Mauritius Budget 2025/26 Synopsis

Time for austerity ...

The better the question. The better the answer. The better the world works.

Shape the future with confidence

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“ Time for austerity … ”

In his first Budget since his new mandate, Prime Minister Ramgoolam has shown good signs of taking responsibility in reversing the previous trends of gifting away tons of money and aiming at reducing budget deficit, inflation and our indebtedness. This is what one should expect from a year 1 exercise: blame the previous regime for the abyss we are in and take measures of austerity.

The Budget Speech was more of a strategic paper, paving the way forward but lacking clear measures of how we will renew our economy. There seems to be a lack of ideas as to where our next phase of development will come from and what is Government doing to encourage such growth ideas. We note certain contradictions between intent and actions. We wish to attract skilled labour from overseas but raise the cost of property purchase for them through doubling registration duties and land transfer tax, in addition to raising tax rates for high-income earners. We now have a top rate of income tax that is close to 35% and tax on dividends at the rate of 15% for high income earners. Taxing dividends is contrary to the principle of single taxation and does not place all shareholders on an equal footing.

The main decision in this Budget is that of moving the age for pension eligibility from 60 to 65. This was courageous and makes perfect sense given that the retirement age is also 65. The pension issue arising from the infamous CSG is not really tackled but it sounds like the whole system will change. Governance in the management of public funds should improve now that the report of the National Audit will be tabled and discussed in the Assembly. However, expected savings of not even 1% of the expenditure budget appears timid.

The Future Fund is a welcomed initiative, to ensure the windfall gains we receive from the Chagos deal goes to long term investment for future generations. Hopefully the governance around this fund will be strong. The five priority purposes are well chosen, hopefully AI and Innovation will get the bulk share of this.

What economic players need to see now is speed to action with swift approvals from our local authorities and a clear vision coming out of the various steering committees being proposed.

Gerald Lincoln
Country Managing Partner

Budget highlights

Agro-industry

- Launch of **Digital Twin Project** for smart land planning
- **MUR 35k/T support** for sugar growers producing ≤60T
- **MUR 800m** scheme for modern farming support

Financial services, manufacturing & commerce

- Establishment of **Industrial Policy Coordination Committee**
- **Introduction of bullion banking**
- Assessment programme with **IMF/World Bank**

Digitalization & ICT

- **MUR 200m** to boost R&D
- **MUR 25m** to launch AI Innovation Programme
- Implementation of a **Price Integrated Monitoring System**

Tourism & culture

- **MUR 900m** to strengthen Tourism Development
- Introduction of **E-Gates**
- **EUR 3** fee per tourist per night

Sustainability & energy

- **Re-introduction of excise duty** on Hybrid and Electric vehicles
- Set up of **Climate Finance Unit**
- Introduction of **Waste to wealth system**

Construction & infrastructure

- **MUR 128b** investments in infrastructure over 5 years
- **MUR 5.4b** for port development
- Smart city incentives **discontinued**

Human capital

- Investment of **MUR 550m** in upskilling/ reskilling initiatives
- Increase in pension age from **60 to 65 years**
- **Increasing women's** economic participation

Social measures

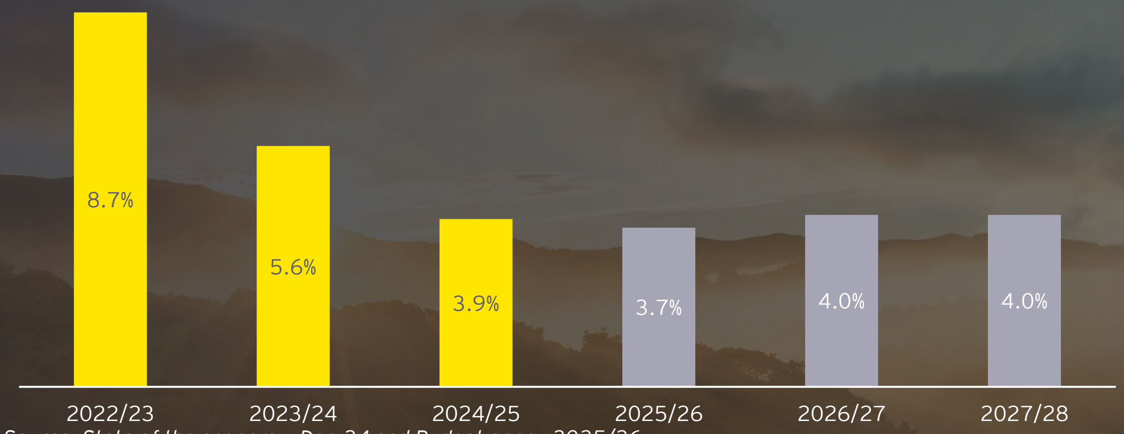
- **MUR 18.5b** for healthcare, 1000 student nurses recruited
- **MUR 10b** for Price Stabilisation Fund
- **MUR 70m** support for drug agency, forensic lab

Fiscal measures

- **Fair Share Contribution** increases effective tax rate to up to 35% at top end for individuals
- **10% AMT** on certain companies
- Introduction of the **Global Minimum Tax**

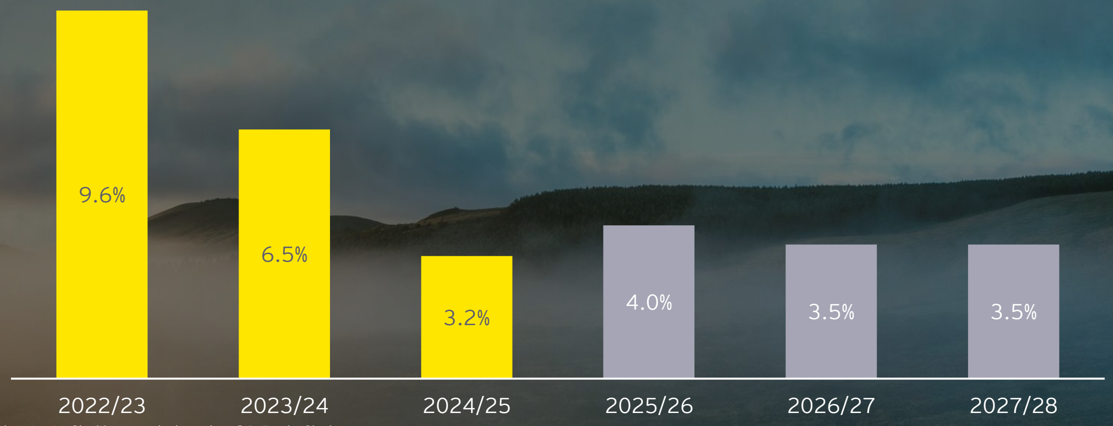
Economic overview

Economic growth (real GDP growth rate)



Source: State of the economy, Dec-24 and Budget annex 2025/26

Inflation [1]

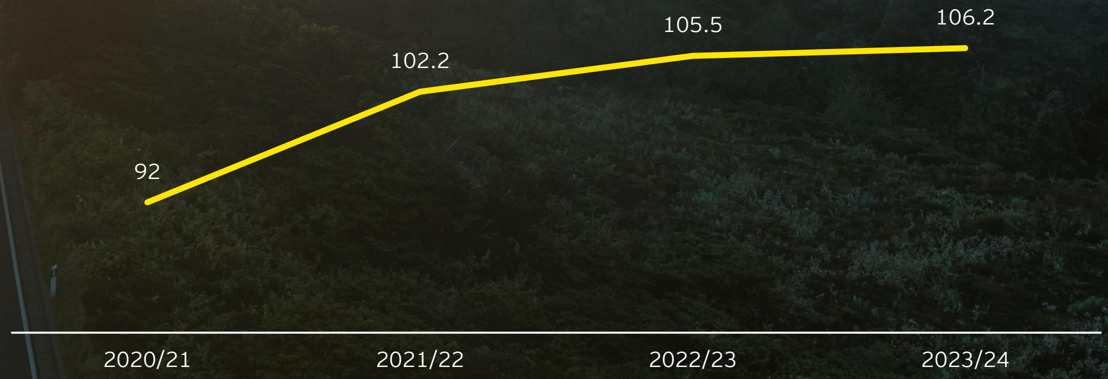


Note 1: Inflation relates to GDP deflator
Source: State of the economy, Dec-24 and Budget annex 2025/26

Historical exchange rate

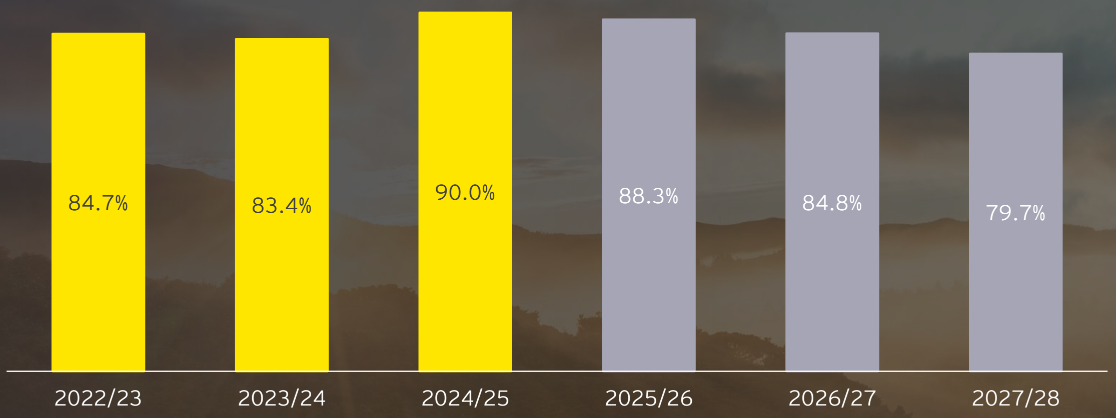
Source: Oxford Economics

Labour productivity index



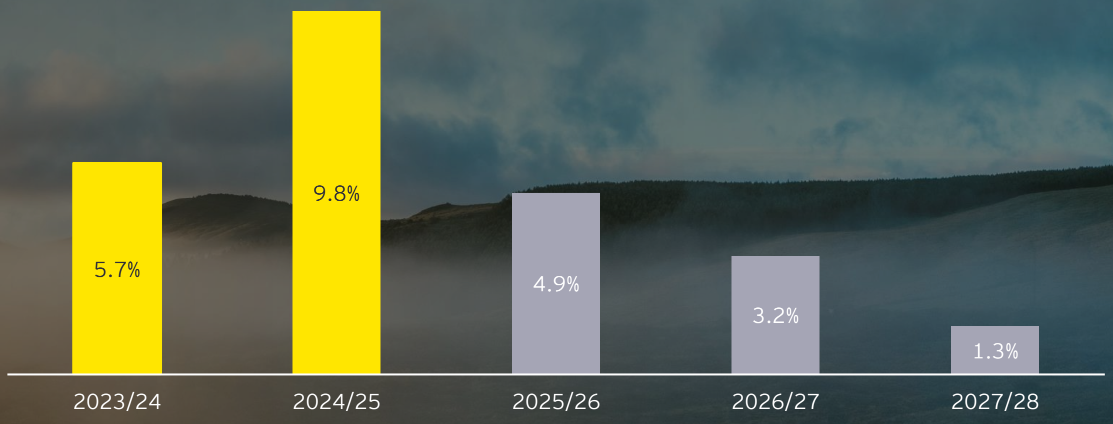
Source: State of the economy, Dec-24

Public Sector Gross Debt (% of GDP)



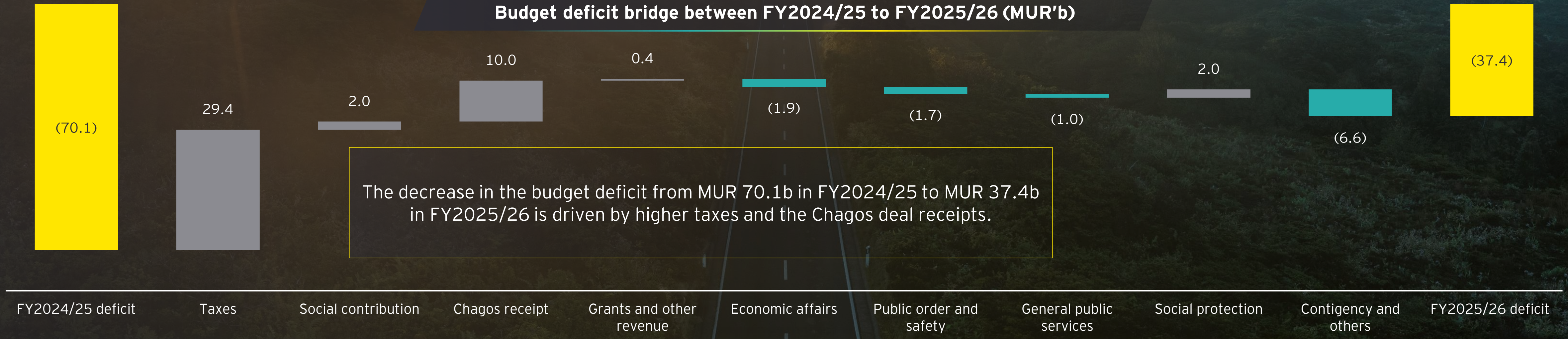
Source: State of the economy, Dec-24 and Budget annex 2025/26

Budget deficit (% of GDP)



Source: State of the economy, Dec-24 and Budget annex 2025/26

Budget deficit bridge between FY2024/25 to FY2025/26 (MUR'b)



The decrease in the budget deficit from MUR 70.1b in FY2024/25 to MUR 37.4b in FY2025/26 is driven by higher taxes and the Chagos deal receipts.

CHAGOS ARCHIPELAGO

Chagos deal

Lease payments from the UK expected to be as follows:

- Year 1 to 14 – GBP 165m annually (c.MUR 10b)
- Year 14 to 28 – GBP 165m annually adjusted for inflation
- For the remaining lease years – GBP 120m annually adjusted for inflation

First three years

Receipts from the Chagos for the first 3 years (i.e., years 2025/26 to 2027/28) are reported as income in the national budget and help reduce the reported deficit. By extension, these lease receipts will indirectly reduce the national debt.

Future Fund

- The Government will also inject MUR 3b annually in 2026/27 and 2027/28.
- From financial year 2028-2029, the totality of the annual rental and Development Fund will be allocated to the Future Fund.
- The Future Fund will be used for the following five main uses identified as developmental purposes
  - Enhance Food Security by decreasing dependence on imports
  - Promote Clean Energy, Climate Change Adaptation and Mitigation of use of fossil fuel
  - Harness the Blue Economy
  - Speeding up the adoption of AI, Blockchain technology and innovation
  - Equity funds to support young people and women to become entrepreneurs

Agro-industry

% GDP contribution
5.10%

Areas harvested y-o-y change
-1.6%

“Measures focused on land utilization and productivity

Budget highlights

Enhancing land utilization and productivity

- Providing financial support for food-related initiatives, assisting small-scale farmers in enhancing production, processing, and access to markets.
- Landscope assets to be leveraged for food security projects and land database to be used as a digital market place for agricultural land.
- Long term food security policy will eventually be supported by the Future Fund (Chagos deal).
- Implement the Digital Twin Mauritius Project (Integrating data layers for precise planning, optimise resource allocations) to optimise land use.
- Encouraging public institutions to maximize land utilisation for agricultural purposes.
- Exemption from land conversion permits for small-scale farmers, facilitating agricultural expansion

Strengthening the Agriculture Sector

- Blue Economy – A regional centre for fishing, promoting sustainable fisheries, ocean energy initiatives, sustainable ocean tourism, marine transport and trade and fostering international collaborations.
- Sugar cane growers generating up to 60T of sugar are guaranteed income of MUR 35k per ton.
- MUR 800m Food Resilience Scheme to support vertical farming, climate-controlled agriculture, and targeted aid for farmers, planters, and breeders.
- Leveraging AI to enhance food production efficiency, optimize crop yields, and reduce waste.
- Expand certification schemes to enhance consumer confidence in Mauritian products locally and internationally, thereby driving higher demand and attracting greater investment

Our point of view

- Other than promoting productivity in agriculture for its own sake, the intention is to **improve food security, increase exports and reduce dependency on imports.**
- Government's presumption is that by making land available, agricultural production will automatically increase. We would however have welcomed more measures to increase the attractiveness of the sector for planters and investors, as well as measures to specifically onboard the young generation of farmers and planters.
- We welcome the digitalisation and centralised management of our land bank assets. This and other measures provide the framework and groundwork for future agricultural development without being specific on the types of agricultural activities.
- We expect the fruits of these measures to be reaped in the medium to long term only.

- Government will continue to support introduction of new agricultural techniques and adoption of new technology, including AI.
- Broadly, however, announcements for the agricultural sector represent a continuity and enhancement of existing measures.

Financial services, manufacturing & commerce

Export of goods
MUR 105b
(FY24: MUR 110b)

Manufacturing growth
FY24 1.7%
(FY23: 2.1%)

"Tax uncertainty could hamper financial services sector growth

Budget highlights

Enhancing investment appeal and consolidating Mauritius as a financial centre

- Implementation of a Financial Services Assessment Programme in partnership with the World Bank and IMF to evaluate the existing framework
- The Bank of Mauritius is launching bullion banking as a new investment and employment-creating activity
- Streamlining of licencing of wealth management and family offices for high-net-worth individuals
- A Qualified Domestic Minimum Top-Up Tax will be imposed on a resident parent or subsidiary of a large Multinational Enterprise to raise their effective tax rate to 15%

Manufacturing and commerce

A number of small measures have been announced, including:

- Establishment of an Industrial Policy Coordination Committee to enhance capital productivity, especially within the manufacturing sector.
- Start-Ups and MSMEs will benefit from a tax deduction of up to MUR 150,000 on investments in AI technologies, aiming to foster tech-driven manufacturing.
- Expanding certification to boost consumer confidence in Mauritian products

Our point of view

- The introduction of bullion banking and digitalisation of trade finance should enhance Mauritius's profile as an international financial centre.
- The Government recognizes the necessity for a reform and is working towards redefining the sector with the IMF and World Bank. No precise way forward has been announced, and we must await tangible outcomes.
- The announcement of an Alternative Minimum Tax on certain sectors and introduction of Qualified Domestic minimum Top-Up Tax remains unclear at the time of writing and creates uncertainty for a volatile sector. Specifics of the tax and accompanying counter-measures should be announced rapidly.

- We note limited measures specific to the manufacturing industry, with the focus being on unlocking value through the blue economy to compensate for the declining manufacturing industry. At this stage, measures around Blue Economy remain at a blueprint stage.
- We look forward to the output of the Industrial Policy Coordination Committee.

Digitalization & ICT

> *Unlock Innovation through technology and AI*

Budget highlights

Research & Development

- Allocate funds for the establishment of a National Research & Innovation Centre to drive homegrown innovation and knowledge development
- MUR 200m earmarked across all ministries to boost research and development initiatives

Artificial Intelligence

- MUR 25m allocated to launch an AI Innovation Program, including the setup of an AI Centre to drive adoption across the public sector
- Funding for the development and rollout of AI policy guidelines in schools and universities, promoting responsible AI literacy from early education
- AI Innovation Start-up Programme headed by the Ministry of IT

IT Infrastructure & Cybersecurity

- Budget provision for the construction of a Tier 4 Government Data Centre to ensure high-availability, secure digital infrastructure and ensuring uninterrupted access to critical Government services
- Investment in a National Cyber Operations Centre modelled on the UK to enhance Mauritius' cyber resilience and threat response capabilities

Consumer Wellbeing

- Implementation of a Price Integrated Monitoring System to improve price transparency and visibility for consumers nationwide

Our point of view

- The 2025-26 budget sets a progressive direction for Mauritius, placing R&D, innovation, artificial intelligence, and digital trust at the forefront of Government policy.
- AI and digital technologies have the potential to transform all sectors of our economy. Steps to be taken to support the country in promoting innovation both in public and private sector including in the application of AI. Given the size of Mauritius and nature of services offered by the Government, the benefits may be greater from investments into established technologies that can be rapidly deployed to improve Government services.
- Similarly, the innovation and R&D plans for Government entities should set out practical plans for how AI and other technologies will be used to drive benefits for citizens.
- The Government has also taken a proactive stance by prioritizing investments to mitigate cyber risks and enhance national digital resilience. The launch of a National Cyber Operations Centre will bolster the country's capacity to detect, respond to, and recover from cyber threats. The Tier 4 Government Data Centre represents a significant upgrade on current infrastructure and will support the speed and availability of Government services. These developments will help protect our critical infrastructure and increase trust in the country's digital ecosystem.
- The implementation of a Price Integrated Monitoring System reflects a people-centric approach to technology, which is a positive illustration of the Government's commitment to inclusive digital transformation.

Tourism & culture

Arrivals
1.38m
(FY23: 1.30m)

Receipts
MUR 93.6b
(FY23: MUR 80b)

"Quality over quantity
Value addition, sustainability, inclusion and resilience

Budget highlights

MUR 900m Earmarked to Strengthen Tourism Development

- MUR 900m allocated to Minister of Tourism to accelerate the role of technology, AI and innovation as a gamechanger in the tourism industry
- Introduction of e-gates to facilitate visitors upon arrival (also announced last year)

Focus on quality tourism and value-added tourism

- Embrace sustainability challenges of the industry to have an Environment friendly tourism growth
- Plans to increase tourism spending as opposed to relying only on quantity and gross tourism receipts

Partnership with the private sector

- Address air connectivity issues, competitiveness and labour shortages by building strategic partnership with the private sector
- Diversify offers and geographical footprint and grow off-peak arrivals and address seasonality

Others

- A tourist fee of EUR 3 per tourist per night introduced in designated tourist accommodation establishments.
- Mauritius Freeport to offer facilities for international art trading as part of the strategy to attract global collectors and promote local artists.

Our point of view

- Given strong performance of the tourism industry (increase in tourist arrivals), we did not expect significant new measures (to note MUR 600m allocated to MTPA in the prior year)
- Blueprint announced to rethink future of tourism in collaboration with private sector is unclear at this stage
- New e-gates are strongly welcomed and will enhance the visitor experience and operational efficiency, likely reducing queues and improve first impressions of Mauritius as a modern, welcoming destination.

- Prioritizing quality over quantity should help promote the sustainability of our tourism industry. However, no mention was made of regulating non-hotel accommodation to protect the Mauritius brand.

- The Tourist Fee is broadly in line with similar levies in other prime tourist destinations. However, it is unclear how this will interact with the existing environmental fee.
- Art and culture measures open a promising avenue for creative exports and FDI attraction.
- Novel intersection of sustainability and the creative economy, opening opportunities for eco-tourism branding and community-based enterprise development.

Sustainability & energy

MUR 30b investment in Renewable Energy over next 3 years

MUR 164m to restore and preserve integrity of ecosystems

"Bold ambitions need to be met with urgent actions

Budget highlights

Circular Economy

- Waste to Wealth System will be introduced with a focus on 4 Pillars:
  - Waste Management System
  - Waste transformation processing capacity
  - Enabling Circular Investment
  - Cultural and Educational Transformation

Resilience through Climate Finance and the Blue Economy

- Climate Finance Unit to be set up under the aegis of Ministry of Finance
- Blue Economy blueprint to be formulated through a consultative process with the "Assise de l'Océan"

Low Carbon Economy

- Increase the installed capacity of renewable energy over the next 3 years with a focus on Solar PV, Biomass and Ocean Energy
- Re-introduction of excise duty on Hybrid and Electric Vehicles

Our point of view

- Policy coherence and investment in circular economy infrastructure is welcomed. Only the Government could have actioned this.
- Challenges still remain in terms of mindset shift to ensure that "Waste" starts to be considered as a "Resource" by consumers and industrial players.

- More concrete actions need to be taken to ensure that Climate finance is better understood by market players.
- Numerous budgets have previously promised developments in the Blue Economy. We remain hopeful.

- Significant effort remains to ensure that the 60% target of Renewable Energy is met by 2030
- Reintroducing the excise duty on hybrid/EVs contradicts the transport decarbonisation agenda

Construction & infrastructure

CoPI
5-yr CAGR
6.2%

Sector growth
13.3%
(FY23: 9.7%)

"MUR 128b investments in infrastructure for the next 5 years

Budget highlights

Port development
- Budget MUR 5.4b – construction of bunkers, expansion of Mauritius container terminal
- Cargo handling undergoing major overhaul to reclaim reputation as most efficient in Indian ocean

Public utilities and infrastructure
- Traffic congestion:
  - Implementation of Motorway M4 connecting the East in 2 phases (Forbach to Bel Air)
  - Ring road phase 2 project
- Water infrastructure:
  - Restart the project announced a few years ago of the "Rivière des Anguilles dam"
  - Announced wide spectrum of water infrastructure, such as replacement of water pipes, upgrading dams and rehabilitation of water treatment plants and new serving reservoirs

Smart cities development
- Fiscal incentives granted to smart city promoters are being discontinued

Others
- Rodrigues: MUR 0.8b for construction of new runway, ensure water supply, access roads to technoparks
- Agalega: MUR 25m announced to finance sustainable development

Our point of view
- Given the overall budgetary constraints, funds have been allocated selectively and strategically to address critical infrastructural problems such as port facilities, water supply and congestion.
- Rodrigues and Agalega were not forgotten, even if the envelope could have been higher.
- This selective approach is economically justified.

Human capital

Unemployment rate %
6.0%

Women participation rate
42.8%

> *Strategies aimed at expanding size and skills of our workforce*

Budget highlights

Enhancing inclusion and productivity

Introduction of a number of measures to increase the labour force.

- The Government is enhancing women's economic participation through flexible work policies, expanded loan support with longer grace periods, and access to mentorship and networking. It also aims to boost inclusion via hybrid work and opportunities in the gig and digital economy.
- Introduction of AI proficiency programme for educators and students and mandatory AI modules.
- Increase in retirement age from 60 to 65 years
- Blueprint for human capital gap analysis

Addressing brain drain and attract talent

- Investment of MUR 550m in reskilling & upskilling of workforce
- Simplification of immigration processes and review of current diaspora scheme to increase the attractiveness of Mauritius
- Simplified work permit rules-based system to attract skilled workforce and expediting labour recruitment

Our point of view

- We welcome the promotion of flexible working arrangements, which should help to attract more women in the workforce but will also require shifts in mindset.
- The suite of measures aimed at supporting women marks a positive step toward greater social inclusion. However, support to entrepreneurs has historically been fragmented. To ensure these new initiatives deliver meaningful impact, it is key to develop an integrated support system/network to women entrepreneurs.
- We hope that the introduction of AI and intended revision of the school curriculums will help to ensure a future-fit workforce.
- Increasing retirement age will have short term positive impact on our active workforce.
- We await the outcome of human capital blueprint for more clarity.

- Mauritius is facing a notable brain drain leading to a significant mismatch in the labour market, and this Government has recognised the need to attract foreign talent.
- The introduction of a rules-based immigration system represents an advancement in attracting skilled talent from both expatriates and the Mauritian Diaspora.
- However, increases in taxes on acquisition of properties by non-Mauritians, together with the newly introduced high tax rates, will send the wrong signal to foreign talent.

Social measures

Social protection
34.8% of national budget

Price stabilisation
MUR 10b

"Safeguarding purchasing power and increase of pension age to 65

Budget highlights

Affordability

- Setting up of a Price Stabilisation Fund of MUR 10b, starting with an initial MUR 2b contribution for this fiscal year.
- Removal of VAT on some infant foods, canned vegetables and frozen packed vegetables.
- Sector-wide pricing and profitability audits, especially in essential goods to ensure that retail outlets are not overcharging customers.

Social protection

- Age eligibility of Basic Retirement Pension to be increased to 65 years. Gradual clawback of various allowances until 2027
- Basic pension remains unchanged.
- Revenue Minimum Guarantee to be maintained at MUR 20,000.

Healthcare Services

- MUR 18.5b allocated to healthcare, including hiring 1,000 medical staff.
- MUR 47m for a diabetes remission programme targeting 450,000 citizens.
- MUR 1.1b for Youth and Sports to promote healthy lifestyles.

Combating drug spread

- Setting up of the National Agency for Drug Control with MUR 70m in funding, strengthening ADSU, upgrading screening at ports, and completing a new forensic lab with a dedicated drug detection unit.

Our point of view

- These measures, alongside regulatory efforts to curb overpricing, send a clear signal of intent to foster fairer market practices and shield consumers from anti-competitive behaviour.
- However, the real test will be in how swiftly and transparently these mechanisms are operationalised to deliver tangible relief.

- The alignment of the BRP to the retirement age of 65 years is a welcome measure to counter the increasing pension deficit.

- The Government's focus on preventive care programs is welcome given Mauritius' high diabetes prevalence. The recruitment of 1,000 student nurses is particularly critical, given the country's longstanding shortage of healthcare professionals.
- Coupled with the MUR 1.1b allocation toward sports, these measures reflect a broader commitment to promoting healthier lifestyles.

- The Government's zero-tolerance stance on the drug situation in Mauritius, backed by a MUR 70m investment in drug screening, sends a much-needed signal. It reflects a firm commitment to tackling the issue head-on and restoring public confidence in national safety.

Summary of fiscal measures

- This is the first budget presented by the Prime Minister, Minister of Defence, Home Affairs and External Communications, Minister of Finance and Minister for Rodrigues and Outer Islands (the "Prime Minister") under the new regime.
- The change in the personal tax rates as from the year ending 30 June 2026 is a welcoming measure for low-income earners. The 0% tax bracket has been increased from MUR 390,000 to MUR 500,000. Though the tax brackets relating to the 2%, 4%, 6%, 8%, 12%, 14%, 16% and 18% have been repealed, the 10% tax rate will apply to a maximum of MUR 500,000. Any chargeable income in excess of MUR 1,000,000 will be taxed at the rate of 20%. Currently, any excess chargeable income above MUR 2,390,000 is taxable at the rate of 20%. The MUR 1,000,000 exemption for individuals aged between 18 and 28 years with respect to the employment income and business income is a novel approach and would definitely increase the disposable income of such individuals. We assume that the share of taxable income in a resident partnership will not qualify for the exemption.
- We did not expect the introduction of the Fair Share Contribution ("FSC"), which is in substance an additional tax for the affected individuals and companies for the years of assessment 2026/27, 2027/28 and 2028/29. Individuals with an annual net income and exempt income exceeding MUR 12,000,000 will have to pay the FSC at a rate of 15% on the aggregate of the chargeable income and Mauritian sourced dividend income. Applying the FSC on dividend income is contrary to the principle of single taxation and furthermore this measure does not place all shareholders of a company on an equal footing. The FSC applies to residents and non-resident individuals. An individual with an annual net income exceeding MUR 12,000,000 may find themselves with a disposable income of less than 70% of its income.
- Insofar as corporates are concerned, the rate of the FSC is 5% for a company liable to tax at the rate of 15% and banks, irrespective of the fact that banks may be liable to tax at a rate of 5%. The rate of the FSC is 2% if the rate of corporate tax is 3%. Banks are liable to an additional FSC of 2.5% on their taxable profits attributable to their banking business under Segment A. Like individuals, the FSC will apply for the years of assessment 2026/27, 2027/28 and 2028/29. Tax credits will not be allowable against the FSC. The FSC will not apply to a company with a Global Business Licence under the Financial Services Act and companies that are exempt from tax.
- An Alternative Minimum Tax ("AMT") will apply to certain companies and based on the Annex to the Speech it will apply to hotels, insurance companies, companies engaged in financial intermediation activities, companies engaged in real estate activities and telecommunication companies. The AMT will apply if the tax liability before any deduction for any foreign tax credit ("FTC") is less than 10% of the book profit of the company as adjusted by any capital gains and Mauritian sourced dividends. Where it applies, the AMT will be computed at 10% of the adjusted book profit. FTC will not be deductible against the AMT and the AMT will not apply to a company with a Global Business Licence under the Financial Services Act and companies that are exempt from tax.
- The Prime Minister announced that the Global Minimum Tax ("GMT") will be in force as from the year of assessment 2026/27. The GMT may impact on Mauritian resident companies and permanent establishments of large MNE Groups. The liability to the GMT depends on the income of the companies within the scope of the GMT. For example, dividends and capital gains are generally excluded if the conditions relating to the ownership interest is satisfied. We are hoping that the current provision on tax losses should be reviewed on the basis that Mauritius will not be able to dictate the manner the GMT will be computed, unless jurisdiction blending is allowable for the purposes of computing the Qualified Domestic Minimum Top-up Tax. In our view the AMT and FSC will both be considered as covered tax for the purposes of the Global Anti-Base Erosion rules.

Summary of fiscal measures

- The reduction in the mandatory registration threshold from MUR 6,000,000 to MUR 3,000,000 is a means to raise VAT revenue. Care is required on the commencement date of this measure given the variety of year end used by businesses. We suggest that registration is mandatory based on the preceding financial year so that one approach would be to use any financial year ending before 1 July 2025.
- We consider that the measure on supplies made to a non-resident is contrary to the destination principles. We urge the Government to consider the Guidelines issued by the OECD on cross border transactions. Of particular relevance lies the fact that VAT may be applicable in two countries and any change in law will discourage cross border transactions.
- We welcome the measure to reduce the statute of limitations to two years. This limit will not be applicable to exceptional circumstances, which in our view should be limited to cases of fraud. We do not consider that the law should make reference to "exceptional circumstances" as this will give rise to a significant degree of subjectivity. The measure to limit interests and penalties to 100% of the tax due is also a laudable proposal. It is uncertain whether the assessing penalties are within the scope of this proposal.
- The Tax Dispute Settlement Scheme will only be attractive where an assessment is justified. We consider that the scheme should also apply to cases where there is an agreement with the MRA on the reduction in the pure tax assessed.
- We consider that the introduction of the Voluntary Disclosure Settlement Scheme is a commendable measure. The proposal refers to income and supplies for income tax and VAT purposes respectively. We consider that the better approach would be to include cases where the deductions and tax credits have been overstated. For VAT purposes this should also address cases where the input tax and adjustment to tax have been wrongly computed.
- COVID-19 reminded us of the need to be less dependent on other countries, particularly when it comes to basic necessities. In its *State of the economy* paper, the Government acknowledges the fact that foreign investment in agriculture and livestock is challenging as a result of the slowness to recoup the investment. The incentives announced by the Government is likely to be insufficient insofar as the relaunch of the agrarian industries is concerned. Security and the attractiveness of the youngsters in such industries are the major hurdles. The support of the Government may be in terms of providing the appropriate infrastructure for such industries.
- Clarity and certainty remain the two essential ingredients in our tax administration if we are to attract foreign investors. We regret to note that there are no meaningful measures to alleviate the compliance obligations for the business community.
- Overall, we reiterate our plea to ensure that the Budget should revamp Mauritius as a trusted jurisdiction to undertake genuine business operations.
- We are hoping that the Government will consult further on the changes in the preparation of the Finance (Miscellaneous Provisions) Bill.

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