

For the people, By the people





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Partners

This report would not have been possible without the support of our partners, whose contributions were instrumental in facilitating the successful execution of this initiative.

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CEO *Message*



The National Budget is a critical tool for economic planning and governance, outlining the government's fiscal policy priorities and its commitment to sustainable development, inclusive growth, and macroeconomic stability. It serves as both a roadmap and a statement of intent, reflecting the administration's economic philosophy and its vision for national progress.

This budget has been formulated against a backdrop of global economic uncertainty, persistent inflationary pressures, growing interest in agricultural development, and a continued emphasis on education, infrastructure, and employment. It is guided by the strategic objectives outlined in national development frameworks and shaped by both domestic needs and global trends.

This budget report presents a comprehensive overview of the country's projected revenues, planned expenditures, and key policy initiatives for the fiscal year 2025–2026. It aims to offer stakeholders, from businesses to civil society, a clear understanding of the government's economic direction and areas of focus.

It outlines projected allocations across critical sectors, including education, healthcare, infrastructure, renewable energy, social protection, and economic diversification. It also captures ongoing efforts to improve domestic revenue mobilization, enhance public financial management, and ensure greater transparency in the use of public resources.

The report highlights how fiscal policy may be used to support resilience, encourage productivity, and attract both local and foreign investment. The importance of sound governance and institutional efficiency remains central throughout, particularly in building confidence across the public and private sectors.

Through responsible financial planning and strategic investments, the government aims to maintain economic momentum, foster inclusive development, and improve the overall quality of life for all citizens. This report provides the analytical foundation for understanding the measures announced and their potential implications across various sectors of society.

Anouska Vencanah
Founder & CEO, VCapital LTD



EXPERT *Insight*

The Mauritius National Budget 2025–2026 is being presented at a defining moment, with a strong focus on rebuilding the economy, ensuring fiscal discipline, and reinforcing social cohesion.

Following the release of the ‘State of the Economy’ report in December 2024, it is evident that meaningful sacrifices will be necessary across all sectors of society to support the nation’s recovery. The Government has reaffirmed its commitment to responsible budgeting, prioritising the reduction of national debt as a critical step toward restoring financial stability.

Strategic emphasis will be placed on consolidating key economic sectors, such as Finance, Tourism and Agriculture to stimulate growth and boost national revenue. Significant reforms are expected to drive investment, restore private sector confidence, and align development with long-term sustainability goals.

The private sector will be expected to play a vital role in this transformation, working together with government initiatives to enhance Mauritius’s credit ratings with international agencies such as Moody’s. This budget will set a pragmatic and forward-looking tone for the years ahead.

Neeraj Sookaul
Group Compliance | Corporate Services Summit Private Equity

Country's *Economic Overview*

In 2024, Mauritius continued on a path of post-pandemic recovery, maintaining steady economic momentum despite global uncertainties. The country's GDP growth rate is projected at 5.1%, following growth of 5.6% in 2023 and 8.7% in 2022. While growth has moderated, it reflects a more stable and sustainable trajectory.

Inflationary pressures have eased considerably. After peaking at 10.8% in 2022 and falling to 7% in 2023, inflation has further declined to 3.7% in 2024, driven by improved supply chain conditions and prudent monetary policies. However, fiscal consolidation remains a challenge. The budget deficit for 2023-2024 stands at approximately Rs 38 billion, highlighting the need for careful expenditure management.

Public debt has shown a gradual decline, moving from 88.9% of GDP in June 2022 to 84.7% in 2023, and further down to 83.4% in 2024, reflecting efforts toward responsible budgeting and debt reduction. The 2024-2025 measures are expected to decrease public sector debt further.

Sector-wise, financial services and tourism remain key pillars of the economy, with tourism benefitting from strong international arrivals. The real estate and construction sector remains active, supported by ongoing development projects. Agriculture is adapting through modernization efforts, while the blue economy will try to gain traction with potentially increased investment in marine resources. Education continues to evolve, with digital learning and skills development being key areas of focus.

Overall, Mauritius in 2024 presents a picture of cautious optimism, balancing growth with structural reforms and financial discipline. For 2025-2026, we may expect more reforms and tightening of public expenditure.

Sectors





Agro Industry

The Budget outlines a transition toward technologically driven and sustainable agriculture to improve food security and reduce dependence on imports. Innovation is at the heart of this transformation, with a focus on **vertical farming, smart production methods, and strategic land use**.

Key Measures:

- **Rs 800 million** allocated to support farmers, breeders, and planters;
- Introduction of vertical and indoor climate-controlled agriculture;
- Encouraging the use of **AI tools among SMEs in food production**;
- Landscape to initiate food security projects using public land;
- Guaranteed revenue of **Rs 35,000 per ton** for small-scale sugarcane planters.

These measures aim at offering strong potential to modernise local agriculture and enhance resilience. However, the success of the agro-industry transformation will depend on the accessibility of technology, training for smallholders, and long-term land productivity planning.



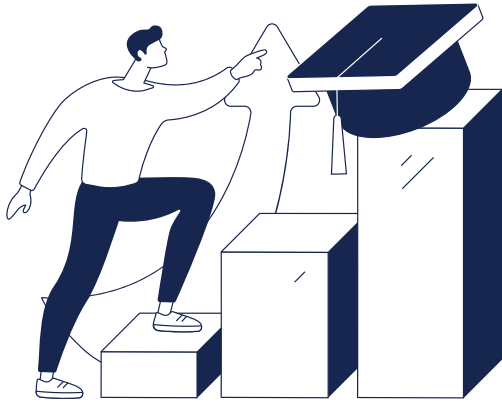
Tourism & hospitality

The measures taken for the Tourism and Hospitality industry aim towards quality and sustainability, to reduce environmental impact while **improving visitor experience** and increasing value per tourist.

Key Measures:

- Development of a national tourism blueprint with private sector input;
- Introduction of **AI and smart technologies** in tourism management;
- Focus on off-season travel, new markets, and diversified offerings;
- **Rs 900 million** allocated to the Ministry of Tourism;
- Implementation of **eGates at airports** to improve visitor experience.

The sector's repositioning signals an adaptive response to global tourism trends. Effective implementation of the blueprint and collaboration with stakeholders will be essential to maintain competitiveness while achieving sustainability goals.



Education

Recognising education as a cornerstone of long-term development, the Budget promotes a structural overhaul **to improve quality, inclusiveness**, and Mauritius' international **positioning in higher education and research**.

Key Measures:

- **Rs 438 million** allocated for infrastructure upgrades;
- New governance bodies: National Education Council and Curriculum Advisory Board;
- Promotion of Mauritius as a regional higher education hub;
- Expansion of international student accommodation and targeted marketing;
- **Rs 20 million** allocated to students with **Special Educational Needs (SEN)**.

The sector is receiving clear strategic attention, with a forward-looking agenda. Its success will rely on cross-sector collaboration, sustained funding, and aligning educational outputs with evolving labour market demands.



Blue *Economy*

The blue economy is being developed as a strategic growth area. The Budget commits to formulating a comprehensive policy blueprint that balances economic potential with marine conservation.

Key Measures:

- Introduction of **“Assise de l’Océan”** to guide sectoral strategy;
- Focus on six priority areas including sustainable fisheries, ocean energy, and blue finance;
- Engagement of local stakeholders and international experts;
- Alignment with broader environmental and economic objectives.

This policy presents promising opportunities for Mauritius to leverage its maritime resources. However, long-term viability will require effective regulation, ecological safeguards, and global market integration.



Financial *Services*

The Budget seeks to modernise the financial services industry through **structural reforms, regulatory alignment**, and the expansion of digital finance infrastructure.

Key Measures:

- Launch of **bullion banking** by the Bank of Mauritius;
- Joint IMF-World Bank Financial Sector Assessment Programme;
- Introduction of digital trade instruments and **legal backing for e-signatures**;
- Streamlining licensing for family offices and wealth management;
- Implementation of a “Fair-Share Contribution” on **high-income individuals and corporations**.

While the proposed reforms support transparency and market resilience, the sector’s growth will depend on its ability to adapt quickly to international standards and attract global capital while maintaining financial integrity.



Renewable energy & Environment

The Government has reaffirmed its commitment to environmental protection and climate resilience, with major **investments in renewable energy** and **waste management**.

Key Measures:

- **Rs 30 billion** investment over three years in renewable energy projects;
- Development of the “Waste-to-Wealth” strategy;
- **Rs 3.3 billion** allocated to environmental protection programmes;
- Introduction of a Climate Finance Unit at the Ministry of Finance;
- Programmes to combat marine pollution and restore natural habitats.

The focus on sustainability aligns with global priorities, offering long-term benefits. Effective inter-agency coordination and public-private partnerships will be critical to convert environmental commitments into tangible outcomes.



Manufacturing & Exports

Renewed emphasis has been placed on **productivity and certification** to enhance Mauritius' competitiveness in manufacturing and exports.

Key Measures:

- Establishment of an Industrial **Policy Coordination Committee**;
- Expansion of product certification schemes to improve market access;
- Promotion of Freeport facilities for international art trade and high-value exports;
- Modernisation of export strategy through EDB-led initiatives.

These measures present growth opportunities, especially in non-traditional exports. However, their impact will rely on continued support for SMEs and integration into regional and international trade frameworks.



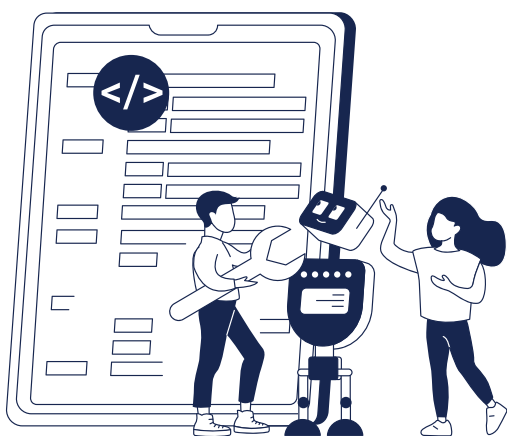
Healthcare & Biotech

A new model for healthcare delivery is being introduced, centred on **prevention, digitisation**, and operational reform.

Key Measures:

- **Rs 18.5 billion** allocated to the healthcare sector;
- Implementation of digital health systems, e-prescriptions, and telemedicine;
- Recruitment of over 1,100 health professionals;
- Introduction of a National Health Quality Commission;
- Preventative care strategies, including diabetic remission programmes and NCD campaigns.

The comprehensive approach addresses both infrastructure and systemic gaps. Long-term outcomes will depend on capacity building, operational efficiency, and integration of digital platforms.



ICT & New technologies

Positioned as a driver of economic transformation, ICT is receiving targeted investment in **R&D, AI, and cybersecurity**.

Key Measures:

- Establishment of a National Research and Innovation Institute;
- Launch of a Tier IV Government Data Centre;
- **Rs 200 million** for inter-ministerial research funding;
- AI modules introduced in public education and tax incentives for start-ups;
- Reforms to data protection and cybercrime laws.

The digital economy framework is well-articulated, but outcomes will depend on digital literacy, legislative readiness, and local capacity for technological adoption.



Creative Industry

The creative sector is being reframed as a contributor to both economic growth and national identity, with **support for infrastructure** and **international market access**.

Key Measures:

- Establishment of a **National Open Arts Commission**;
- Simplified procedures for events and festivals;
- Promotion of art trading as a viable export through Freeport;
- Encouragement of creative entrepreneurship.

The recognition of the creative industry's potential is encouraging, though it will require sustained support, clear regulatory frameworks, and cultural diplomacy to thrive globally.



Rodrigues

The Budget outlines a blend of recurrent support and capital investment for Rodrigues, aiming to **improve infrastructure, agriculture, and public services.**

Key Measures:

- **Rs 5.785 billion** allocated, with Rs 785 million for development projects;
- Construction of a new runway and roads;
- Agricultural and water infrastructure improvements;
- **Rs 25 million** for sustainable development planning in Agalega.

Investments address key developmental needs. However, ensuring capacity for execution and long-term maintenance will be vital to maximise regional benefits.



Infrastructure & Utilities

Investment in physical infrastructure is framed as essential for **economic expansion, job creation, and service delivery**.

Key Measures:

- **Rs 128 billion** over five years for roads, utilities, and housing;
- Key projects: Motorway M4, Ring Road Phase 2, Rivière des Anguilles Dam;
- **Rs 3.1 billion** for the water sector and Rs 2.4 billion for drainage infrastructure.

These investments support national development priorities. Their effectiveness will rest on implementation timelines, cost management, and resilience to climate risks.



Business & SMEs

Support for SMEs is being intensified through **financial incentives, simplified processes**, and **access to innovation**.

Key Measures:

- **Introduction** of seven new strategic investment schemes;
- Increased DBM loan limits for women entrepreneurs;
- **Rs 150,000** AI-related tax deduction for MSMEs;
- Restructuring of the EDB for improved service delivery.

The incentives reflect a supportive approach to entrepreneurship. Nonetheless, challenges around bureaucracy and market entry persist and require continuous monitoring.



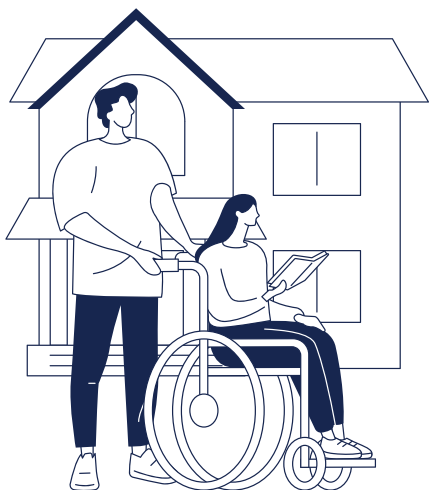
Labour

Labour market reforms aim to **balance flexibility, inclusion, and skill development** to better align with market needs.

Key Measures:

- Replacement of Work-from-Home regulations with Flexible Work Arrangement legislation;
- **Rs 550 million** allocated for workforce training and upskilling;
- Fast-track work permits and diaspora re-engagement strategy;
- The maximum credit limit for DBM loans under the Women Entrepreneur Loan Scheme is being raised to **Rs 1.2 million**, with a grace period of 18 months;
- Creation of a Global Advisory Council for the diaspora.

These initiatives seek to modernise the labour landscape. Their impact will depend on private sector adoption, skills matching, and monitoring of foreign labour integration.



Social Measures

The Government has committed to social equity through **targeted assistance to low-income** and **vulnerable populations**, despite budgetary constraints.

Key Measures:

- **Rs 90 billion** allocated to social protection (34.8% of total budget);
- **Rs 68 billion** for basic pensions, with a Rs 1,000 monthly increase;
- Continued support for CSG allowances until 2027;

SRM benefits, social housing schemes, and free internet for low-income families.

Strategic insight

From V Capital

The 2025-2026 National Budget lays the groundwork for a more inclusive and forward-looking Mauritian economy by combining social empowerment with innovation-led transformation.

One of the key social advancements is the encouragement of women's participation in the labour force. By replacing the existing Work-from-Home regulation with a new Flexible Work Arrangement framework, the Government is addressing structural barriers that limit women's access to employment. This reform not only supports gender equity but also responds to evolving work models, enabling a more resilient and adaptive workforce.

In parallel, the Budget underscores the long-term vision of preparing the next generation for emerging opportunities by integrating Artificial Intelligence (AI) into the national education curriculum. The introduction of AI as a mandatory subject in public higher education, as well as dedicated training programs for educators and students, marks a strategic investment in digital literacy. This forward-thinking initiative aims to equip young Mauritians with the competencies required for future employment in a rapidly evolving global labour market.

In the financial sector, the Government has introduced a series of reforms aimed at strengthening financial stability and resilience. These include the deployment of a unified e-licensing platform, the development of digital trade finance instruments, and enhanced regulatory compliance through an IMF-World Bank-led Financial Sector Assessment Programme (FSAP). Together, these reforms are designed to increase investor confidence, improve regulatory oversight, and align Mauritius more closely with international financial standards.

Taken collectively, these initiatives reflect a holistic approach to economic renewal—one that blends inclusivity, innovation, and institutional reform to position Mauritius for sustainable growth in an uncertain global landscape.

General sentiment & final thoughts

The measures demonstrate a commitment to inclusive growth. Going forward, the challenge will be maintaining fiscal sustainability while ensuring that the most vulnerable are effectively supported.

The 2025-2026 National Budget presents a structured plan for managing the country's finances, aiming to balance development priorities with fiscal sustainability. It outlines key allocations across various sectors and reflects the government's policy direction under current economic conditions.

While the budget makes provisions for continued investment in infrastructure, social services, and economic growth, its effectiveness will depend on sound implementation, efficient resource utilization, and responsive governance.

As the country navigates ongoing challenges and emerging opportunities, this budget serves as a framework for action. Ongoing monitoring, transparency, and stakeholder engagement will be essential to achieving the intended outcomes and adjusting to evolving needs throughout the fiscal year.

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