



MCCI

THE MAURITIUS CHAMBER
OF COMMERCE AND INDUSTRY

BUDGET HIGHLIGHTS

2023-24

To Dare and To Care

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FOREWORD


The Mauritius Chamber of Commerce and Industry (MCCI) has taken note of the Budget Speech, delivered on 2 June 2023 by Dr. Renganaden Padayachy, the Honourable Minister of Finance, Economic Planning and Development.

This document highlights the announced strategies and policies that will be undertaken to sustain economic recovery and pave the way towards transforming the economy into a modern, resilient and more inclusive economy. In line with ambitious economic targets, the government aims to achieve a GDP growth of 8% in 2023, by focusing on three key pillars, namely, strengthening the Foundations of Our Economy, Continuing the Transformation of Mauritius into a Sustainable Economy; and Building the future we deserve.

A detailed summary of measures pertaining to the fiscal policy regime, human capital and knowledge economy, industrial transformation, exports, sustainable development and green growth as well as other budgetary announcements have been provided.

A comprehensive analysis of the Budget will follow.



A nighttime aerial view of a city waterfront. In the foreground, a large, ornate building with multiple towers and a central gazebo-like structure is illuminated. The building has a mix of modern and classical architectural elements, including domes and arched windows. To the left, a body of water reflects the city lights. In the background, other city buildings and a mountain range are visible under a dark sky with some clouds. The overall scene is vibrant and urban.

BUDGET FINANCIALS & ECONOMIC OUTLOOK

ECONOMIC INDICATORS (2022)



GDP at Current Market Prices

MUR 570 B

(MUR 478 B in 2021)



GDP Growth Rate

8.7%

(3.4% in 2021)



Inflation Rate

10.8%

(4.0% in 2021)



Export of Goods & Services

MUR 320 M

(MUR 212 M in 2021)



Unemployment Rate

7.7%

(9.1% in 2021)



Investment Rate

19.8%

(19.6% in 2021)



Public Sector Debt

86.1% of GDP

(92% in 2021)



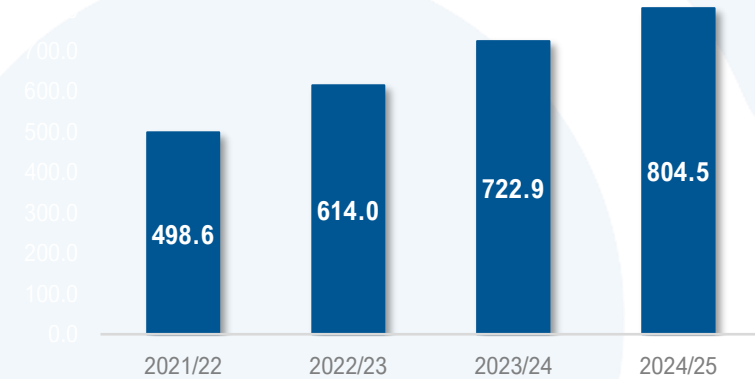
Fiscal Deficit

3.9% of GDP

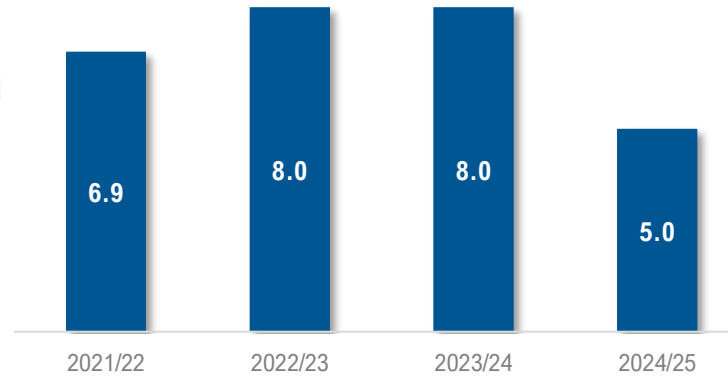
(5.0% in 2021)

ECONOMIC INDICATORS

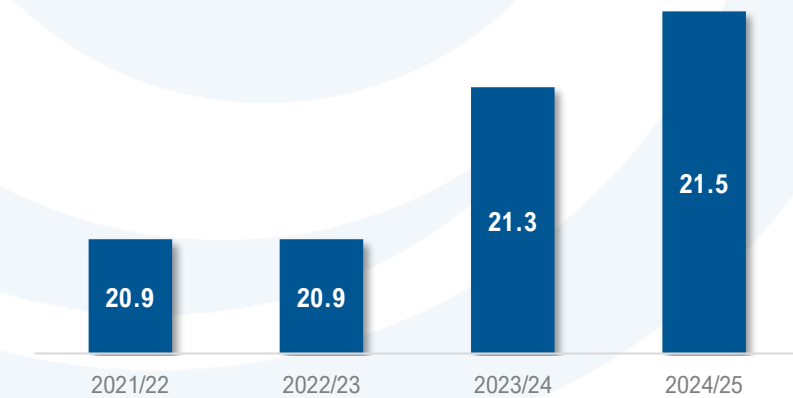
GDP at Current Market Prices (MUR Billion)



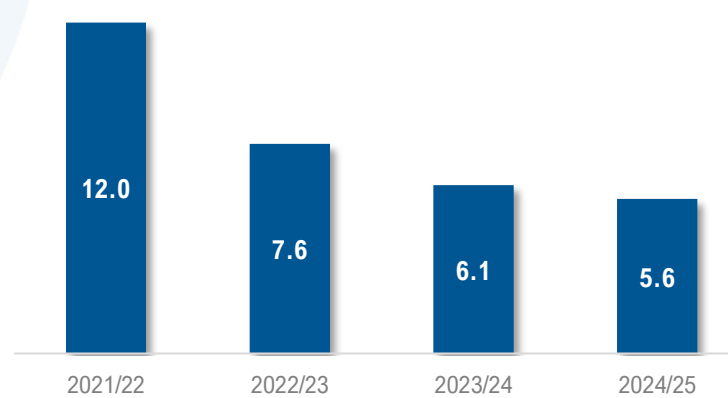
Real GDP Growth Rate (%)



Investment Rate (%)



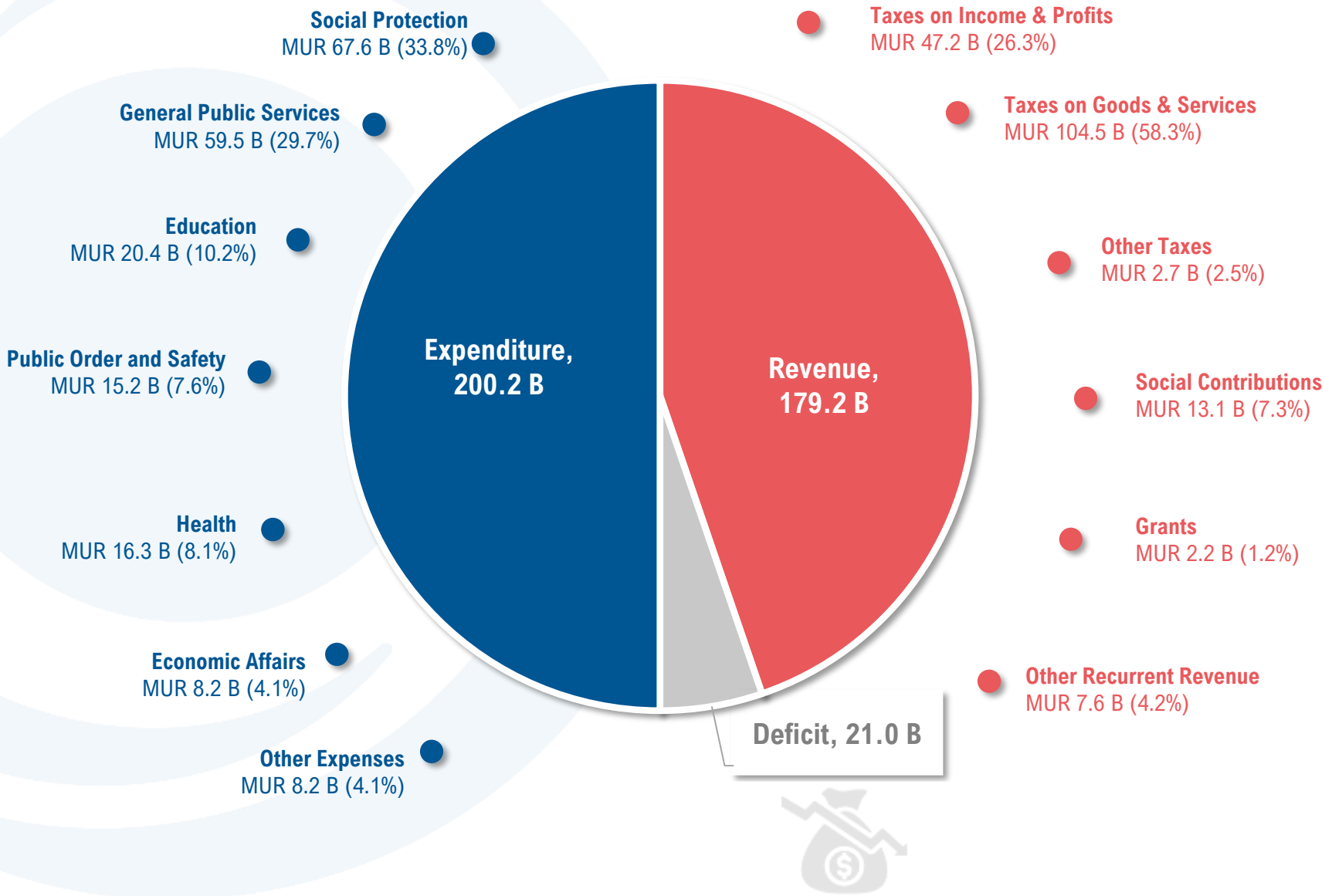
Current Account Deficit (% of GDP)



BUDGET'S ECONOMIC FORECAST

- The **strong recovery** recorded in 2022 is expected to be sustained in 2023 on the back of continued progress in the tourism sector and other related sectors, a significant boost in the construction sector, and sustained growth in the manufacturing and financial services sectors.
- The growth momentum in investment and consumption is expected to continue over the medium term.
- The **deficit in the current account** of the BOP declined from 12.0 in 2021/22 to 7.6% in 2023/23 mainly as a result of a surplus in the services account, driven by the recovery in the tourism sector, and a surplus in the primary income account.
- The **medium-term growth outlook** remains resilient but dependent particularly on external developments. Downside risks stem from uncertainties due to the war in Ukraine, persistent core inflation and the required monetary policy tightening, increasing sovereign debt distress and financial constraints, and geopolitical fragmentation. On the other hand, easing of supply-chain bottlenecks and higher than expected household consumption growth can improve the outlook.

BUDGET FINANCIALS 2023/24



BUDGET'S FINANCIALS

Year	Revenue (MUR B)	Expenditure (MUR B)
2022/23	153.2	177.5
2023/24	179.2	200.2

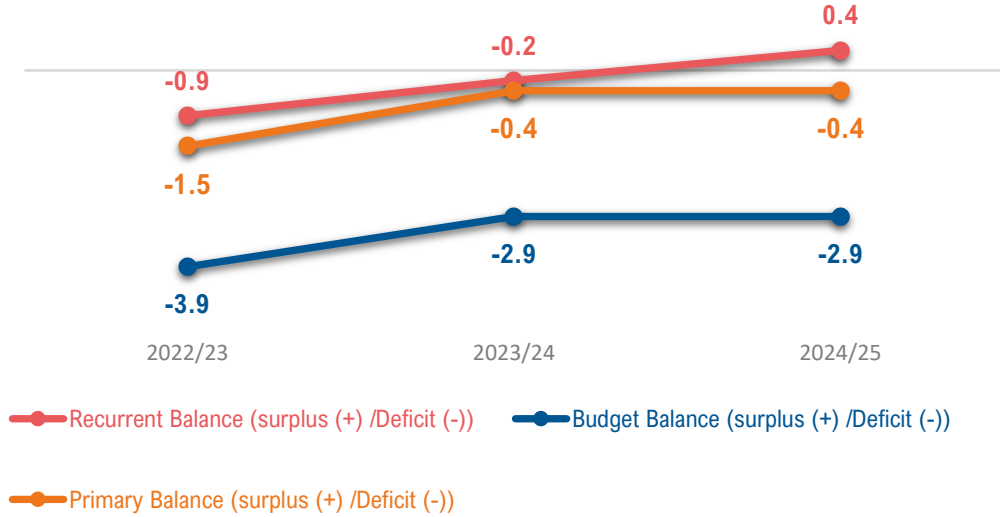
For both 2022/23 and 2023/24, tax revenues is estimated to account for 87% of government revenue. The main source of tax revenue come from VAT (MUR 104.5 billion). Social contributions represent 7.3% of Government's total revenues.

Government's expenditures is estimated at MUR 177.5 billion in 2022/23 and is expected to increase to MUR 200.2 billion for 2023/24.

Expenditures are mainly geared towards social protection, general public services, education and health.

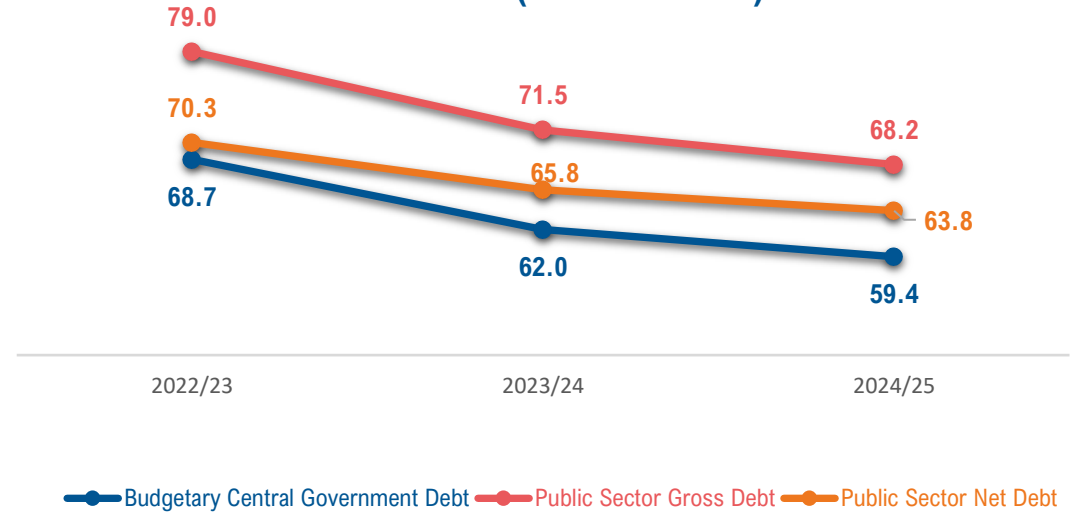
FISCAL BALANCES AND DEBT

Public Finance (as a % of GDP)



The budget deficit in FY 2023-2024 will be brought down to 2.9% of GDP compared to 3.9% in FY 2022-2023. The budget deficit will be stabilised at 2.9% of GDP in FY 2024-2025 and FY 2025-2026 with a view to balancing the need to invest in infrastructure development and supporting the vulnerable groups, and the need to maintain prudent levels of public sector debt.

Public Debt (as a % of GDP)



Budgetary Central Government debt as a percentage to GDP would decline from 68.7% in 2022/23 to 62.0% in 2023/24.

FISCAL POLICY



PERSONAL INCOME TAX

- ✓ The tax rate has changed from a **linear to a progressive basis** and the structure now consists of eleven tax brackets as opposed to three previously.

Current Annual Income (MUR)	New Tax Rate
0 – 390,000	0%
Surplus income between 390,001 - 430,000	2%
Surplus income between 430,001 - 470,000	4%
Surplus income between 470,001 - 530,000	6%
Surplus income between 530,001 - 590,000	8%
Surplus income between 590,001 - 890,000	10%
Surplus income between 890,001 - 1,190,000	12%
Surplus income between 1,190,001 – 1,490,000	14%
Surplus income between 1,490,001 – 1,890,000	16%
Surplus income between 1,890,001 – 2,390,000	18%
Surplus income above 2,390,000	20%

- ✓ As from the 1st of July 2023, an individual with no dependent with a chargeable income up to MUR 30,000 monthly, that **is MUR 390,000 annually will not pay any income tax.**

Solidarity Levy

- ✓ The Solidarity Levy has been repealed.

Exemptions and Reliefs

- ✓ The Home Ownership Scheme will be extended to 30 June 2024. Under the Scheme, an eligible person buying a house, an apartment or bare land to construct his residence benefits from a **refund of 5% of the cost of the property up to a maximum of MUR 500,000.**
- ✓ Home Loan Payment Scheme for a person contracting a secured housing loan will be extended to 30 June 2024. Under the Scheme, a person contracting a secured housing loan to construct his residence benefits from **a refund of 5% of the loan amount disbursed, up to a maximum of MUR 500,000.** Amounts of loan disbursed up to 30 June 2025 will qualify under the Scheme.
- ✓ Registration duty will be **levied on transfer of shares for value exceeding MUR 200,000** and will be taxed on the value of shares transferred when a person is acquiring more than 20% of the share capital in a company.

CORPORATE TAX

Financial Assistance to Specific Enterprises

- ✓ The Income Tax Act will be amended to implement the decision of Government to provide a monthly financial assistance for payment of salary compensation 2023 of:
 - ✓ MUR 250 or MUR 500 per eligible employee of a Small and Medium Enterprise (SME) including an expatriate employee depending on the profitability of the enterprise, from January 2023 to June 2024, including a double payment in December 2023.
 - ✓ MUR 300 per eligible employee of an Export Oriented Enterprise including an expatriate employee, from January 2023 to June 2024, including a double payment in December 2023.
 - ✓ MUR 500 per eligible employee of a large public bus operator including an expatriate employee. This financial assistance will be provided during the period from January 2023 to December 2023, including a double payment in December 2023.

Corporate Social Responsibility

- ✓ MUR 200 million of the CSR amount collected by the MRA will be transferred to the Solidarity Fund annually as from FY 2023/2024

Taxation of Banks

- ✓ Banks will be taxed as follows:
 - 5 % on chargeable income up to MUR 1.5 billion and
 - 15% on chargeable income above MUR 1.5 billion.

Investment Tax Credits

- ✓ An investment tax credit of **15% over 3 years** (i.e. 45% in total) is being granted to manufacturing companies in respect of expenditure incurred on new plant and machinery (excluding motor cars). The investment window will be extended up to the financial year (FY) 2025/2026. Any unrelieved investment tax credit may be carried forward over 10 years.
- ✓ Companies engaged in the manufacture of both alcoholic and non-alcoholic beverages will be allowed to claim the investment tax credit on expenditure incurred on new plant and machinery used exclusively for the production of non-alcoholic drinks.
- ✓ The double deduction granted to a manufacturing company in respect of expenditure incurred on market research and product development will no longer be restricted to the African market. This additional facility is restricted to companies having an annual turnover not exceeding MUR 500 million.
- ✓ Companies manufacturing medical devices will be taxed at the rate of 3%.

OTHER TAXES AND EXEMPTIONS (1)

Other Exemptions and Reliefs

- ✓ Profits derived from the sale of aviation fuel to an airline will be considered as an export of goods and therefore subject to tax at the reduced rate of 3%.
- ✓ The rate of the levy applicable to the turnover component of telephony service providers will be reduced from 1.5% to 1%.
- ✓ Interest income derived from bonds, debentures or sukuks issued by an overseas entity to finance renewable energy projects (“Green Bonds”) approved by the Director-General of the Mauritius Revenue Authority (MRA) will be exempted.
- ✓ The partial exemption granted in respect of interest earned by a Collective Investment Scheme or a Closed End Fund established in Mauritius will be increased from 80% to 95%.

Registration Duty

- ✓ No registration duty or fee shall be payable in respect of any document signed or executed by the Financial Intelligence Unit under which it is a beneficiary.

Excise Fees for Wholesale/Retail Sale of Alcoholic Products

- ✓ The annual licence fees for the sale of alcoholic products will be increased as follows for Wholesale dealer from MUR 6,000 to MUR 18,000 and for Retailer from MUR 1,000 - MUR 6,000 to MUR 2,000 – MUR 12,000.

Excise Duties

Effective as from 3 June 2023, the following rates of excise duty on alcoholic products will be applicable

Product	Current	New
Beer (per litre)		
Up to 9 degrees	MUR 48.00	MUR 52.80
Above 9 degrees	MUR 66.65	MUR 73.30
Spirit Cooler (per litre)	MUR 62.60	MUR 68.85
Fruit Wine (per litre)	MUR 38.85	MUR 42.75
Made wine (per litre)	MUR 83.30	MUR 91.65
Wine of grapes (per litre)		
In bulk of bottling purposes	MUR 134.00	MUR 147.40
In bottle	MUR 234.75	MUR 258.25
Champagne (per litre)	MUR 1,118.00	MUR 1,229.80
Rum (per litre of absolute alcohol)	MUR 658.25	MUR 724.10
Cane spirits (per litre of absolute alcohol)	MUR 658.25	MUR 724.10
Whiskey (per litre of absolute alcohol)		
In bulk for bottling purposes	MUR 1,271.60	MUR 1,398.75
In bottle	MUR 2,032.80	MUR 2,236.10
Liqueur (per litre of absolute alcohol)	MUR 447.25	MUR 492.00

OTHER TAXES AND EXEMPTIONS (2)

Motor Vehicles

- ✓ The current Excise/Customs Duty Rebate Scheme on motor vehicles will be extended for a further period of one year up to 30 June 2024.
- ✓ The rebate scheme is applicable as follows:
 - a motor car up to 1,000 cc: 55% rebate on the excise duty payable on the motor car; and
 - a motor car above 1,000 cc, double/single space cabin vehicle, van or bus: 45% rebate on the excise/customs duty payable on the motor vehicle.
- ✓ The Negative Excise Duty Scheme to encourage the purchase of electric vehicles will be extended for a further period of one year up to 30 June 2024. The Scheme provides for a refund of 10% of the value of importation up to a maximum of MUR 200,000 on the purchase of an electric vehicle by:
 - an individual purchasing an electric vehicle irrespective of the electric motor power; and
 - a company purchasing an electric vehicle of up to 180 kilowatt.
- ✓ Local Recycling of Waste PET Bottles into Reusable Goods.
- ✓ The rate of refund payable for waste PET bottles recycled into reusable goods will be increased from MUR 15 per kg to MUR 30 per kg to encourage local recycling.
- ✓ A 30 percent subsidy up to a maximum of MUR 3.5 million on the purchase of electric buses by bus companies.

Value Added Tax (VAT)

- ✓ VAT will be removed on the following products:
 - Noodles; Toothpastes; Toothbrushes; Baby wipes; Baby diapers; Baby powder; Baby cream; Breast pumps; Infant feeding bottles; Exercise books; Pencils; Crayons; Erasers; Walking sticks; Incontinence mattress pads and on medical grade silicone.
- ✓ The VAT exemption granted on the construction of a purpose-built building for the provision of tertiary education will be extended to construction for primary and secondary education.
- ✓ Provision will be made to exempt from the payment of VAT, customs duty and excise duty any contractor 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.
- ✓ Instruments and appliances used in medical, surgical, dental or veterinary sciences, of HS Code 90.18, will be made zero-rated for VAT purposes instead of VAT exempt

TAX ADMINISTRATION

Provisions to the Customs Act

- ✓ It will be clarified that the taxation rate applicable on any imported or locally manufactured good is the rate in force in the Customs Tariff Act, Excise Act and Value Added Tax Act at the time the Bill of Entry for the good is validated at Customs.
- ✓ The rate of interest that will be applicable at the time of effecting a refund of taxes under the Customs Act or the Excise Act will be the Key Rate.
- ✓ Parcels and trade samples imported/exported by post/courier, which are not merchandise for sale, do not require a Bill of Entry for clearance. However, a simplified customs form is submitted for clearance purposes. Legal provision will be made for this form.
- ✓ Where an importer/exporter/broker/agent fails to produce documents requested by MRA for post-clearance audit control, MRA may claim taxes underpaid based on information available. Provision will be made for a penalty not exceeding 50% of the underpaid taxes and interest at the rate of 0.5% per month, as for other cases of underpayment of taxes.
- ✓ An importer, who imports goods on behalf of another person entitled to tax exemption but fails to submit required documents within 15 days after the clearance of the goods, will be liable to a penalty of MUR 2,000 per day of non-compliance, up to a maximum of MUR 20,000. An aggrieved importer will have a right of appeal.

- ✓ The penalty provision for failure to submit a Bill of Entry for the clearance of goods or to make necessary amendments to ensure the accuracy of a manifest within 5 working days after the time an aircraft has landed or a vessel has been berthed will be further deferred until 30 June 2024.
- ✓ MRA Customs will be empowered to request, on a risk-management basis from an importer clearing goods of a value of more than MUR 500,000, details on the source of funds which have been used to purchase the goods.
- ✓ The Income Tax Act and VAT Act make provision for any aggrieved person to lodge an objection at the Objection Directorate of MRA or an appeal at the ARC on payment of 10% and 5% respectively of the amount of taxes underpaid. Similar provision will be made in the Customs Act and Excise Act to discourage frivolous objections and appeals.

Provisions to the Excise Act

- ✓ A definition of “matured agricultural rum” will be introduced.
- ✓ Provision will be made to allow bottlers of water to submit a consolidated Bill of Entry for excisable goods, as is the case for manufacturers of sugar sweetened products.
- ✓ Provision will be made to allow a customs officer, in the execution of his duties, to offer to buy any alcoholic or tobacco products for the purpose of gathering evidence for the enforcement of the Excise Act. The evidence gathered will be admissible for court proceedings.
- ✓ Provision will be made for the stocktaking exercise for sugar sweetened products in a factory to be carried out over such period as MRA may determine.

Advertising Structure Fee

- ✓ The fee payable on an advertising structure, which ranges from Rs 5,000 to Rs 70,000 annually depending on its size, will be reduced by half with effect from 1 January 2024.

The background of the image is a blurred photograph of a group of people in a meeting or office setting. The scene is dimly lit, with a blueish tint. In the center, a person is seen from the back, looking towards a screen or whiteboard. To the right, another person is partially visible, looking towards the center. The overall atmosphere is professional and collaborative.

ENABLING BUSINESS ENVIRONMENT

EASE OF DOING BUSINESS

- ✓ A **B-Ready Coordination Committee** will be established to coordinate and ensure implementation of reforms in line with the recommendations of the World Bank.

SUPPORT TO SMEs

- ✓ Under the SME Support Scheme, the maximum grant provided will be increased from **MUR 200,000 to MUR 250,000**.
- ✓ The SME interest free loan scheme and the COVID-19 Special Support Scheme up will be **extended to June 2024** by the DBM.
- ✓ The salary compensation of **MUR 500** for SMEs will be extended.
- ✓ The SME Employment Scheme will be extended for another year.
- ✓ The DBM will write-off long outstanding loans of more than 20 years and loans of deceased micro entrepreneurs.

SUPPORT TO WOMEN

- ✓ Women-owned MSMEs will benefit from a **10% increase** in the margin of preference for public procurement of goods.
- ✓ Under the *'Prime à L'Emploi Scheme'*, Government will contribute **MUR 15,000** monthly for a period of two years for newly employed women or those who have been unemployed for at least a year.
- ✓ Listed companies shall have a minimum of 25 percent of women on their boards to promote gender equality at all levels.

CONSTRUCTION INDUSTRY DEVELOPMENT BOARD ACT

The Construction Industry Development Board Act will be amended to allow for the waiving of the mandatory requirement for collaboration between foreign and local contractors and consultants in cases where the services of a foreign firm are needed and there is no local contractor or consultant to partner with the foreign firm due to the size of the local industry or the field of expertise required for the execution of the projects.

A close-up photograph of several wooden spools of thread in various colors including yellow, green, and brown, arranged on a dark surface. The spools are of different sizes and some have thread wound around them. The lighting is soft, highlighting the texture of the wood and the threads.

INDUSTRIAL TRANSFORMATION

MANUFACTURING SECTOR

SUPPORT TO LOCAL INDUSTRY & ENCOURAGE LOCAL CONSUMPTION:

- ✓ Introduction of an “**En route vers le Made in Moris**” programme for some 120 SMEs over a period of 3 years to build their capacity towards joining the label;
- ✓ Allocating a “**Made in Moris**” **dedicated area** at the Mauritius Duty Free Paradise at the airport; and
- ✓ **Procuring at least 50%** of all biscuits, uniforms, edible oil, margarine, tea, juice, and yogurt from local manufacturers.

GEOGRAPHICAL INDICATION LABEL FOR RODRIGUAN COFFEE

The EDB will work towards implementing a **Geographical Indication label for Rodriguan Coffee** to enhance its reputation of quality, production and export and support the island's economic development. National and international promotion campaigns will be organized to promote the coffee.

MAURITIAN BRAND PRODUCTS

The EDB will come up with a framework for the protection of the Mauritian brand, products, and signs inherent to the historical, cultural and contextual values of Mauritius

ENCOURAGE INVESTMENT AND AUTOMATION

- ✓ Extension of the **investment tax credit** to all manufacturing companies for the next 3 years



Largest contributor to GDP



Manufacturing Sector
10.4% in 2022



LIFE SCIENCES AND BIOTECHNOLOGY

- ✓ The Human Tissue Act will be amended to enable in-vitro fertilisation.
- ✓ All applications under the Clinical Research Regulatory Council (CRRC) are to be processed within a maximum period of 15 days.
- ✓ Companies manufacturing medical devices will be taxed at 3 %.



Annual Global
Growth

7.5%



HUMAN CAPITAL AND KNOWLEDGE ECONOMY

OCCUPATIONAL PERMIT

- ✓ The threshold for occupation permit for professionals will be reduced to MUR 30,000.
- ✓ Applicants for an occupation permit will be allowed a business visa of 120 days without having to leave Mauritius.
- ✓ The **Young Professional Occupation Permit** to be opened to all fields of study.
- ✓ The introduction of a **silent is consent provision of 4 weeks** for registration of foreign professionals with professional bodies including the medical, dental and veterinary councils.

WORK-LIFE BALANCE

- ✓ Introduction of new stand-alone leave of 5 days for workers having experienced a pregnancy loss.
- ✓ Possibility to use up to 10 days sick leaves to take care of children, parents and grandparents with healthcare related issues.

WORK PERMIT

- ✓ Application for work permit to be made solely on the **National e-licensing platform (NEL)**.
- ✓ Introduction of a silent is consent principle of **4 weeks for work permits applications**.
- ✓ The introduction of a streamlined process to recruit foreign labour under a work permit for companies with a good track record.
- ✓ Non-citizens on a tourist or business visa will be allowed to apply for a work permit.

WORKERS' RIGHTS ACT

The Workers' Rights Act will be amended to:

- ✓ authorise a worker to be employed on a part-time basis and also allow a full-time worker, with his consent, to complete his normal working week in 4 working days with a view to promoting more flexible working hours and reconciling family obligations with work;
- ✓ introduce the principle of hourly rate to harmonise the mode of computation of wages for purposes including overtime
- ✓ allow a worker to constitute a bank of annual leave by providing that untaken leaves be accumulated to avail him of more leisure time and to provide that any outstanding accumulated leave be also refunded on termination of employment



TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING (TVET)

The Mauritius Qualifications Authority Act will be amended to:

- ✓ approve and recognise micro-credentials in Technical and Vocational Education and Training (TVET); and
- ✓ monitor the implementation of the National Credit Value and Transfer System in TVET under the National Qualifications Framework.

KNOWLEDGE ECONOMY

For the ICT/BPO sector:

- ✓ new campuses / local training institutions partnering with African counterparts will be allowed a double deduction on their costs.

EXPORT SUPPORT MEASURES





EXPORT PROMOTION & FACILITATION

- ✓ Renewal of the Africa Warehouse Scheme for a period of 3 years to cover expenses in relation to warehousing, expertise and export consulting.
- ✓ Extension of the Freight Rebate Scheme and the Trade Promotion and Marketing Schemes for the next fiscal year to facilitate exports by sea and air.
- ✓ Extension of the 50% reduction in export port charges and Export Credit Guarantee Scheme for the next fiscal year
- ✓ The existing legal framework on industrial development will be updated to cater for the setting up of Special Economic Zones to position Mauritius as a gateway for the African Market.

FREEPORT

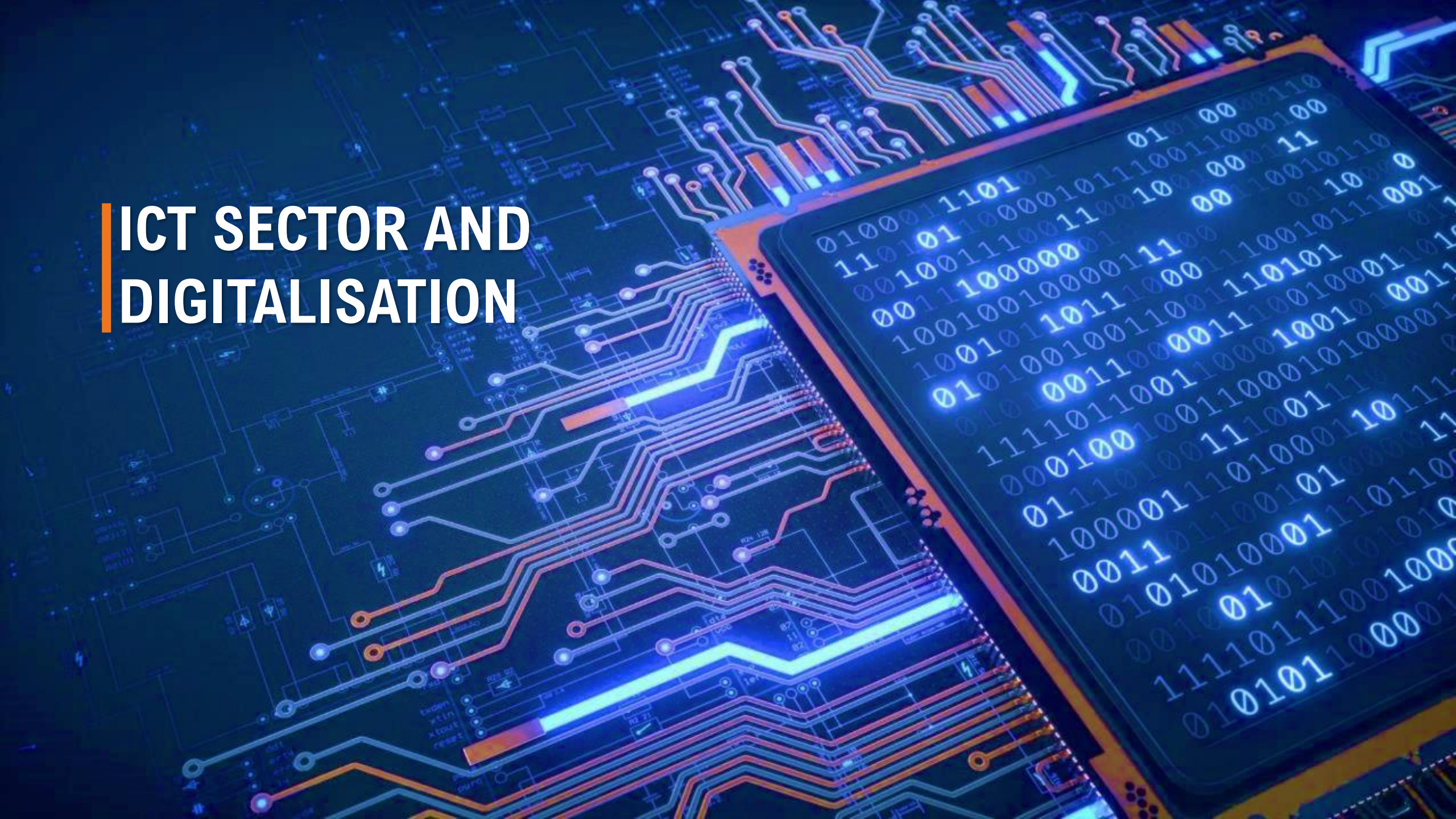
- ✓ Refining and mining of precious metals as new freeport authorized activities.



Total Exports of Goods in 2022

MUR 102 Million
+15.6%

ICT SECTOR AND DIGITALISATION



ASSISTING DIGITAL ENTREPRENEURS

- ✓ All licenced operators and service providers in the ICT Sector, who have faced difficulties, due to the Covid-19 pandemic, in honouring their obligations in terms of payment of their licence fees and other charges will be allowed to payback their outstanding dues, in equal monthly instalments, over a period of 5 years.
- ✓ all applicable penalties and surcharges will be, exceptionally, waived to ensure that these operators can continue to develop their businesses.

ISLANDSERVICE PLATFORM

- ✓ The Mauritius Emerging Technologies Council will set up the IslandService platform to bring the informal service sector under one roof. The platform will list various service providers including gardeners, electricians, plumbers, mechanics and will allow citizens to hire these service providers.

DIGITALISATION OF PUBLIC SERVICES

- ✓ To fast-track the digitalisation of public sector services,
 - Local service companies will benefit from the **margin of preference of 40%**.
 - The extension of **MauPass** to the corporate sector for digital service access for employees.

DIGITALISATION OF SERVICES

- ✓ Introduction of the Digital Rupee on a pilot basis as from November 2023.

A hand holding a silver pen points to a line graph on a laptop screen. The screen displays financial data with green and blue text and a fluctuating line chart. The background is dark with blue light reflecting off the laptop's surface.

SERVICES SECTOR

BANKING ACT

- ✓ The Banking Act will be amended to replace the term “Repo Rate” by “Key Rate” in the context of the implementation of the new monetary policy framework by the Bank of Mauritius. Consequential amendments will be made to other relevant legislations accordingly.

CONSOLIDATION OF THE IFC

- ✓ Introduction of a new framework to support the licensing and operation of Electronic Money Institutions (EMI).
- ✓ Introduction of a Wealth Manager and Family Officer licence under Private Banking.

DIGITALISATION FINANCIAL SERVICES

- ✓ The operationalisation of the Mauritius Deposit Insurance Scheme and the Mauritius Deposit Insurance Company) by the Bank of Mauritius to protect depositors.
- ✓ Introduction of a Wealth Manager and Family Officer licence under Private Banking.

FINANCIAL SERVICES

- ✓ The operationalisation of the Mauritius Deposit Insurance Scheme and the Mauritius Deposit Insurance Company) by the Bank of Mauritius to protect depositors.
- ✓ Introduction of a Wealth Manager and Family Officer licence under Private Banking.
- ✓ Setting up Centre for International Cooperation (CIC) by the Bank of Mauritius to host international ad-hoc and permanent representations and projects.
 - Launching of a Knowledge Hub.
- ✓ The hosting of OECD – FinCoNet AGM by the Bank of Mauritius in November 2023.

SUSTAINABLE DEVELOPMENT AND GREEN GROWTH



ACHIEVE TARGET OF 60% OF PRODUCTION FROM RENEWABLE ENERGY:

- ✓ Introduction of **renewable energy schemes** for hotels, commercial centres, shopping malls and the agricultural sector;
- ✓ Extension of **Carbon Neutral Scheme** for the ICT sector.
- ✓ Setting up of 1 **megawatt Ocean Thermal Energy Conversion (OTEC) power plant** on a pilot basis.
- ✓ Extension of the **Green Energy Loan scheme** (by DBM) to SMEs for the production of electricity on the rooftop of their buildings up to a maximum amount of MUR 1 million.

PLASTIC MANAGEMENT:

- ✓ Introduction of a deposit-refund scheme to better control the use of plastic bottles and aluminium cans.
- ✓ Doubling the rate of refund from MUR 15 per kg to MUR 30 per kg of PET bottles recycled locally.

TRANSITION TOWARDS LOW CARBON RENEWABLE ENERGY-LED ECONOMY:

- ✓ Extension of the mandatory energy labelling to television sets, washer dryers and tumble dryers; and
- ✓ Solar powered street lighting will be installed across the island to replace LED and other lighting.

ACHIEVING A FULLY GREEN AND CLEAN BUS TRANSPORT SYSTEM:

- ✓ a 30% subsidy up to a maximum of MUR 3.5 million on the purchase of electric buses by bus companies.
- ✓ Provision of loans at a concessional rate of 2% percent for the purchase of fully electric buses by the Industrial Finance Corporation of Mauritius (IFCM).
- ✓ Extension of the negative Excise duty on electric vehicles of 10% up to June 2024.



PROMOTING GREEN ECONOMY

- ✓ The extension of the exemption of interest income derived from bonds to finance renewable energy projects to all sustainable projects.
- ✓ The introduction of **Carbon Trading framework for both blue and green** credits by the Bank of Mauritius.



SUSTAINABLE MANUFACTURING

- ✓ The provision of **50% waiver on the increase in electricity prices** for the next two years for companies moving towards 100% renewable energy.
- ✓ The provision of **75% subsidy** will be provided for the conduct of energy audits.



**TOURISM
SECTOR**



TRANSFORMING MAURITIUS INTO A GREEN-CERTIFIED DESTINATION BY 2030 – SUSTAINABLE TOURISM DEVELOPMENT

EASE OF DOING BUSINESS

- ✓ The 38 existing licences for registration of different activities in the tourism sector will be streamlined.

MEDICAL TOURISM & SILVER ECONOMY

- ✓ Medical patients and retirees as well as up to two accompanying caretakers will be eligible for a premium visa;
- ✓ A foreign patient or retiree will not need to open a bank account in Mauritius; and
- ✓ Foreign retirees above 60 years old will have access to medical insurance.

PARTICIPATION IN INTERNATIONAL FAIRS

- ✓ To improve the visibility of the hospitality industry, we are increasing the amount under the Participation in International Fairs SME Refund Scheme by 25% to MUR 250,000.

**1.2 million tourists
at end of June 2023**

**MUR 80 Billion
tourism earnings
20% higher than
pre-pandemic levels**



OTHER BUDGETARY MEASURES



AGRO-INDUSTRY

- ✓ Introduction of new Agricultural Loan Scheme of 3.5% interest rate with a maximum ceiling of MUR 10 million by DBM
- ✓ Extension of the **Crop Replantation Scheme** at an annual preferential rate of 2.5% to biomass and afforestation by DBM.
- ✓ Funds for the operationalisation of the **Biomass Framework** will be allocated.
- ✓ Renumeration of MUR 3.50/kWh of the Cane trash and woody biomass.



BLUE ECONOMY

- ✓ To increase seafood production, companies willing to conduct assessment of untapped resources in our waters will be provided with **exploratory licences**.
- ✓ The **Aquaculture Policy** for the implementation of new in-lagoon aquaculture projects will be reviewed to encourage sustainable aquaculture.
- ✓ With a view to modernising the fisheries industry and increase the productivity and catch of fishermen, **technologies including Artificial Intelligence** will be made available to fishermen to provide **digital information** on sea conditions such as sea water temperature distribution and potential fishing grounds.

SOCIAL MEASURES

SOCIAL AID

- ✓ Extension of the eligibility threshold for registration under the social register of Mauritius from MUR 3000 to 3,575 for an adult; and from MUR 1,500 to MUR 2,500 for a child.
- ✓ Increase of the maximum household income threshold from MUR 10,500 to MUR 14,650 as from 1st July 2023.
- ✓ Extension of the eligibility threshold to be registered under the National Database for Vulnerable Groups from MUR 4000 to MUR 4,600 for an adult; and from MUR 2,000 to MUR 3,220 for a child.
- ✓ Support under the National Database for Vulnerable Groups to households earning a monthly income above MUR 14,650 and not exceeding MUR 18,860.
- ✓ Increase of the Crèche Allowance for SRM beneficiaries from MUR 2,000 to MUR 3,000.
- ✓ Support to vulnerable households earning up to MUR 35,000 monthly to purchase wheelchairs, spectacles, hearing aids and dentures.
- ✓ The CSG allowance of MUR 1,000 for individuals earning less than MUR 50,000, with an additional MUR 1,000 for those earning less than MUR 25,000.

- ✓ Introduction of a « Revenu Minimum Garanti » of MUR 15,000 as from 1st July 2023.
- ✓ MUR 1,000 will be provided monthly to individuals who have contracted loans of up to MUR 5 million (housing).

DECENT HOUSING

- ✓ Completion of 306 social housing units by December 2023.
- ✓ Construction of 8,000 housing units in the next 18 months on 39 sites across the island.
- ✓ Extension of the Home Ownership Scheme and the Home Loan Scheme for another year.
- ✓ Increase of the maximum grant under the 'Casting of Roof Slabs Grant' Scheme and 'Purchases of Building Materials' Scheme from:
 - MUR 100,000 to MUR 130,000 for households earning up to MUR 15,000 monthly;
 - MUR 50,000 to MUR 100,000 for households earning up to MUR 20,000 monthly; and
 - MUR 75,000 to households earning from MUR 20,001 to MUR 30,000 monthly.

SOCIAL MEASURES

WELFARE OF CHILDREN AND YOUNG ADULTS

- ✓ Government will cover the full cost of:
 - overseas treatment for patients up to the age of 17 years cancer care and;
 - treatment in foreign hospitals and local private hospitals for children diagnosed with cancer.

- ✓ Increase of the monthly allowance under the Foster Care Scheme in respect of a child to MUR 12,000.

- ✓ Introduction of an enhanced allowance of MUR 15,000 for a child with special needs.

- ✓ Increase of the monthly child allowance paid to beneficiaries of Basic Widow's Pension, Basic Invalidation Pension and Survivor's Pension to MUR 2,000.

- ✓ Increase of the household income ceiling to qualify for Multiple Birth Allowance of MUR 3,272 per month for a child to MUR 390,000 per annum.

- ✓ Grant of MUR 20,000 to young adults on reaching 18 years.

- ✓ CSG Child Allowance of MUR 2,000 monthly for some 48,000 children aged up to 3 years.

WELFARE FOR THE ELDERLY AND INVALID

- ✓ Increase of Basic Retirement Pension, Basic Widow's Pension, Basic Invalidation Pension and Basic Orphan's Pension to MUR 11,000.

- ✓ Grant of Basic Invalidation Pension of MUR 11,000 to individuals who have been amputated or who have lost their arm, leg or hand.

CONSUMER PROTECTION

- ✓ Price of bread "pain maison" maintained at MUR 2.60.

- ✓ Price of 12 kg cylinder of cooking gas maintained at MUR 240.

- ✓ Price of rice maintained at MUR 10.80 per kg.

- ✓ Price of mogas reduced to MUR 69 per litre.

- ✓ Maintaining of CSG Income Allowance of MUR 1,000 for those earning less than MUR 50,000 monthly.

- ✓ Allowance of MUR 2,000 for those earning less than MUR 25,000 monthly.

OTHER BUDGETARY MEASURES

- ✓ **Consumer Protection (Price and Supplies Control) Act** will provide for mandatory submission of prices of commodities electronically to the Ministry of Commerce and Consumer Protection with more visibility on the retail's prices of commonly used products through the 'MOPRI' application.
- ✓ **Dangerous Drugs Act** will introduce an electronic register to record all transactions relating to the controlled drugs.
- ✓ **Meat Act** will allow for import of animals for breeding which can be resold to other stakeholders such as FAREI and APD.
- ✓ **National Agricultural Products Regulatory Office Act** will provide for tobacco to include different species of tobacco which may be imported as ornamental plants, research purposes and smoking.
- ✓ **Pharmacy Act** will be amended to cater for and facilitate the development of local pharmaceutical manufacturing sector in Mauritius.
- ✓ **Sugar Industry Efficiency Act** will be amended to provide that applications for land conversation be made on National E-Licensing system.
- ✓ **MRA E-invoicing** – At a first phase of the e-invoicing project, MRA will launch a developer's portal to test the Electronic Billing Systems (EBS) supplied by vendors to ensure the EBS connect seamlessly with the MRA server and invoices generated are in standard e-invoicing format.

