SWAN CAPITAL SOLUTIONS

Budget 2023/2024

To dare and to care

2nd June 2023

Foreword

To dare and to care

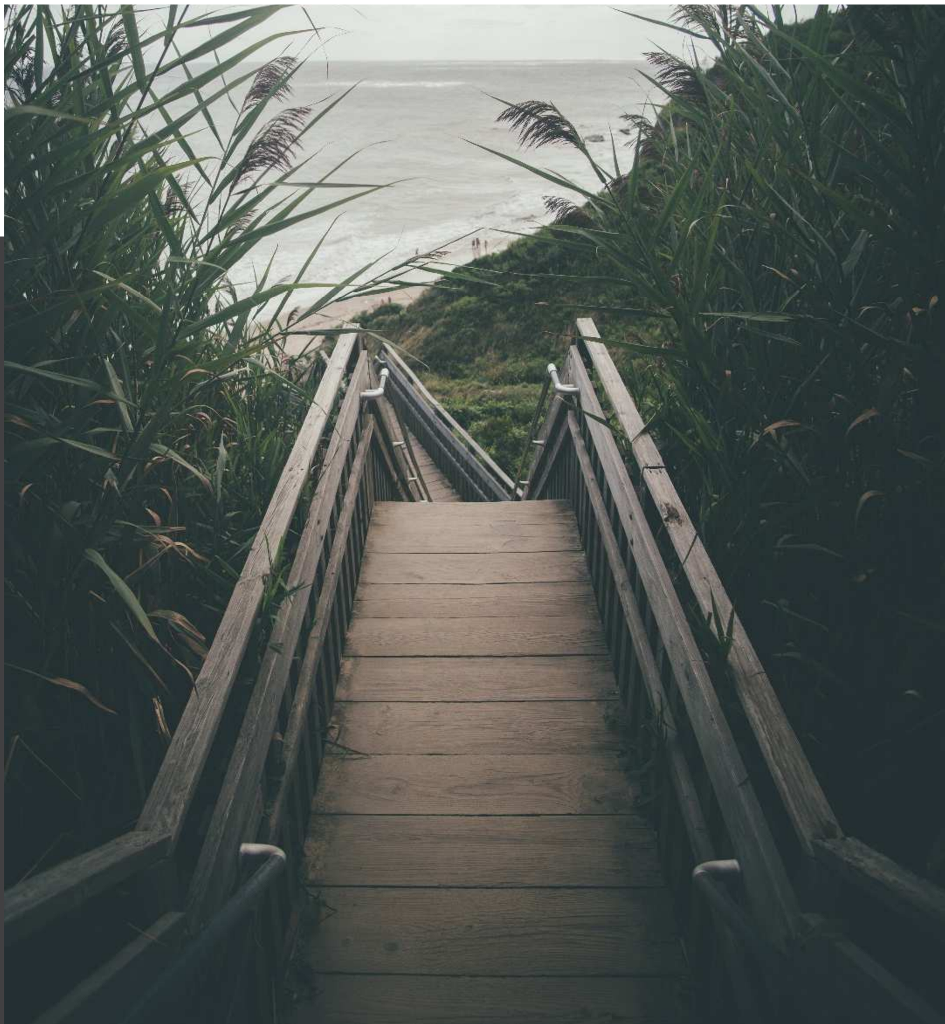
Research Desk

In his 4th and penultimate budget of the current Government mandate, Dr The Honourable Renganaden Padayachy, Minister of Finance, Economic Planning & Development, presented his Budget entitled "To Dare & to Care" with a strong flavour of socio-economic measures aimed to instill a feel good sentiment amongst the broad population.

With an annual headline inflation rate of around 11% at the end of April 2023 and fuel prices at an all-time high, along with interest rates on an upward swing, the Mauritian population needed a caring touch from the government. An array of supporting measures were infused into the Minister's Budget speech, such as the extension of the CSG monthly income allowance up to Rs. 2,000, monthly allowances of Rs. 2,000 for children up to 3 years old, a monthly allowance of Rs. 1,000 for individuals who have contracted loans up to Rs. 5 million for the purchase of their home, fully subsidized pediatric care to children up to 17 years old (treated locally and abroad), to name a few. Additionally, the minimum wage was raised to Rs. 15,000 monthly, higher pension benefits were implemented, elimination of the special levy on higher income bracket, a harmonization of income tax rate progressing from 0% to 20% and last but not least, the much-awaited cut in petrol prices from Rs. 74.10 to Rs. 69.00 per litre (6.9% reduction).

The Mauritian economy posted better than forecasted growth in 2022 with GDP growth at 8.7% and debt to GDP contained at 79%. Unemployment rate dropped from 9.1% to 7.7%. In this backdrop of positive performances, the Minister set the scene to strengthen the foundations of the economy and transform Mauritius into a sustainable future through a series of initiatives to support the main pillars of the economy namely manufacturing (investment tax credit extension for the next 3 years), construction (infrastructural development, low-cost housing units), encouraging the entrepreneur spirit through a foray of measures to produce locally, promoting green initiatives (e.g 30% subsidy of up to Rs. 3.5 million for purchase of electric buses) and encourage the transition of the economy towards a neutral carbon footprint.

Fiscal year 2023 from the Minister's forecast would be as promising as 2022 with GDP growth oscillating around 8% and debt to GDP to fall to 71.5%. Total expenditure in this budget would amount to Rs. 200 billion and revenue reaching Rs. 179 billion; budget deficit contained at a manageable 2.9% deficit.



Social Measures

Social Measures

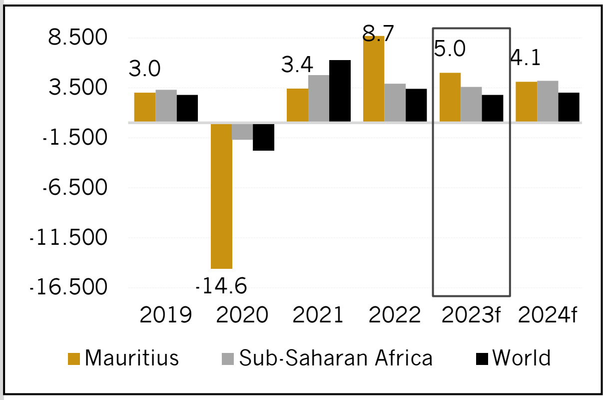
Key Measures:

- **Enhancement of Retirement Pensions:**
  - Basic retirement pension will witness an increment of Rs 1,000, resulting in a total amount of Rs 11,000. Additionally, the Basic Widow's Pension, Basic Invalidity Pension, and Basic Orphan's Pension will also experience an increase of Rs 1,000. We believe that adjustments aim to provide better financial support to retirees, widows, and individuals with disabilities.
- **Introduction of "Revenu Minimum Garanti":**
  - A "Revenu Minimum Garanti" program has been introduced to ensure a minimum monthly income of Rs 15,000 for individuals. No individual in full-time employment will earn less than this amount, thereby guaranteeing a decent standard of living for all.
- **Relief for Homebuyers:**
  - A relief of Rs 1,000 has been allocated to 70,000 households who took loans to purchase their homes. This measure aims to alleviate the burden of homeownership and support families in their quest for secure housing.
- **Reduction in Mogas Price**:
  - To ease the financial strain on citizens, the price of mogas (gasoline) has been decreased from Rs 74.10 to Rs 69 per liter.
- **Monthly Child Support for Young Children:**
  - Children up to the age of 3 years will receive Rs 2,000 per month, providing families with the means to meet their children's basic needs and ensure their well-being.
- **Mandatory Workplace-Based Childcare Facilities**
  - Under a PPP model Companies having over 250 employees must create mandatory Workplace-Based Childcare Facilities; this initiative aims to create a conducive environment for working parents and foster a more inclusive workforce.
- **One-off grant for 18 year old's:**
  - Starting from January 1, 2023, every individual reaching 18 years of age will be provided with a grant of Rs 20,000. This grant serves as a financial support mechanism during the transitional phase into adulthood, empowering young adults to pursue their aspirations and achieve financial independence.
- **Basic Invalidity Pension for Amputees:**
  - To ensure their financial security, a Basic Invalidity Pension of Rs 11,000 has been granted. This measure seeks to provide them with a stable income and support their overall well-being.
- **Support for Newly Employed Women and Long-term Unemployed:**
  - Under the *Prime à L'Emploi* Scheme, the government will contribute Rs 15,000 per month for a period of two years to newly employed women, person with disabilities, and individuals who have been unemployed for at least a year. This initiative aims to provide financial assistance and empower individuals during their transition into employment.
- **Affordable Housing Initiatives:**
  - To address the housing needs of citizens, 8 000 housing units shall be constructed within the next 18 months. This ambitious endeavor aims to provide safe and affordable housing options for individuals and families across the country.
- **Increased Monthly Child Allowance:**
  - Beneficiaries of the Basic Widow's Pension, Basic Invalidity Pension, and Survivor's Pension will receive an increased monthly child allowance of Rs 2,000. This adjustment recognizes the importance of supporting families and ensuring the well-being of children.
- **Overseas Medical Treatment Coverage for Pediatric Patients:**
  - In order to ensure access to necessary medical treatments not available locally, the government will fully cover the cost of overseas treatment for pediatric patients up to the age of 17 years. This initiative aims to provide comprehensive healthcare support for young patients in need.

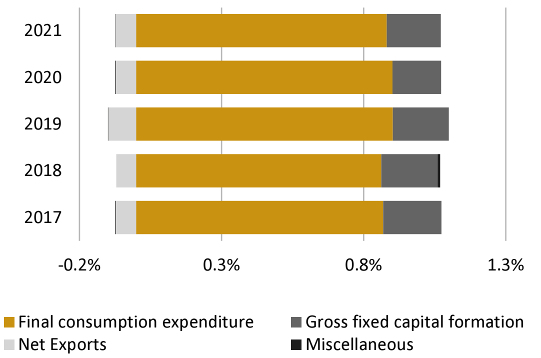
Mauritian Economy
Key Figures

Mauritian Economy

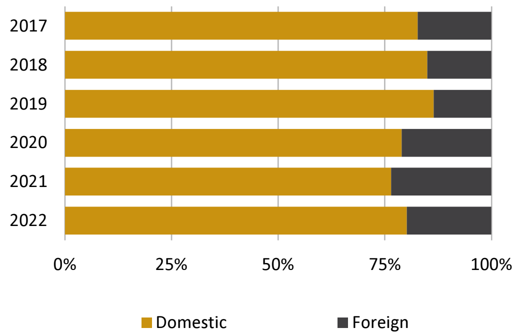
Real GDP Growth at market prices (%)



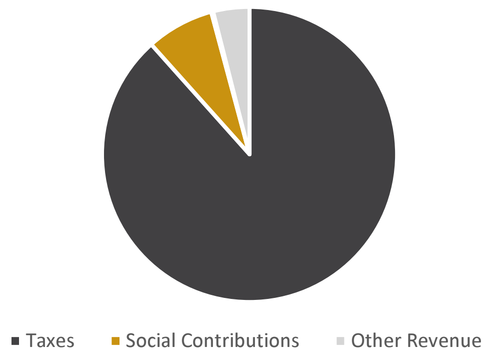
GDP Components (%)



BCG Debt (Foreign and Domestic)



Recurrent Revenue Breakdown



Labour force, Employment and Unemployment

	2019	2020	2021	2022	Change 2021-2022
Labour Force (Economically active)	591.0	570.1	532.8	562.8	30.00
Of which employed	551.3	517.9	484.4	519.6	35.20
Of which unemployed	39.7	52.2	48.4	43.2	-5.20
Outside Labour Force (Economically inactive)	405.6	431.6	475.6	448.2	-27.40
of which Potential Labour Force	2.4	42.0	14.9	1.5	-13.40
Unemployment Rate (%)	**6.7%**	**9.2%**	**9.1%**	**7.7%**	**-1.40%**
Youth unemployment rate (%)	0.2	0.3	0.3	0.3	-2.60%

Source: Statistics Mauritius

Contents

Financial Services

Financial Services

Theme: As the local economy continues to recover from pandemic's lows, financial services companies have remained resilient and deposit taking entities remained well-funded despite current operating context, registering a sectoral growth rate of 4.20% in 2022. Tier 1 ratio and CAR for industry stood at 19.3% and 20.6% respectively as at Dec-22, remaining above regulatory requirements. NPL Ratio for the industry stood at 4.9% as at Dec-22, at par with Dec-19.

While the local economy's recovery is expected to moderate to 5.0% in 2023 - backed notably by the tourism sector along with the rest of the services sector – inflationary pressures are expected to remain well above the target range set by the BOM of 2%-5%. In order to maintain price stability, the Bank of Mauritius increased its key rate by 265 bps in 2022. This increase in borrowing cost gradually translated in higher financial burden for companies and households, with the latter already experiencing a drop in purchasing power since 2021. As a reference, headline inflation (12-month average) stood at 10.8% in December 2022, while wage rate index grew 7.8% in 2022. As at Mar-23, Household deposits in MUR stood at 335.4Bn, up 4.8% y/y, while loans to Households in MUR stood at Rs 146.4Bn, up 16.4% y/y.

In order to better pursue its mandates of price stability, stable output and employment growth along with the management of the local currency, the central bank issued a new policy framework in January 2023. The new framework introduced a new policy tool, the 7-day T-bill, which is linked with the Key Rate (which replaced the Key repo rate). This new tool, which targets mainly banks, helped mop the revolving excess liquidity from the financial system. Amount received and accepted by the BOM for the 7-day T-bills averaged MUR 70.0Bn per week in April.

Given the country's high reliance on imports, the impact of the depreciation of the MUR against the USD, which is estimated at around 6.0% in 2022 (Using 12-month average), which continued to the already high level of imported inflation in 2021. As a result, minutes of meetings showed that members of the MPC targeted in the interest rate differential with the Fed Fund's rate in order to stabilize the local currency. It would seem however that the members of the committee have used a different approach since the beginning of the year by taking a firm stance against speculators and directly targeting commercial banks and local companies who were hoarding foreign currencies. On the other hand, the last time MPC members reunited was in December 2022 where the committee raised the repo rate by 50 bps. In the meantime, the federal open market committee met on three occasions and raised the fed's fund rate on each time by 25 bps. Next FOMC meeting is expected to start on the 13th-14th June, with mixed views regarding the committees next move, however another increase of 25bps would bring the differential with the Repo rate at 100 bps. The MPC is expected to meet a day after on the 15th of June.

While local banks have been able to benefit from a surge in T-bill rates, with weighted average yields on GOM T-bills surging from 0.80% in April 22 to 4.63% to April 2023, the higher cost of borrowing for companies has been one of the major contributors to the overall challenging and uncertain operating environment described by companies.

Financial Services

Key measures

Taxation of Banks

- Incentive tax rate of 5% is no longer applicable as from the year of assessment 2022/2023 and banks are being taxed at the rate of 15% on chargeable income above Rs 1.5 billion.
- The rate of the levy will be aligned to 5.5% for all banks.

Income Tax

- Other Exemptions and Reliefs - Exempt Income
    - 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%.
- In line with sustainability agenda and to promote the greening of our economy:
    - The exemption of interest income derived from bonds to finance renewable energy projects is being extended to all sustainable projects
- Consolidation of the position of the Mauritius International Financial Centre, through:
    - Introduce a new framework to support the licensing and operation of Electronic Money Institutions (EMI);

Other notable measures for the financial services sector

- The Industrial Finance Corporation of Mauritius (Equity) Ltd will provide equity financing including preferential shares to SMEs so as to make them bankable for credit finance by commercial banks;

- Undertake a National Risk Assessment of money laundering and terrorism financing risks with the assistance of the World Bank

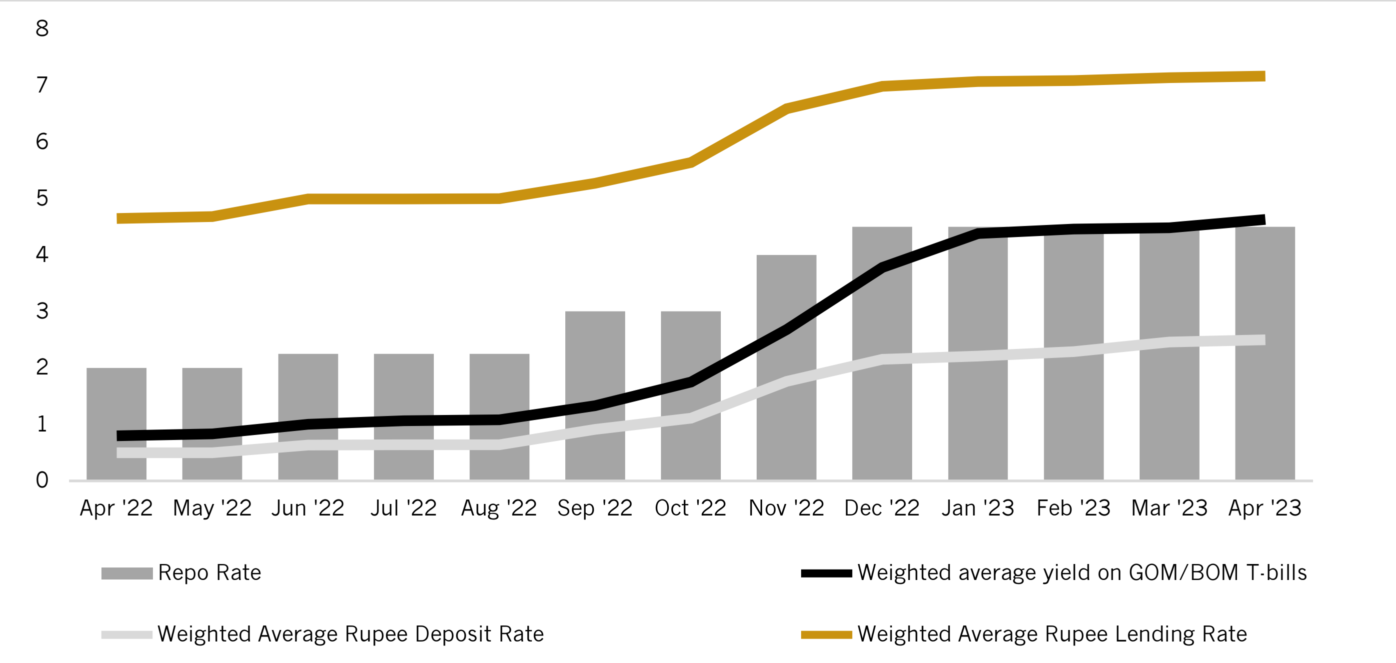
- Tax Administration: Income Tax
    - Tax Deduction at Source (TDS) – Broadening of Scope
        - Payment of fees made by insurance companies to panel beaters and spray painters for repairs of motor vehicles of policy holders

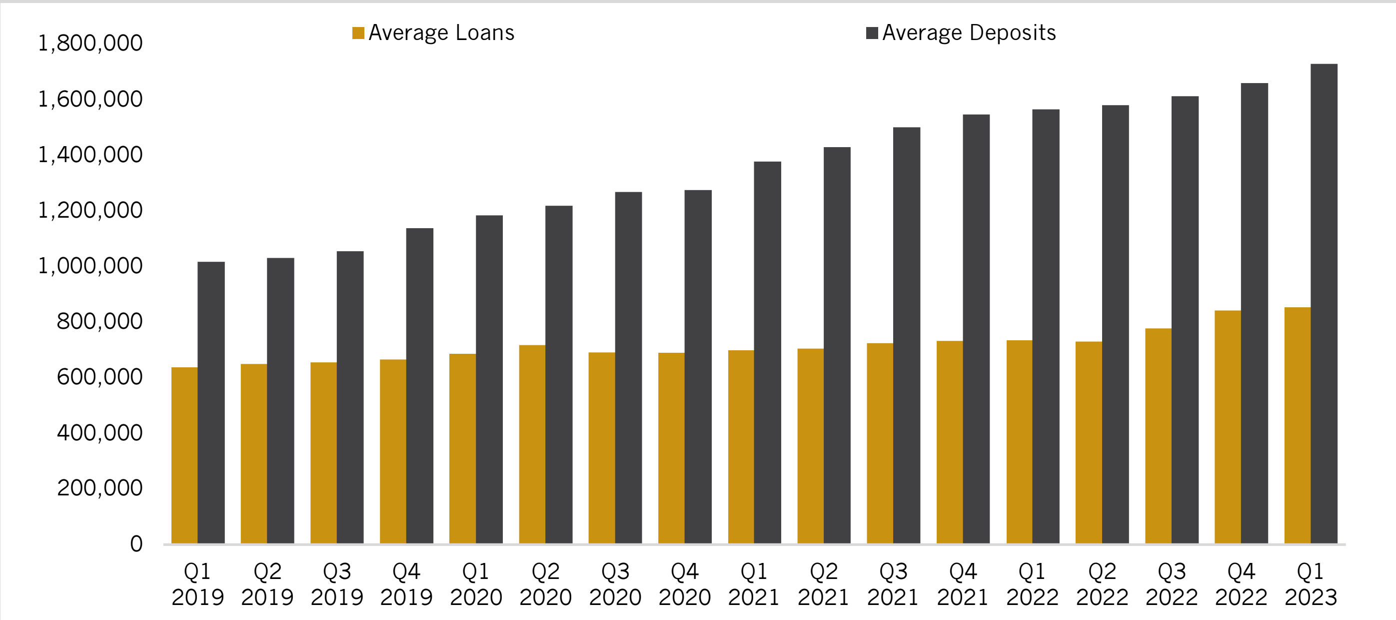
    - Tax Deduction at Source – Exemptions - Tax Deduction at Source will not apply on fees paid to:
        - A Management Company licensed by the Financial Services Commission (FSC)
        - An Investment Adviser licensed by the FSC

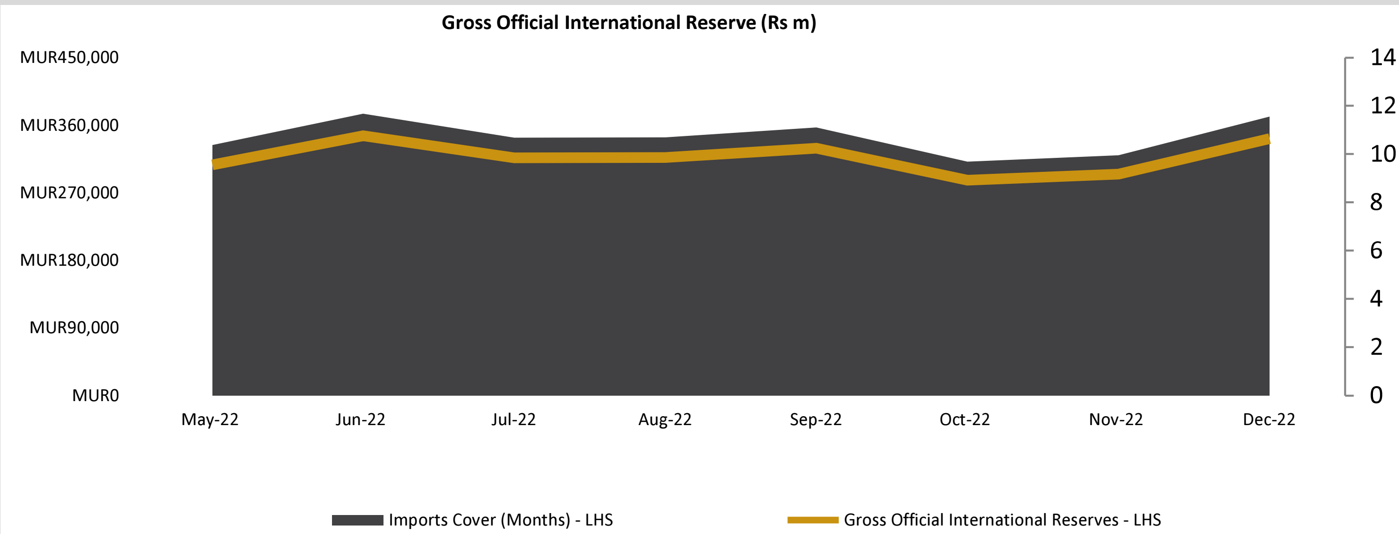
- Financial Intelligence and Anti-Money Laundering Act
    - The Financial Intelligence and Anti-Money Laundering Act (FIAMLA) will be amended to clarify that entities such as Fintech Service Provider, reinsurance companies and brokers, travel insurance, health insurance, actuarial services, credit rating agency and insurance salesperson do not fall under the scope of the FIAMLA.

- Financial Services Act : The Financial Services Act will be amended to –
    - require moneylenders to comply with any requirement of the FSC instead of prudential requirements;
    - enhance the role of Management Companies with respect to ensuring compliance of their clients with relevant laws
    - provide for the electronic filing of documents by licensees
    - empower the FSC to make Rules on obligations and responsibilities of holders of a Management licence.

Financial Services







Manufacturing & Agriculture

Manufacturing & Agriculture

Theme: The local manufacturing sector grew by 10.4% in 2022, up from preliminary estimate of 6.3% on the back of improved performances observed in "food processing" and "textile manufacturing". Total exports for the year grew by 24.0% to reach Rs 101.7Bn. Contribution from export-oriented enterprises reached Rs 50.0bn in 2022, up from Rs 42.6bn in 2021.

Terms of trade however deteriorated. Prices of imported goods surged 34.3% over the year, while exports prices grew only 7.3%, bringing the terms down from 99.3 to 79.3. Main drivers behind the surge in import prices were coal, petroleum products and gas – growing by 113.0%, 70.3% and 13.5%.

This increase in fossil fuel sources, led to an increase in cost of production for power producing plants across the island. Given the high reliance on fossil sources to generate electricity, the central electricity board announced the revision of its tariffs earlier this year in order to pass some of the costs to consumers. This increase has adversely impacted the cost of production of companies in the sector, most notably in Manufacturing; Free-port; Commerce and Distribution and Agriculture.

On the agricultural front, crops were adversely impacted by the unfavourable climate conditions which resulted in a drop of 15.5% in the production of sugar cane, resulting in a drop in the production of sugar by 9.0% - compensated however by higher ex-syndicate sugar prices – which is supported by the sugar deficit in Europe. The 2023 crop season started with below- normal rainfall between November and January when the country experienced torrential rains. Nonetheless, depending on their respective location on the Island, some millers signalled that they expect better sugar cane production than last year. However higher costs of production continue to threaten profitability as costs related to fertilisers, transport and labour remains a concern. Among some independent sugar planters, some reported to the press earlier this that they reduced the amount of fertilizers in their crops – something that could lead to a potential drop in yields.

On the textile front, exports from export-oriented enterprises grew 9.9% in 2022, confirming the announced recovery last year. Outlook for 2023 remains uncertain however on the back of concerns over demand from main markets, as the German economy officially entered in a recession.

The recent turmoil in South Africa regarding the inability of the country's main electricity producer to cater for its energy needs, also raises concerns over the country's demand for Mauritian exports over the coming years. Latest trade data for March 2023, from the national statistics office, showed that exports to South Africa dropped 33% y/y.

Manufacturing & Agriculture

Key Measures

Promoting locally manufactured products

The manufacturing sector which is by far the largest contributor of our economy grew by 10.4% in 2022. Promoting consumption of local products will be further encouraged by the following measures:

- Launching of a new label “En route vers le Made in Moris” under which some 120 SMEs will be able to further increase their ability under a period of 3 years.
- Allotment of a dedicated “Made in Moris” dedicated area at the Mauritius Duty Free Paradise at the airport.
- At least 50% of all uniforms, biscuits, edible oil,margarine, yogurt, tea and juice will be sourced from local manufacturers.
- The investment tax credit of 15% is being extended for another 3 years for manufacturing companies (excluding motor cars) to further enhance levels of investment and automation;
    a) Companies involved in production of alcoholic and non-alcoholic beverages can claim the investment tax credits for expenses incurred on new plant and machinery used solely for the production of non-alcoholic drinks.

- Other measures: to discourage consumption of cigarettes and alcoholic products, I am increasing the rates of excise duty by 10 percent.

Exports

2022 marked a historic achievement with exports peaking at Rs 320 billion compared to Rs 210 billion in 2021.

- The Africa Warehousing Scheme which generated which doubled exports towards Tanzania in less than 2 years is being extended for another 3 years covering warehousing, expertise and consulting expenses.
- The Freight Rebate Scheme and the Trade Promotion and Marketing Schemes is being extended for the next fiscal year thereby facilitating exports by sea and air.

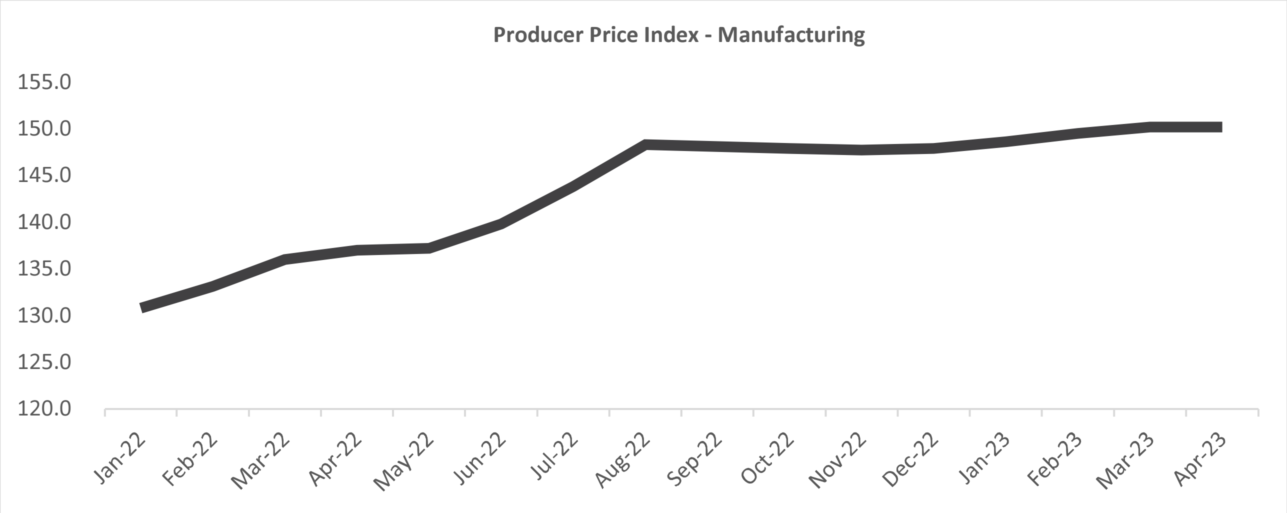
Agro Industry and Livestock

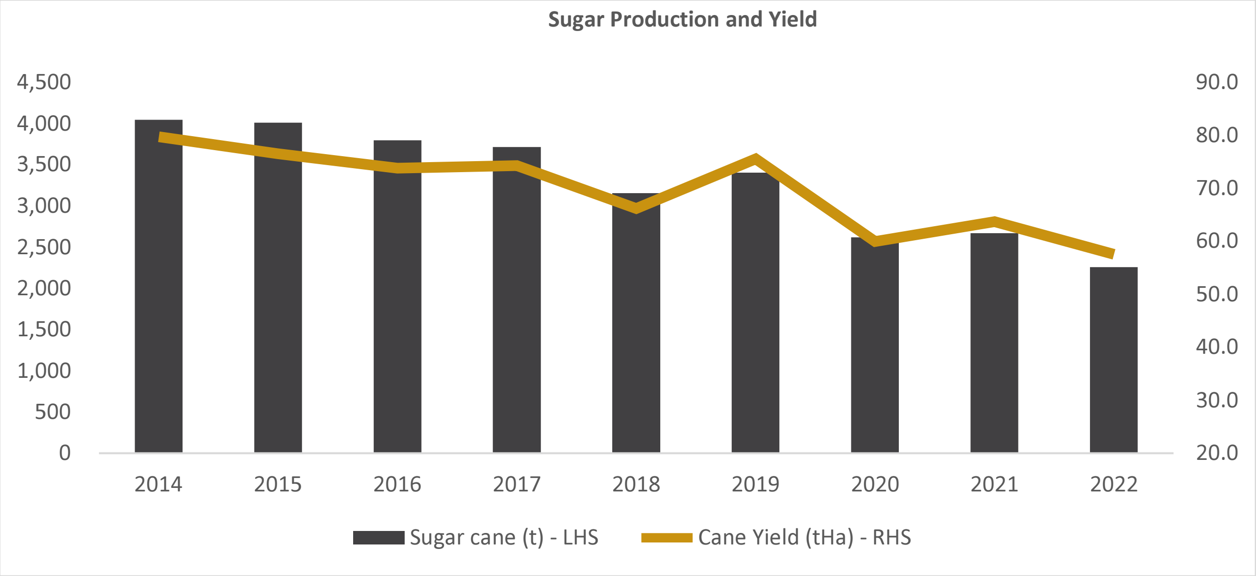
- To support local farmers, a grant of 50% up to a maximum of Rs 500,000 will be provided for the construction of up to two sheltered farms;
- The DBM will be introducing a new agricultural loan scheme at 3.5% with a maximum ceiling of Rs 10 million and extend the Crop Replantation Scheme at an annual preferential rate of 2.5% to biomass and afforestation.
- Furthermore, the DBM will be writing-off long outstanding loans of more than 20 years and loans of deceased planters.
- The maximum subsidy for cattle purchases will be increased by 50% to Rs 225,000 and will be extended to goats, pigs and sheep.
- Subsidies for livestock feed will be further increased by 50% to Rs 15/kg.

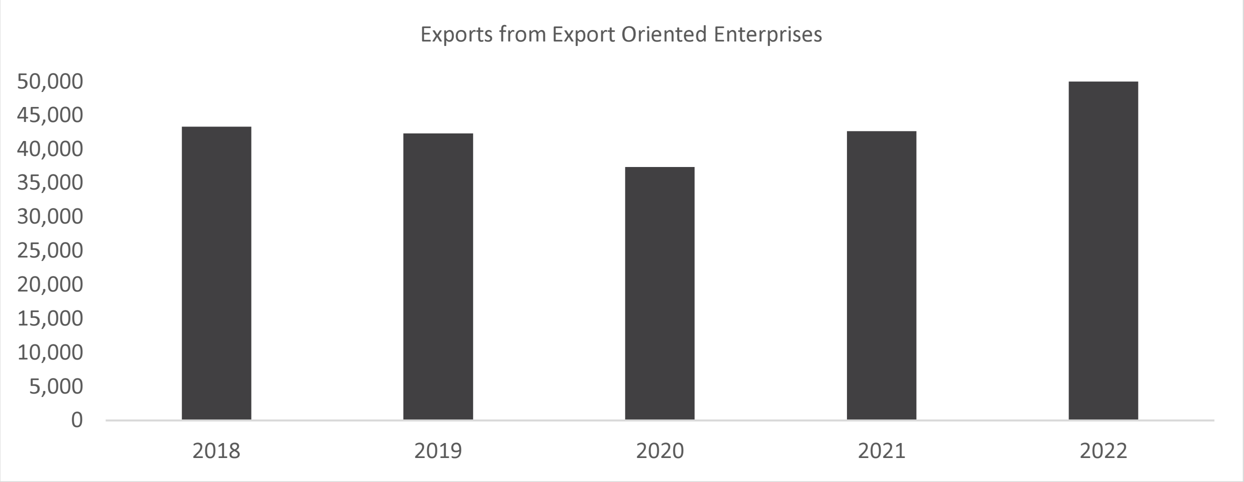
Sugar Sector

- The Cane Revolving Fund Scheme at DBM which has enabled the replantation of some 7,000 arpents of land is being increased from Rs 200 million to Rs 500 million.
- The minimum guaranteed price for small planters producing up to 60 tons of sugar is being incremented to Rs 27,500.
- A 50% subsidy on purchase of fertilisers is being accorded to planters.
- Sugar cane trash and woody biomass will also be renumerated at Rs 3.50/kWh similar to bagasse.

Manufacturing & Agriculture

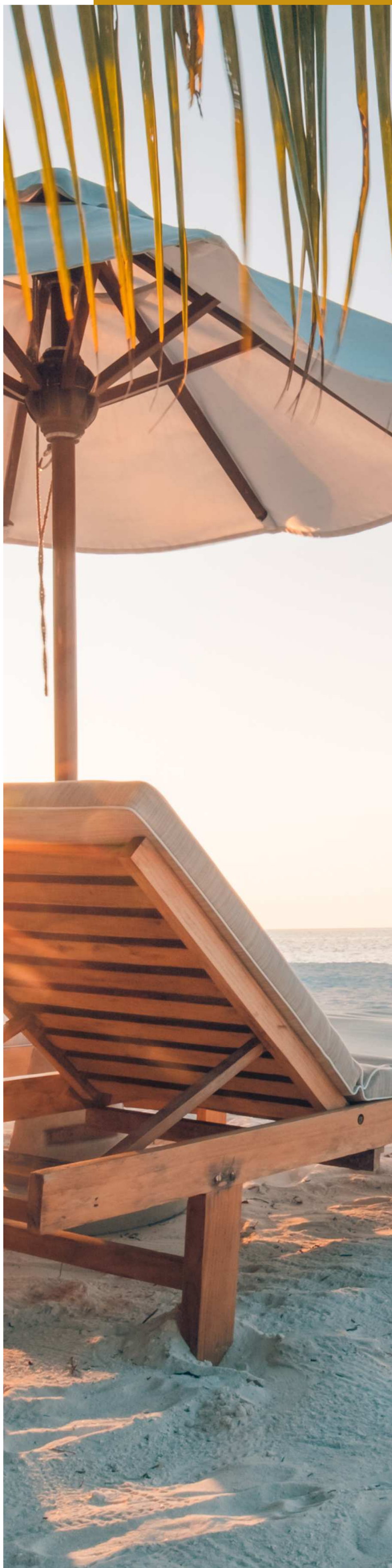






Leisure and Hotels

Leisure and Hotels



Theme: After two consecutive years of reduced activity, the local tourism industry finally entered its recovery phase following the partial opening of the borders in July 2021 during the last budget speech. Subsequently, arrivals in 2022 reached 997.3k, slightly below the target set by authorities earlier that year.

The past year saw an improvement in air connectivity with the number of seats available reaching 1.7m approximately, which represented around 77% of the seats available in 2019. The improvement in seats availability was supported by the presence of new airlines such as Air Belgium, Flysafair and Vistara. Other airlines have expressed their interest in operating specific routes connecting Mauritius to other destinations. For instance, the Indian Ocean Airline Limited, for the Durban – Mauritius route and Aeroflot for the Russia-Mauritius route.

Authorities have also doubled down on improving the destination's visibility in the past year with the launch of a new promotional campaign, "Feel our Island Energy" which was launched at the ITB Berlin by the Mauritius Tourism Promotion Authority (MTPA) in March 2023. Next the country will welcome the "Travel Trade" this month, an event regrouping over 400 tourism decision-makers.

Arrivals reached 414.2k between January and April 2023 and are expected to range between 1.27m and 1.32m for the year – representing a recovery rate of 90-95% on 2019 numbers. Arrivals are expected to be backed by the strong recovery of the European markets along with emergence of new markets such as Middle East. Other factors such as the slow recovery of Sri-Lanka due their late reopening are expected to benefit the destination while the slow recovery in arrivals from Asian markets are expected to stall the number of arrivals in 2023.

During the pre-budget consultations, representatives of the tourism sector asked for measures to be taken regarding the labour shortage faced by the industry. The AHRIM mentioned end of last year that vacancies in the sector amounted to 2.5k.

In addition to other factors which led to the increase in operational costs of hotels, the Central Electricity Board reviewed the electricity tariffs higher earlier this year, which has led to costs related to electricity to surge by 28% according to the AHRIM.

Leisure and Hotels

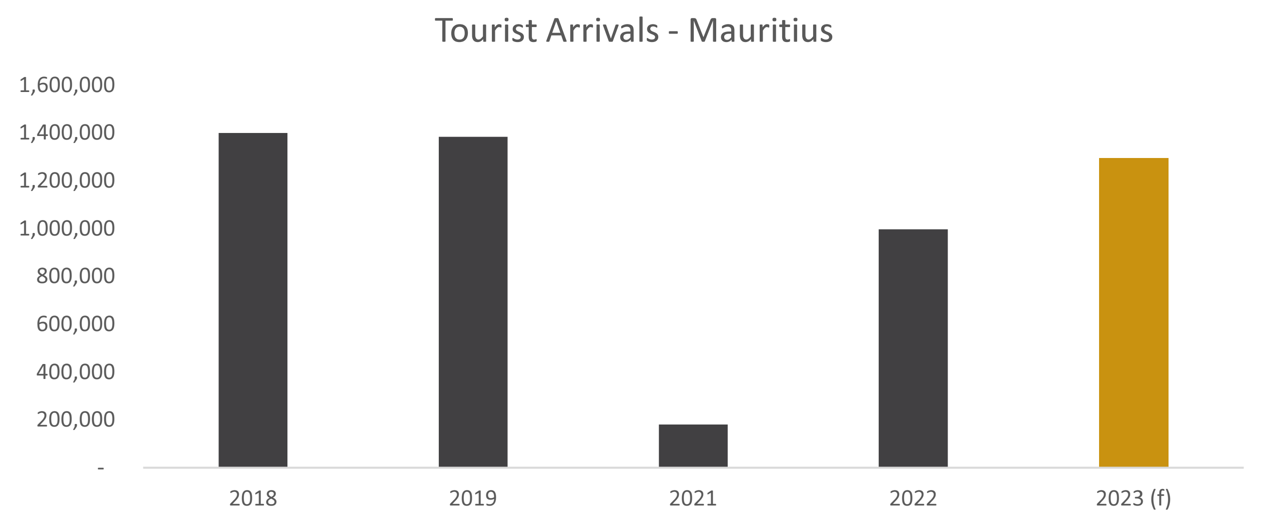
Key Measures

- Increasing the MTPA budget by 25% from Rs 400 M to Rs 500 M for the promotion of the destination.
- The Tourism Authority will be reformed by establishing a Sustainable Tourism Unit with a focus on fostering sustainable tourism development. The aim is for Mauritius to become a Green-Certified Destination by 2030.
- A budget of Rs 278 million has been allocated for the purpose of beach rehabilitation works, as well as for the lagoons and coral reefs program.
- To improve the visibility of the hospitality industry, the amount under the Participation in International Fairs SME Refund Scheme has been increased by 25% to Rs 250k.
- Streamlining of 38 existing licenses for the registration of different activities in the tourism sector:
    - The Tourism Authority Act will be amended to remove the restriction on the number of 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.
- Develop medical tourism and the silver economy (medical care and retirement):
    - Medical patients and retirees, along with up to 2 accompanying caretakers, are eligible for a premium visa.
    - There is no obligation for a foreign patient or retiree to open a bank account in Mauritius.
    - Foreign retirees (over 60 years old) can have access to medical insurance.
- Investment of Rs 7.7 B in the construction of a 2.1 km long new runway project at Plaine Corail Airport will enable larger planes to land in Rodrigues and enhance the connectivity of Rodrigues to the world.
- A renewable energy scheme has been introduced for hotels; the government will provide a 50% waiver on the increase in electricity prices for the next 2 years for companies transitioning to 100% renewable energy.

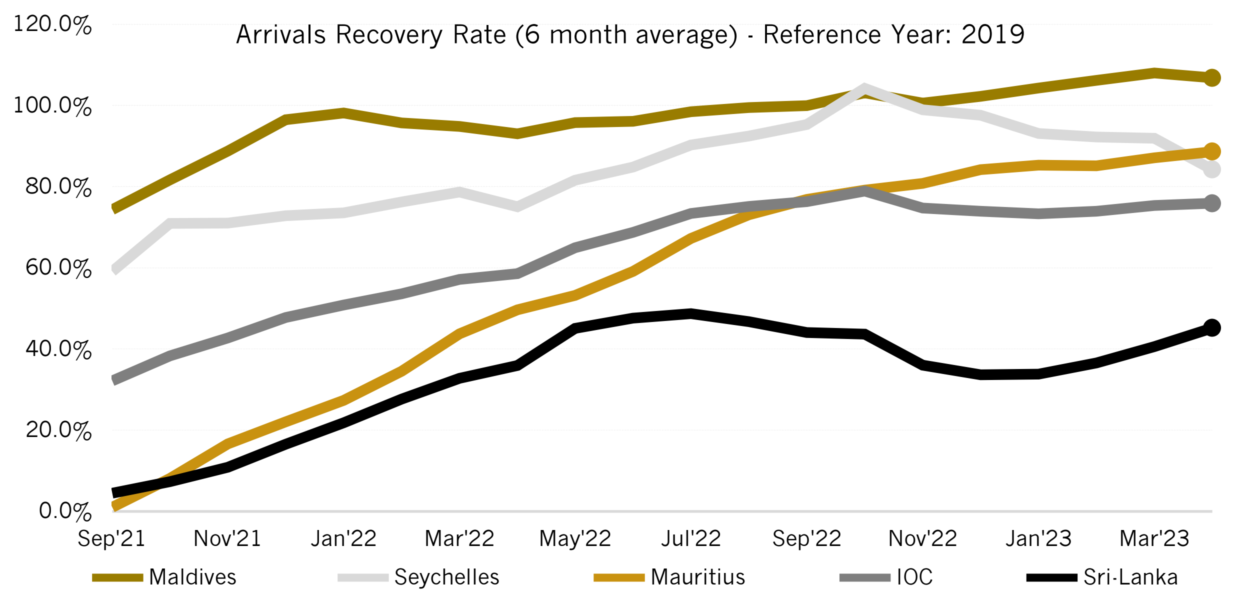
Leisure

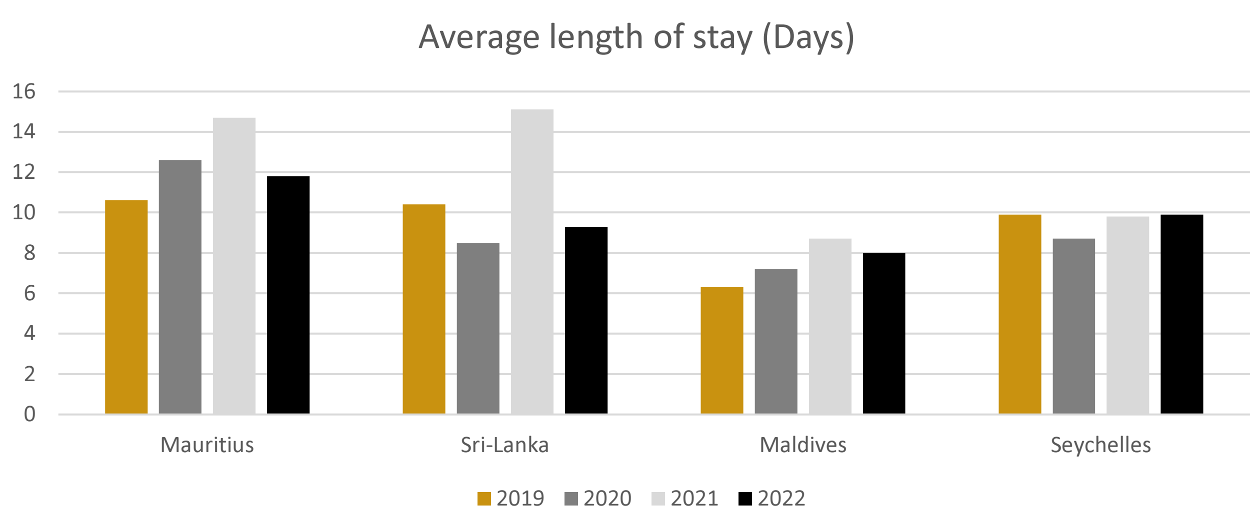
- Segregation between “ gaming software” and “betting software”
- Increase of licensing fee for Loterie Vert from Rs 15,000 to Rs 500,000;
- increase the levy payable by licensees of Gambling Regulatory Authority from 2% to 2.5%;
- Restrictions of persons based in Mauritius to access international gaming platforms including the transfer of funds for gambling on those foreign platforms.

Leisure and Hotels



Source: Statistics Mauritius; Swan Securities estimates






Property and Construction

Property and Construction

Theme: The construction sector grew by 1.5% in 2022, lower than pre-pandemic levels, as operators faced rising cost of production following the surge the energy prices during the year. The rising cost pressures translated into a higher construction price index, which increased by 14% in 2022 and 6% in the first quarter of 2023 compared to the same period last year (Statistics Mauritius, 2023).

In February 2023, the government has announced a fixed price ceiling for the types of cement marketed on the island in an effort to alleviate consumers' burden, as a result, companies evolving within the cement space faced drastic reduction in profitability. The recent increase in prices of electricity is expected to put further pressure on cost base of these companies.

Number of building permits continued to increase, reaching approximately 8,500, supported mainly by the residential side, which grew by 2.2% - Despite increases in the Key rate from 1.85% to 4.5% in 2022. However, as the effects of the successive rate hikes are gradually finding their way through the economy, retail construction works could face headwinds in 2023.

The sector is expected to grow by 5.2% in 2023, according to Statistics Mauritius. The sector is expected to benefit from the various public infrastructure works, while current environment is not conductive for private investments.

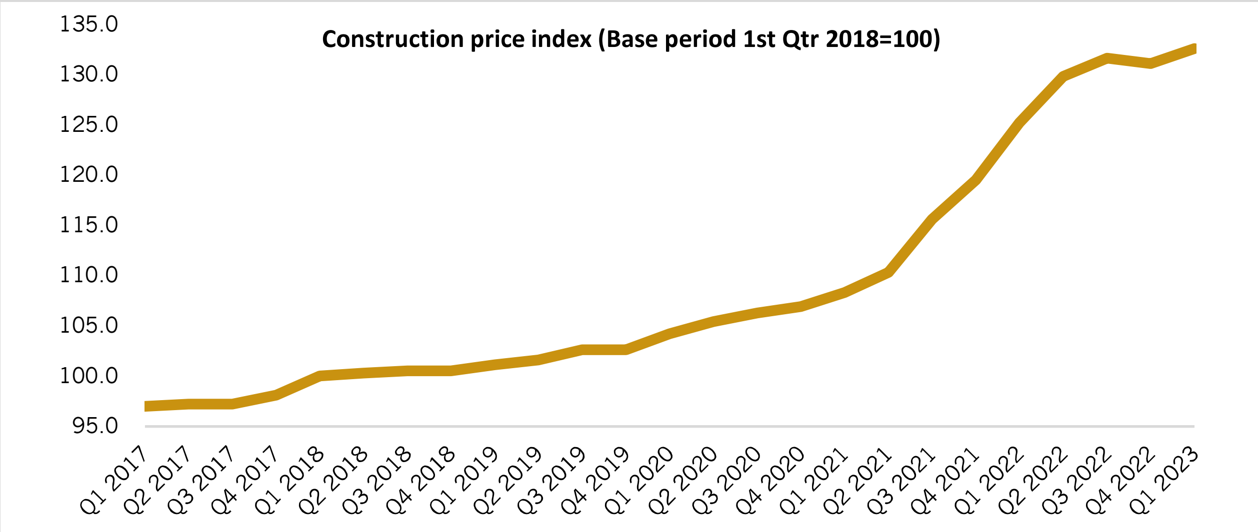
Gross direct investment flows grew by 50.0% in 2022, on the back of the 73.0% growth from flows originating from real estate sector, mainly through IRS/RES/IHS/PDS/SCS. Given the deterioration in South Africa's economic and political stability, the authorities are expected to bring measures to facilitate the immigration of foreigners – as a solution for the country's declining population.

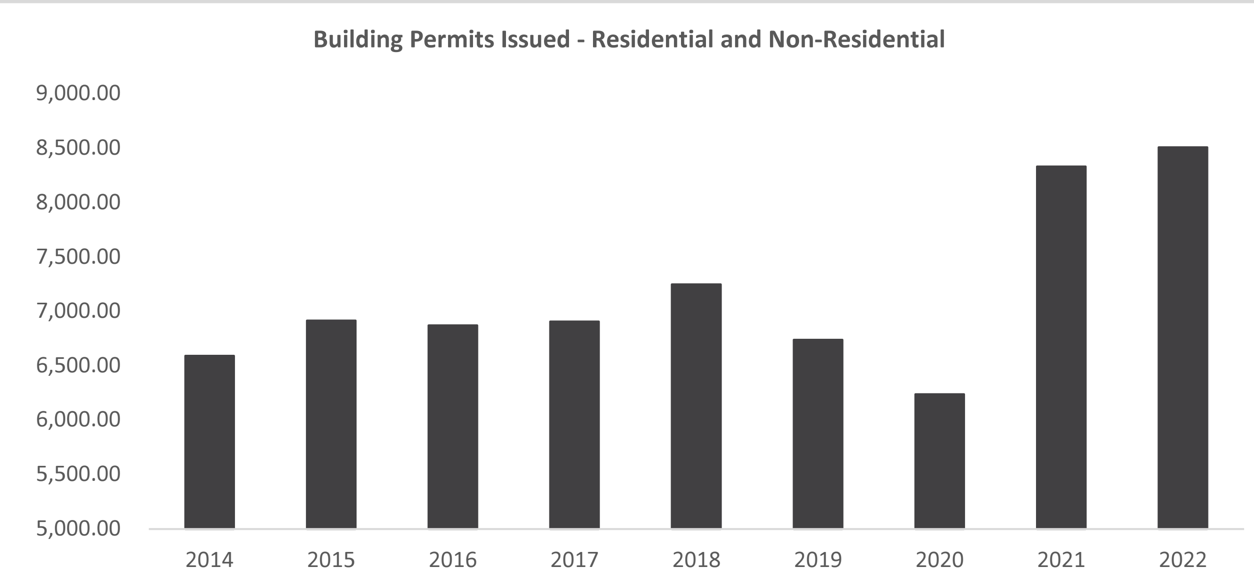
Property and Construction

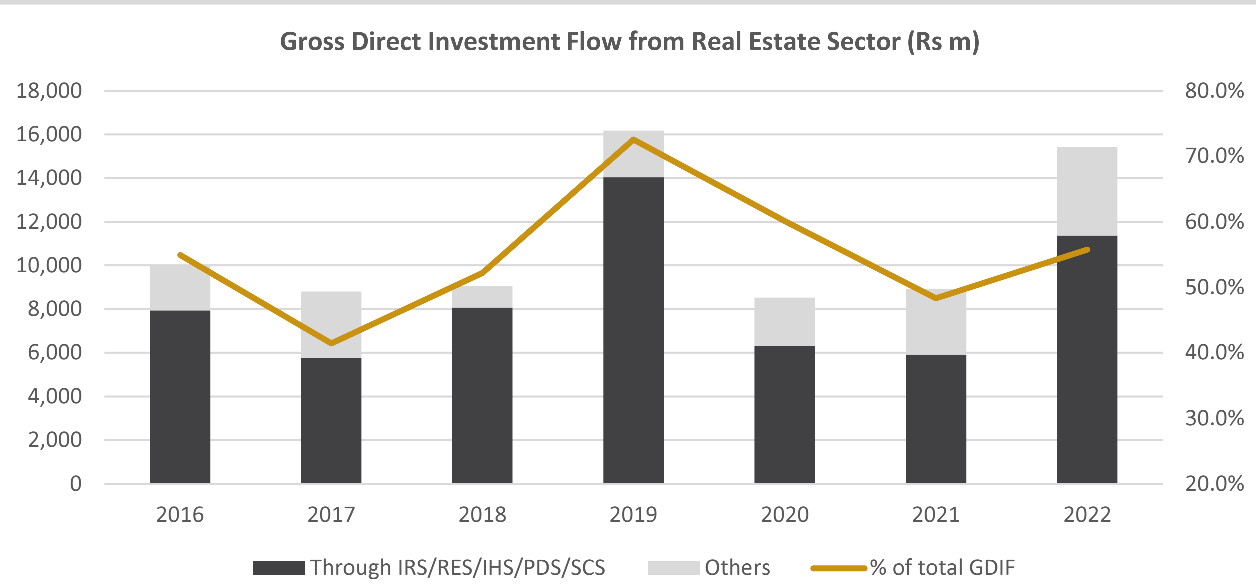
Key measures

- Extension of the the Home Ownership Scheme will be for another year in respect of residential property acquired during the period 1 July 2023 to 30 June 2024.
- Extension of the Home Loan Payment Scheme for another year in respect of loans contracted during the period 1 July 2023 to 30 June 2024.
- Extension of the VAT exemption granted on the construction of a purpose-built building for the provision of tertiary education to construction for primary and secondary education.
- Exemptions for 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.
- A reduced rental for socio-economic project implemented on State land leased by a statutory body or a Government-owned company in which the Government directly or indirectly holds at least 90% of the share capital.
- A resident non-citizen is allowed, upon application, to acquire residential property of a minimum of USD 350,000 outside of existing schemes subject to the payment of an additional registration duty of 10%.
- Acquisition of Property in a PDS Project relating to Senior Living
  The Immigration Act will be amended to grant a residence permit to a retired non-citizen and his family on the acquisition of a property in a PDS project relating to senior living provided that -
    - the acquisition price exceeds USD 200,000; and
    - the non-citizen is aged above 50 years old
- The status of resident shall remain valid as long as the buyer holds the property.
- This amendment will be backdated to 27 April 2019, i.e. the date the Property Development Scheme was amended to include construction of purpose-built building or bringing an existing building under the Scheme targeting senior citizens.
- Harmonisation of the processing fees for Integrated Resort Scheme (IRS), Real Estate Scheme (RES), Invest Hotel Scheme (IHS) and Smart City Scheme (SCS) at Rs 25,000 per application for Ground plus two apartments acquisitions by Non-Citizens and for applications for residence permit (under the residential schemes).

Property and Construction







Environment, Sustainability, Green Energy

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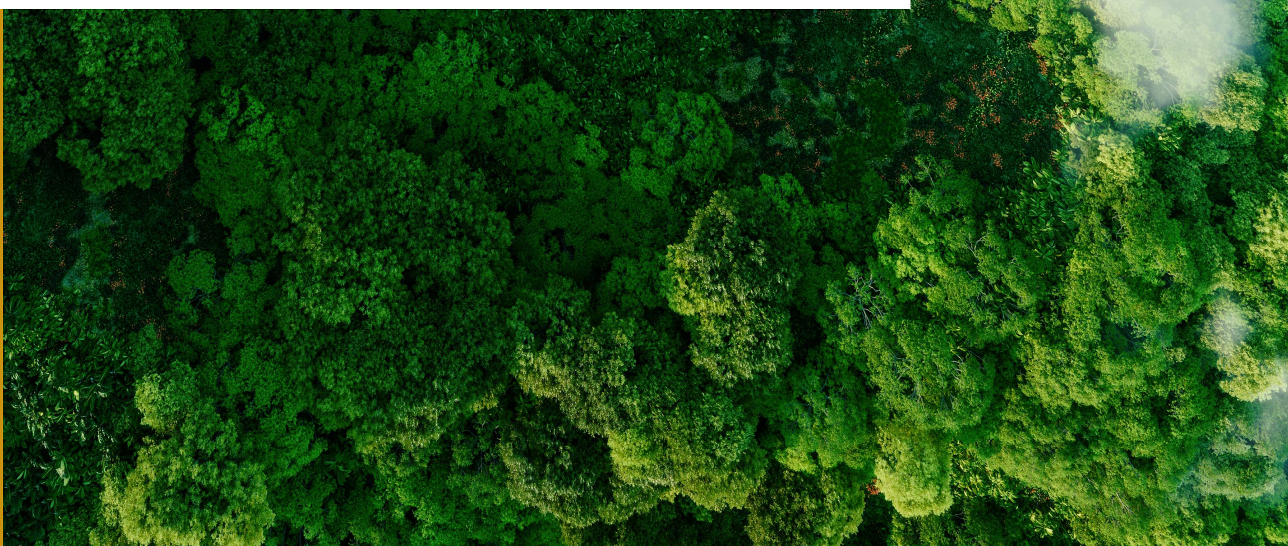
Theme: The government presented its updated Renewable Energy (RE) Roadmap in the budget speech of 2021/2022, setting a goal of 60% Renewable Energy (RE) generation in the energy mix by 2030 (40% in 2025) (CEB,2022). The estimated percentage of renewable energy in the energy mix in 2022 was 17.0% (Stats Maurius, 2023). Therefore, to meet the anticipated increase in national demand, Mauritius will need to install an extra 435 MW of RE production capacity by 2030 (EDB,2023).
The roadmap for the energy transition estimates that the sector will need to receive investments totaling about USD 130 billion to achieve this objective (EDB 2023).

With 89.7% of nation's energy needs currently being met through imports, the country remains highly vulnerable to fluctuations of commodity prices. A reduction of reliance on imported energy sources will also directly affect the national trade balance in a global economy sensitive to geopolitical events. According to Statistics Mauritius, in 2021, imports of fossil energy sources, primarily fuel oil and coal, accounted for 16.7% of the overall import bill.

By offering a Buy Back Guarantee that enables individuals and businesses to create energy up to 150% of their use and sell back the extra watts at Rs 4.20, the government has provided incentives to business and the general public to engage in this shift.

Additionally, agricultural businesses are pressing for increased funding to implement the National Biomass Framework. This framework has been set up to encourage the more effective use of sugarcane bagasse in order to assist the country's RE production goal . 3.50/kWh was the suggested price for the bagasse buy-back in 2021.

Key Measures



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Key Measures:

- This fiscal year, an additional 136 MW of renewable energy—or 7% of total national consumption—will be generated.
- The Bank of Mauritius will develop a Carbon Trading Framework for both blue and green credits.
- Cane trash and woody biomass will now be remunerated at Rs 3.50/kWh as an extension of the Biomass Framework. DBM Ltd will also extend the Crop Replantation Scheme at an annual preferential rate of 2.5 percent to biomass.
- Guidelines for energy efficiency and energy conservation will be developed for the industrial and commercial sectors.
- Energy audits will be performed in 30 cooperative societies, with manufacturing enterprises receiving a 75% subsidy to execute these audits.
- The Negative Excise Duty of 10 percent will be extended up to June 2024. This Scheme provides for a refund of 10% of the value of importation up to a maximum of Rs 200,000 on the purchase of an electric vehicle.
- The entire national bus fleet will be completely green and clean by 2035. A 30 percent subsidy up to a maximum of Rs 3.5 million will be allocated to purchase of electric buses by bus companies.
- The new Construction Industry Development Act amendment creates a new category for foreign contractors implementing in utility-scale RE projects.

Other measure:

- Mauritius Renewable Energy Agency (MARENA) will set up a Renewable Energy Portal all-in-one place for providing information on RE production (e.g permits, clearance etc…)
- In the first phase of the CEB's eco-village project, 50 families will receive solar photovoltaic kids and benefit from 100kW/h of free electricity per month.
- DBM Ltd will extend the Green Energy Loan scheme to SMEs to produce electricity on the rooftop of their buildings up to a maximum amount of Rs 1 million.
- Announcement of the preparation of a strategic plan for development and deployment of hydrogen in various sector.
- The mandatory energy labelling to be extended to television sets, washer dryers and tumble dryers.
- As part of our public transport decarbonization programme, the metro is being further extended to connect St Pierre and La Vigie by October 2024.
- An Electric Vehicles Regulation will be introduced to regulate the installation of charging infrastructure, connection to the electricity grid, access to public charging points and the specifications for vehicles, chargers and connectors.
- 11% of the budget will be allocated to Environmental Protection.

Please contact your Research Desk
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recommendations

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