 Megawatts of solar PV systems at multiple locations on the island
- Develop a Pump Storage hydropower plant between Mare Longue and Tamarind Falls Reservoirs
- DBM Ltd and UNDP will install solar PV of 6 Megawatts on the rooftop of 200 state schools across the island
- Airports of Mauritius Ltd will invest in a 14-Megawatts solar photovoltaic system in line with the greening of the airport
- DBM Ltd to extend the Green Energy Loan scheme to SMEs for the production of electricity on the rooftop of their buildings up to a maximum amount of Rs1M
- Solar powered street lighting will be installed across the island to replace LED and other lighting



### Gender Equality



Gender Equality came out as a key theme in this year's Budget and included measures like:

- Minimum 25% women on boards of listed companies
- 10% increase in margin of preference for public procurement of goods from companies owned by women entrepreneurs
- Prime à L'Emploi Scheme where government contributes Rs.15,000 per month for newly employed women
- Childcare related infrastructure in workplaces



## 7.7 Sustainability (cont.)

By Julien Tyack



### Sustainable Finance

Novel measures towards sustainable finance include:

- The exemption of interest income derived from bonds to finance renewable energy projects is being extended to all sustainable projects
- The Bank of Mauritius will develop a Carbon Trading framework for both blue and green credits
- ESG-related projects will be included under the Premium Investor Certificate Scheme

### SDG



### Climate Adaptation

This Budget has many climate adaptation measures including:

- Rs3bn to pursue our efforts to make regions across Mauritius safer
- Rs1.6bn under the National Environment and Climate Change Fund (NECCF) for projects
- Rs278M is being allocated for beach rehabilitation works, lagoons and coral reefs programme
- Rehabilitation of another 20 km of eroded shoreline at 21 priority sites over the next 5 years
- Rs75M under the Cane Replantation Scheme which has enabled the replantation of 1,000 arpents of land over the last two years
- Launch a one million Tree Plantation Programme



### Access to Education

Education sector measures include:

- The provision of more teaching staff
- Free pre-primary education as from 01 January 2024.
- Grant in Aid to Special Education Needs schools increased by 23 percent to Rs191M



## 7.7 Sustainability (cont.)

By Julien Tyack



### Food Security

SDG



Food security is essential for a resilient economy and some of the measures announced that will help towards that cause are:

- The grant of 50 percent, up to a maximum of Rs500,000 for the construction of up to two sheltered farms
- 50 percent subsidy for purchase of fertilisers
- 75 percent subsidy on potato seeds to SMEs and cooperatives.
- New agricultural loan scheme from DBM at 3.5% interest with a maximum ceiling of Rs10m



### Public Transport Decarbonisation



As part of the public transport decarbonization program, multiple measures are being announced, including:

- Extension of the metro
- 30% subsidy towards procuring electric buses
- IFCM providing loans at concessional rates to purchase fully electric buses
- Extension of the Negative Excise Duty for electric vehicles



### Access to Water



To encourage rainwater harvesting and enhance water usage and management, Government will:

- Provide a grant of 60,000 to households with monthly income of less than Rs10,000
- Implement programmes in around 110 schools, NGOs and associations
- Introduce new Water Resources Bill to provide for a resilient and efficient water resources management
- Introduce National Water Usage Policy



## 7.7 Sustainability (cont.)

By Julien Tyack



### Access to Healthcare

SDG



Health care will further be enhanced by the following measures:

- Rs2.2bn for the modernization of health infrastructure
- The e-Health system will enable the 'One Patient – One Record' for every Mauritian Citizen
- Rs20m for increased screening for cancer risks assessments and early detection
- The Artificial Intelligence-enhanced Electrocardiography test will be introduced in public hospitals



### Sustainable Living

Several measures have been announced to contribute towards a sustainable way of life:

- Connectivity to metro stations
- Health monitoring for the elderly
- Support to victims of domestic violence
- Regulation to put in place the right infrastructure for the uptake of electric vehicles



### Social Welfare

A series of social benefit measures have been announced aiming at reducing inequality and combating poverty. These include:

- Support for housing under the National Database for Vulnerable Groups.
- Investment of Rs500m over the next 5 years to implement national social projects.
- Construction of 8,000 housing units in the next 18 months.
- Construction of sports complexes, gardens, gyms and health tracks.
- A CSG Child Allowance of Rs 2,000 monthly for some 48,000 children aged up to 3 years.
- Introduction of the « Revenu Minimum Garanti » of Rs15,000 as from the 1st of July 2023
- All basic pensions will be at Rs11,000



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## 8. Our Budget 2023-2024 content



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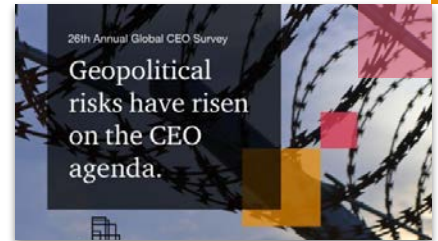
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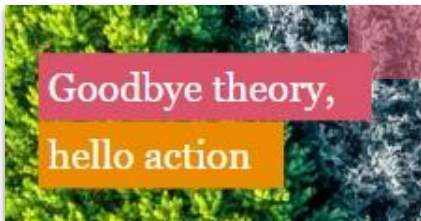
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