SWAN CAPITAL SOLUTIONS

Budget 2025/2026

From Abyss to Prosperity: Rebuilding the Bridge to the Future

5th June 2025

Foreword

“From Abyss to Prosperity”

Dear Readers,

It is at a critical crossroads that we meet the Honourable Prime Minister, Dr Navin Ramgoolam, who also assumes the role of Minister of Finance (“PM-MoF”), presenting his first budget under this new mandate. The electorate, through a decisive 60-0 landslide victory for the *Alliance du Changement*, signalled a strong desire for a clear break from the past. This overwhelming mandate gives the new administration, at least on paper, the political capital required to implement bold reforms. However, a sobering audit of public finances released in the *State of the Economy Report* (SOE) late last year revealed a far more fragile economic situation than previously understood. The report flagged a budget deficit of 6.7% of GDP for FY24/25 and a public debt burden nearing 90% of GDP — clearly signalling the unsustainability of the current fiscal trajectory and reshaping expectations regarding campaign promises.

Context:

In recent years, the heavy reliance on debt and off-budget financing mechanisms to support ballooning deficits led to a significant increase in money supply. While this strategy supported headline economic growth by fuelling consumption, it ultimately proved unsustainable. The use of Bank of Mauritius funds, essentially a form of money printing, contributed to the weakening of the Mauritian rupee, raising import costs and retail prices. To contain the resulting social discontent, the government introduced cost-of-living allowances and mandatory wage increases. However, these measures were implemented without corresponding gains in labour productivity, entrenching inflationary pressures across the economy.

International stakeholders have taken note. The SOE report triggered concerns from credit rating agencies such as Moody’s, which revised Mauritius’s outlook from *stable* to *negative*, citing larger-than-expected debt levels, persistent fiscal deficits, and the weakened financial condition of certain state-owned enterprises. Over the coming year, the agency will closely monitor whether the government can follow through with corrective action. From an investment perspective, a sovereign downgrade would undermine Mauritius’s position as a financial hub and increase the country risk premium, thereby depressing valuation multiples for listed equities.

From Abyss to Prosperity: Rebuilding the Bridge to the Future

Against this constrained fiscal backdrop, the PM-MoF delivered a budget aiming to strike a delicate balance: implementing tough but necessary fiscal consolidation measures while preserving the social safety net. Central to the strategy is a three-year fiscal consolidation plan designed to arrest the deterioration of the sovereign credit profile. Key measures on the revenue side include:

- Businesses will be required to compulsorily register for VAT purposes upon making a turnover of taxable supplies exceeding Rs 3 million instead of Rs 6 million with effect from 1 October 2025
- Corporates (Excluding GBCs) having annual chargeable income above Rs 24 million will be required to pay a Fair Share Contribution at the rate of:
    - 5% of chargeable income if they are subject to the standard tax rate of 15%;
    - 5% of chargeable income for banks including on income derived by banks from transactions with non-residents and Global Business Companies; and
    - 2% of chargeable income if they are subject to the reduced tax rate of 3%
- Additional Fair Share Contribution on Banks will be required to make an additional contribution of 2.5% of their chargeable income from domestic operations, i.e., excluding income derived from transactions with non-residents and Global Business Companies.
- An “Alternative Minimum Tax” (AMT) will be introduced on companies operating in certain sectors. If the total tax payable by such a company as computed under the Income Tax Act, after availing of all eligible deductions but before deduction for tax credits, is less than 10% of its book profits, the company will be required to pay 10% of its book profits instead of normal tax.

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On the personal income tax front, **high-income earners** will now share more of the fiscal burden:

- An individual earning annual net income exceeding Rs 12 million, inclusive of dividend income, will be required to pay a Fair Share Contribution at the rate of 15% of his chargeable income after adding thereto any dividend income received during the year from domestic companies and it will be applicable for 3 consecutive income years, i.e., up to 30th June 2028.

In contrast, the majority of the working population will be unaffected by these tax increases, aligning with the government's objective of promoting equity and social inclusion. On the expenditure side, the PM-MoF emphasised a more disciplined approach to public spending, prioritising productivity-enhancing investments such as R&D and the integration of artificial intelligence across ministries. While significant cuts to social spending had been expected, the government opted instead for a **gradual phasing out** over the next three years — while maintaining a **minimum guaranteed income of Rs 20,000** per month for workers during the transition.

A key component of the consolidation plan is the **reduction of public debt**, targeting a decline from the current 90% of GDP to 75% in the medium term and 60% over the long term. Notably, this adjustment will be funded in part by **proceeds from the Chagos agreement**, which will be allocated exclusively to debt reduction during the initial three years. From year four onwards, these rental proceeds will be credited to a **Future Fund**, aimed at financing long-term initiatives in food security, clean energy, the blue economy, and emerging technologies.

The PM-MoF also laid out the structural foundations for a renewed economic model. Central to this vision are improvements in **labour and capital availability and productivity**. Key reforms include:

- **Raising the retirement age** for Basic Retirement Pension to 65
- **Encouraging female labour force participation**
- **Fast-tracking foreign labour recruitment**
- **Tax deductions for SMEs investing in AI**, up to Rs 150,000, to support output gains per worker

A recurring theme in the speech was **investment-led growth**. Five new economic pillars were identified: **Renewable Energy, Waste-to-Wealth, the Blue Economy, Arts and Culture, and Infrastructure Development**. Meanwhile, existing sectors received targeted reforms. Financial services will benefit from a **centralised e-licensing platform and KYC repository** to improve client onboarding. In tourism, the government will pivot towards **quality, sustainability, and resilience** rather than volume-driven growth.

This budget marks a **genuine departure from past practices**, particularly through its commitment to fiscal consolidation and structural reforms. By focusing tax increases on high-income earners and corporates, while shielding lower and middle-income households, the PM-MoF balanced credibility with compassion. A worse outcome would have been a VAT increase, which could have stifled consumption and undermined public support.

Expenditure rationalisation was executed with care, favouring gradual adjustments over abrupt shocks. The debt reduction timeline appears realistic and appropriately sequenced with the Chagos fund inflows though actual implementation will be key to avoiding a credit downgrade. A bolder reform might have been the **introduction of a statutory debt ceiling**, to institutionalise fiscal discipline over the long term.

The government's attempt to **boost productivity**, particularly through AI adoption and R&D incentives, reflects an encouraging alignment with global trends. However, the lack of clarity on **Mauritius's future energy mix** could hold back capital deployment by independent power producers, despite potential cost savings from announced measures.

Ultimately, the budget is a **step in the right direction**. The credibility of this new administration will now rest on its ability to execute its ambitious consolidation and reform agenda with discipline, transparency, and resolve.

Research Desk

Social Measures

Social Measures

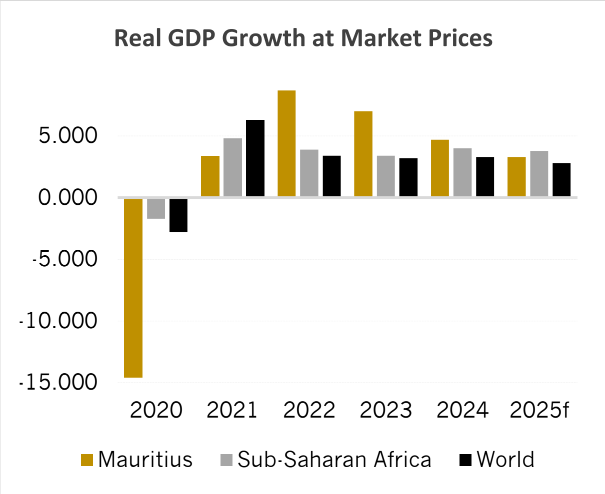
Key Measures:

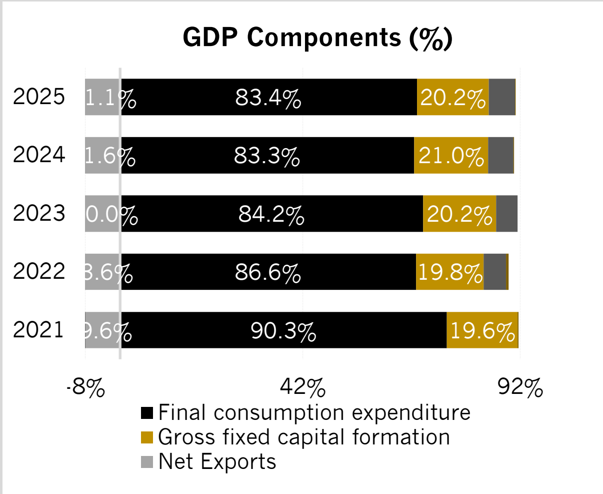
- **Social Protection budget:**
    - Earmarked Rs 90 billion for the social protection sector for FY 2025/2026. This accounts for 34.8 percent of our national budget.

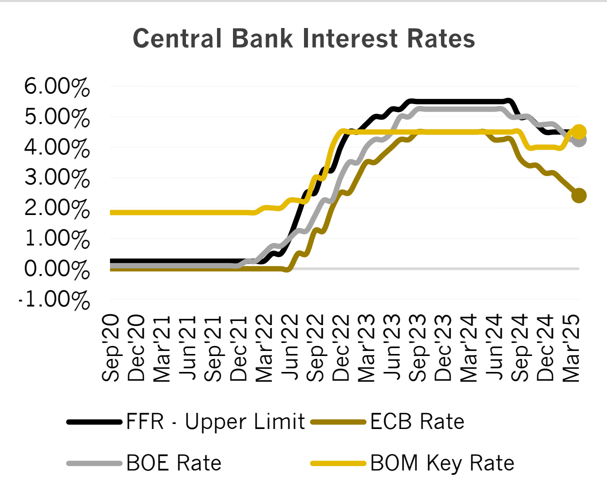
- The following allowances under the Social Contribution and Social Benefits Act which are ending on 30th June 2025 will be renewed and phased out over two years except for a member of a household who is a beneficiary under the Social Register of Mauritius:
    - (i) CSG Income Allowance;
    - (ii) CSG Child Allowance;
    - (iii) CSG School Allowance;
    - (iv) Pregnancy Care Allowance; and (v) Maternity Allowance.
- A member of a household who is a beneficiary under the Social Register of Mauritius will continue to benefit from the above allowances in full
- Beneficiaries of CSG allowances earning less than Rs 20,000 monthly will be covered by another scheme under social security and will not be worse off
- To further enhance social inclusion, Rs 1.1 billion is being provided for social aid beneficiaries.
- Rs 184 million is being earmarked for the implementation of the e-Social Security system.
- Special effort to support our elderly by increasing all basic pensions by Rs 1,000, effective January 2025. Today I am making a provision of Rs 68 billion for basic pensions and other allowances.
- Raising the income threshold for social housing eligibility from Rs 40,000 to Rs 48,000.

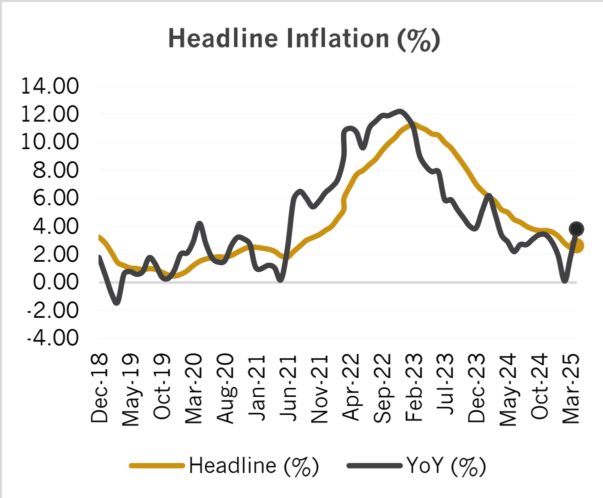
Mauritian Economy
Key Figures

Mauritian Economy







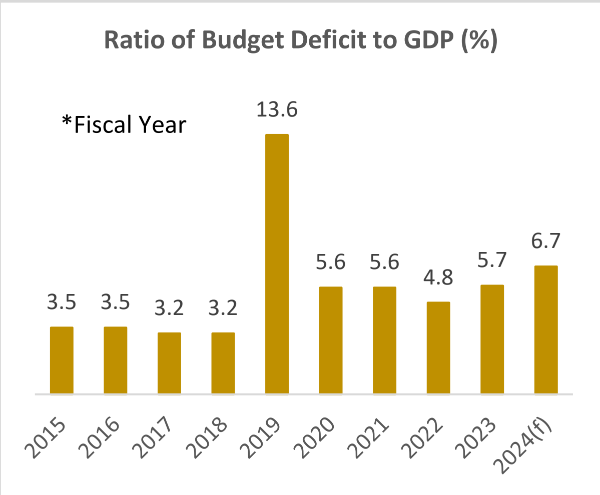


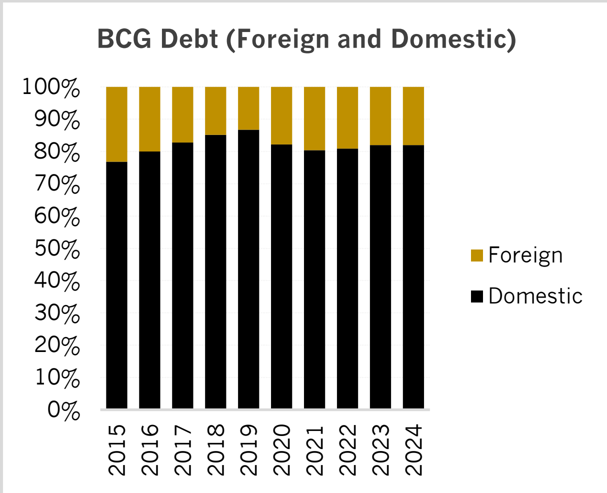
Labour force, Employment and Unemployment

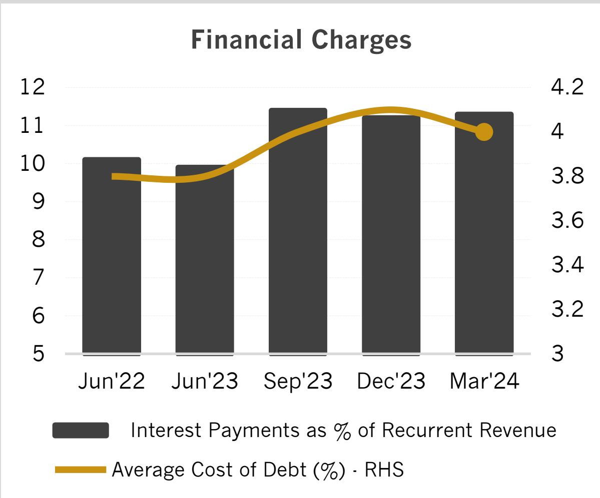
(000)	2021	2022	2023	2024	Change 2023-2024
Labour Force (Economically active)	532.8	562.8	592.8	596.1	3.30
Of which employed	484.40	519.60	555.20	560.30	5.10
Of which unemployed	48.4	43.2	37.6	35.8	-1.80
Outside Labour Force (Economically inactive)	475.6	448.20	422.20	422.40	0.20
of which Potential Labour Force	14.9	1.5	3.9	4.6	0.70
Unemployment Rate (%)	**9.1%**	**7.7%**	**6.3%**	**6.0%**	**-0.3%**
Youth unemployment rate (%)	27.70%	25.1	18.2	17.5	-0.70

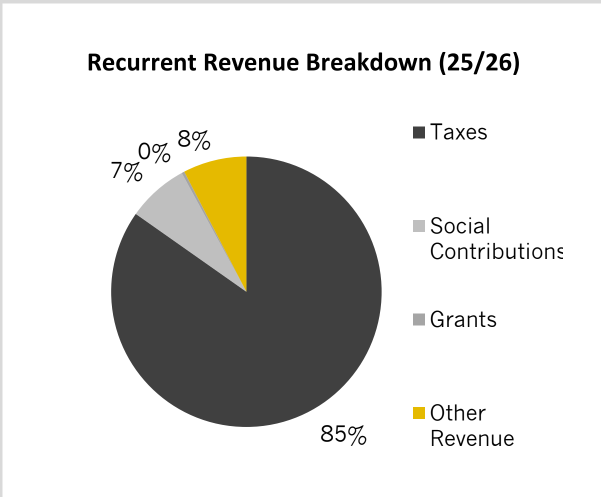
Source: Statistics Mauritius

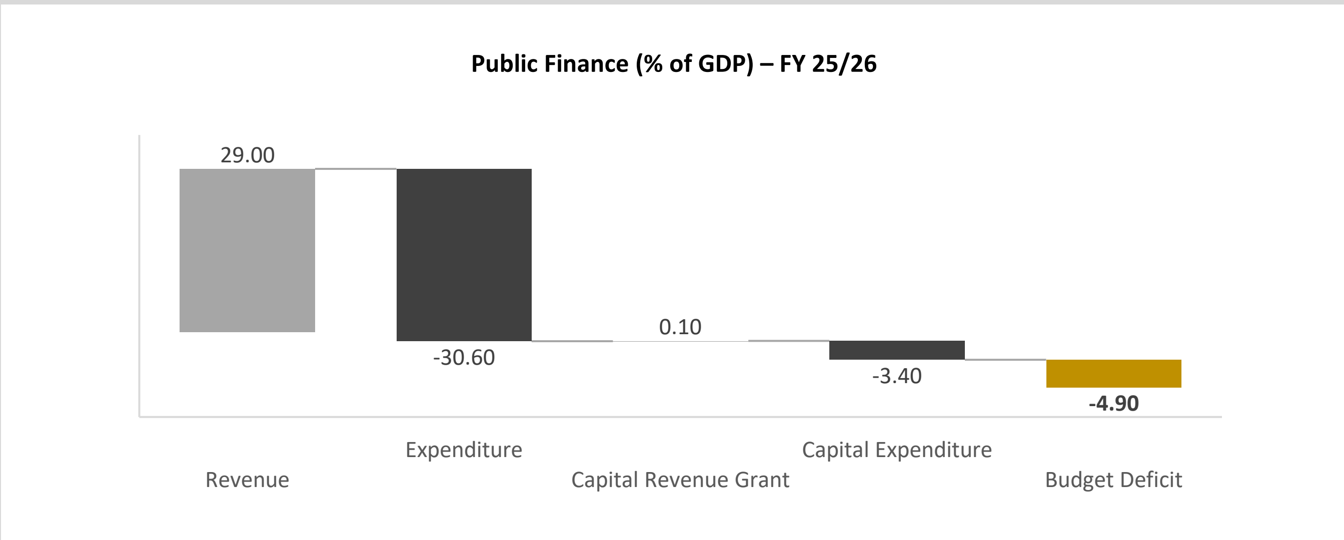
Mauritian Economy











Contents

Financial Services & Fintech

Financial Services & Fintech

Key measures

Financial Services Sector

- Government will request for the conduct of a Financial Sector Assessment Programme jointly by the IMF and the World Bank

- The Financial Services Commission will deploy a unified elicensing platform integrated with the centralised KYC repository and "Known to the Commission" features

- A new Electronic Trade Documents Bill will give legal recognition to digital bills of exchange and trade instruments, enabling fully digital trade finance

- The Financial Services Commission will review its annual licence fees to reflect evolving market conditions.

New Offerings

- Bank of Mauritius is launching Bullion Banking as a new authorised private banking activity. Banks licensed to carry out exclusively private banking business will be allowed to, inter alia, buy, hold, store or sell gold and other precious metals, positioning Mauritius as a regional bullion and wealth management hub.

Ease of Doing Business

- Relevant legislations will be amended to allow for documents using secured electronic signatures to be accepted for registration and transcription purposes.

- Setting up of a dedicated licensing framework for Wealth Management and Family Offices to offer integrated services ranging from investment advisory to succession planning

Fintech (Innovation/Big Data & Open Data)

- Government is pursuing Innovation through digitalization alongside Research and Artificial Intelligence.
- Foster data-driven innovation
- Set up a Tier IV Government Data Centre for disaster recovery

Financial Services & Fintech

<table>
<tr><th>Listed Companies</th><th>Impact</th><th>Industry Comments</th></tr>
<tr><td>MCB</td><td>Negative</td><td rowspan="6">

Banks overall would be subject to higher corporate tax regime through the “Fair Share Contribution:

5% of chargeable income for banks including on income derived by banks from transactions with non-residents and Global Business Companies;
2% of chargeable income if they are subject to the reduced tax rate of 3%.
An additional contribution of 2.5% of their chargeable income from domestic operations, i.e., excluding income derived from transactions with non-residents and Global Business Companies

Special levy on banks was capped at 1.5 times of the levy paid by a bank in 2017/2018. This cap will be removed, and all banks shall pay a special levy on its leviable income derived in every accounting period at the rate of 5.5 per cent.
A bank will not be eligible to claim partial exemption on foreign source dividend.

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<tr><td>SBM</td><td>Negative</td></tr>
<tr><td>ABC Banking</td><td>Negative</td></tr>
<tr><td>MUA</td><td>Neutral</td></tr>
<tr><td>SWAN</td><td>Neutral</td></tr>
<tr><td>EMTEL</td><td>Neutral</td></tr>
</table>

Outlook:

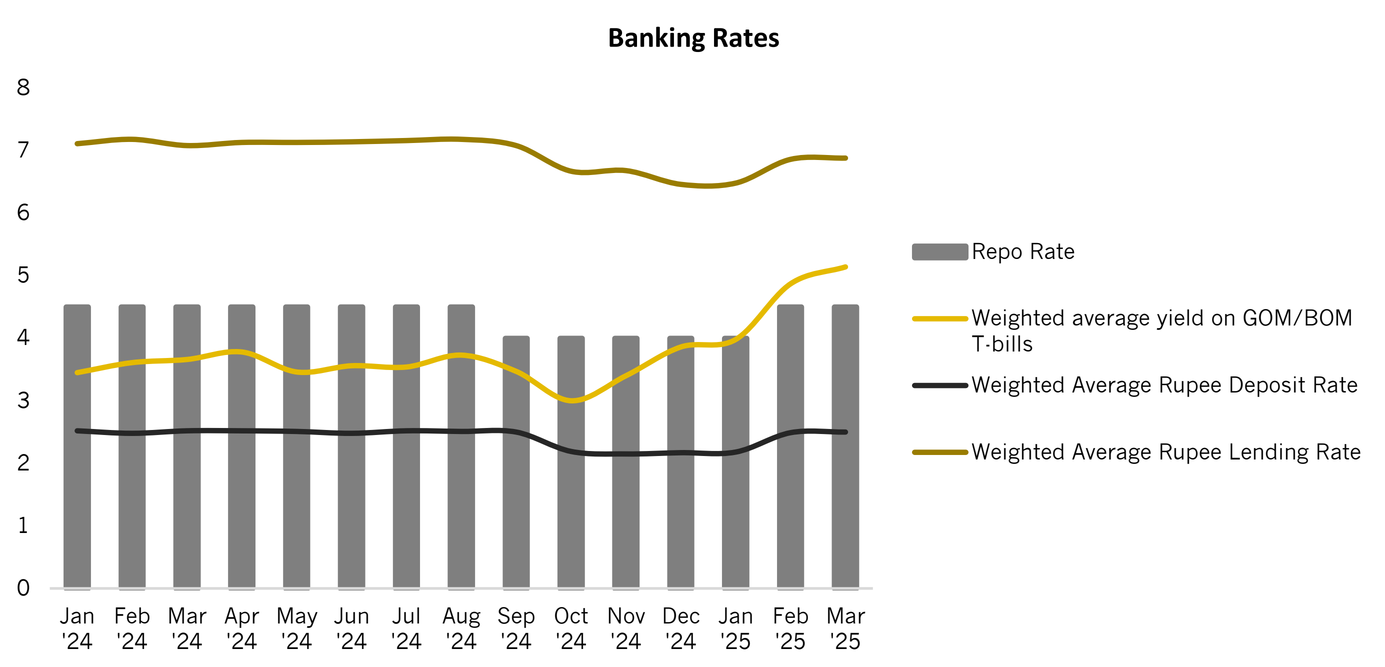
- In a period of fiscal consolidation, banks and large corporates were always going to be the low hanging targets to contribute to the “Fair Share Contribution” revenue generation plan.
- Both segment A and B of banks operations would subject to the additional tax however restricted for a period of 3 fiscal years.
- From an investor perspective, the higher corporate tax burden coupled with tax on dividends on high-net-worth earners could trigger a reassessment of opportunities or alternative investments.

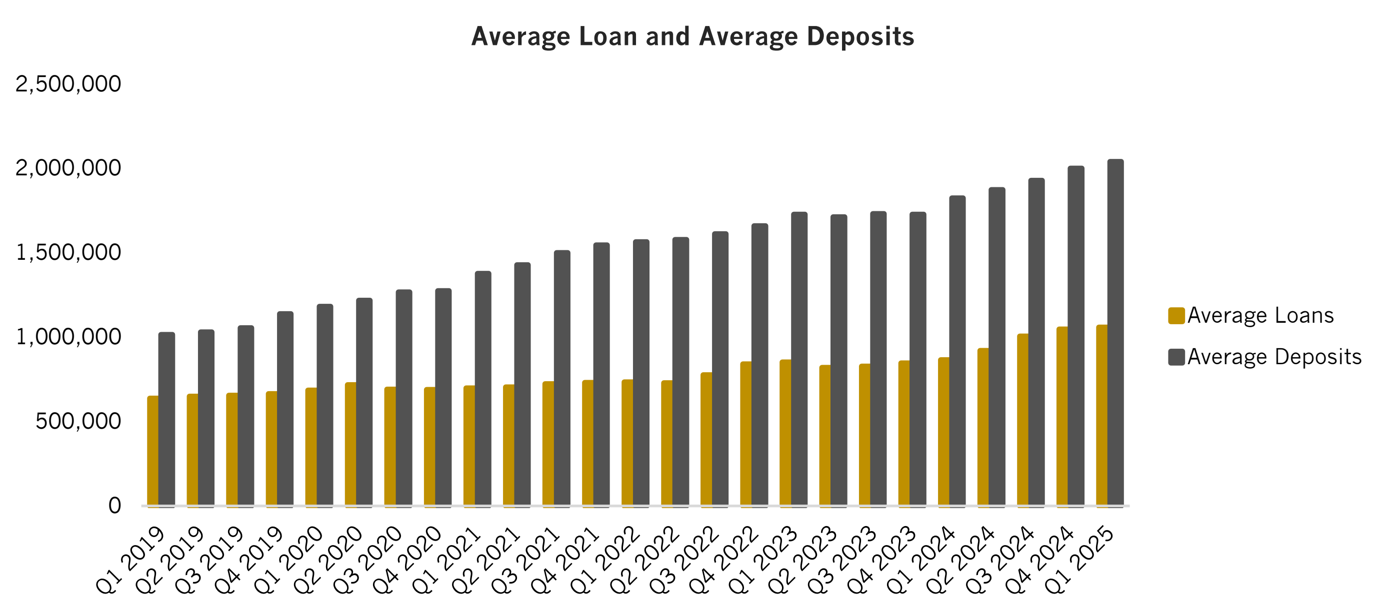
Sector Review

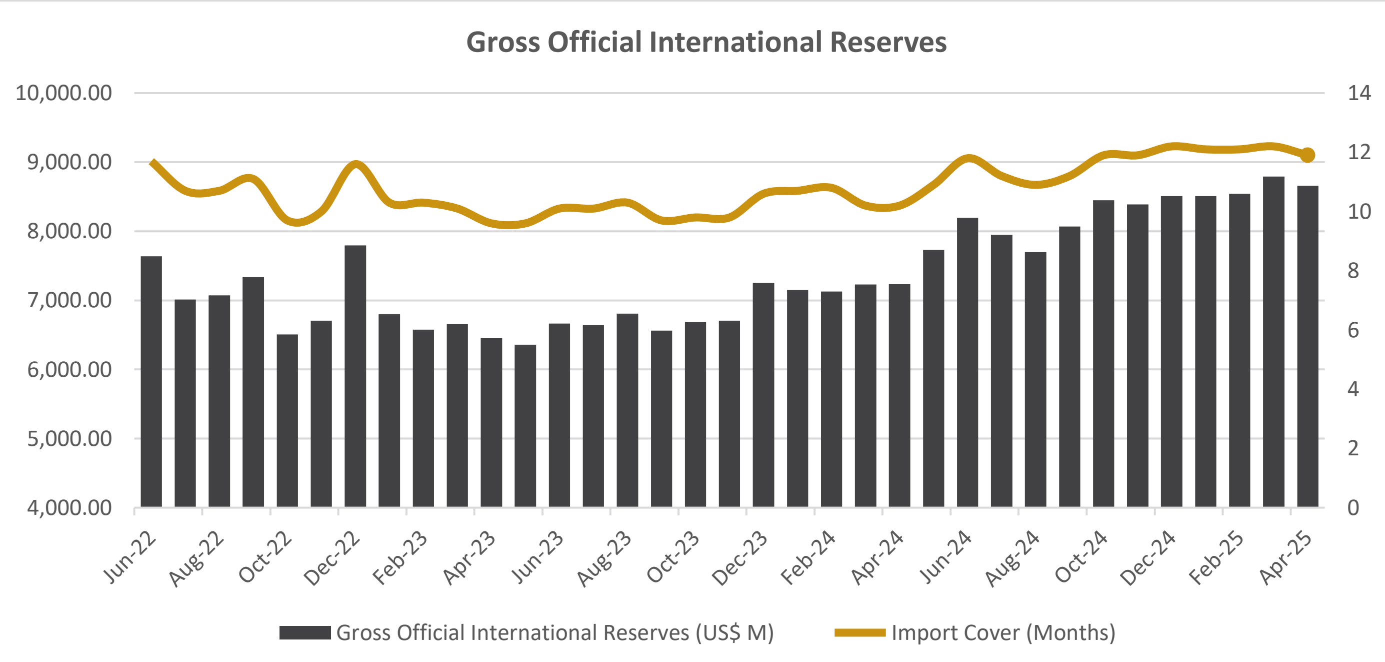
	Parameter	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025 (f)	Trend
Financial & insurance activities	% contribution to GVA	13.9	13.9	13.5	14.0	13.8	
	Sector Real Growth Rate (%)	4.20	4.20	3.90	4.70	4.70	
ICT	Sector Real Growth Rate (%)	6.90	4.00	4.00	4.50	4.80	

Source: Statistics Mauritius

Financial Services







Manufacturing & Agriculture

Manufacturing & Agriculture

Key Measures

Exports

- Enhance trade and investment relations with the EU member states while negotiating a mutually beneficial trade and investment agreement with the USA.
- Maximising opportunities from the Comprehensive Economic Cooperation and Partnership Agreement (CECPA) with India, the Free Trade Agreement with China and the African Continental Free Trade Area (AfCFTA).
- Overhaul of the Cargo Handling Corporation to ensure efficiency of Mauritian port in the Indian Ocean region.
- Amendment to the Income Tax Act to implement the decision of Government to provide a monthly financial assistance to Export-Oriented Enterprises, irrespective of profitability, for payment of the National Minimum Wage and salary compensation 2024.

Agro & Food Industry

- Allocation of Rs 800 million to support farmers, planters and breeders through various schemes.
- Establishment of a Price Stabilisation Fund of Rs 10 billion, starting with an initial Rs 2 billion contribution in this budget, to protect purchasing power of consumers.
- Investment of Rs1.5Bn by the State Trading Corporation in a modern centralised warehousing facility to foster more competition in the interest of consumers.
- Part of receipts from the Chagos deal will be transferred as from year four towards food Security to lower dependence on imports and support domestic production
- As from 6th June 2025, the rates of excise duty on alcoholic and tobacco products will be increased by 10 percent.
- The rate of excise duty on the sugar content of sugar sweetened products will be increased from 6 cents to 12 cents per gramme of sugar
- The annual excise licence fee for the sale of alcoholic products will be increased as follows:
    - wholesale dealer: from Rs 6,000 to Rs 12,000; and
    - retailer: from Rs 1,000 - Rs 6,000 to Rs 2,000 - Rs 12,000.
- Removal of VAT on some infant foods, canned vegetables and frozen packed vegetables.
- Landscope will develop food security projects by leveraging their land assets
- The State Trading Corporation will invest some Rs 1.5 billion in a modern centralised warehousing facility to foster more competition in the interest of consumers.
- Launch of a new Land Repurposing Scheme that will exempt owners of small agricultural plots from Land Conversion Permit provided their land are being used for alternative strategic investment projects as defined in the Scheme

Sugar Sector

- For sugar cane planters producing up to 60 tons of sugar, Government will pay the premium to the Sugar Insurance Fund Board for Crop 2025
- For sugarcane crop 2025, planters producing up to 60 tonnes of sugar will obtain a guaranteed revenue of Rs 35,000 per tonne, inclusive of bagasse and molasses.

Manufacturing & Agriculture

Listed Companies	Impact	Industry Comments
Alteo (Sugar)	**Neutral**	• PBL and QBL may be affected by the 10% increase in excise duties on alcoholic beverages, alongside the rise in annual excise licence fees applicable to both wholesalers and retailers. Additionally, the excise duty on the sugar content of sugar-sweetened products will double from 6 cents to 12 cents per gram, further impacting manufacturers and distributors in the beverage sector. • Innodis may be impacted from the increase in excise duties of 12 cents per gramme of sugar in Chocolates and ice cream • Sugar conglomerates producing up to 60 tonnes of sugar will obtain a guaranteed revenue of Rs 35,000 per tonne, inclusive of bagasse and molasses
Terra (Sugar)	**Neutral**	
Omnicane (Sugar)	**Neutral**	
LMLC	**Neutral**	
PBL / PHIN	**Negative**	
Innodis	**Negative**	
Medine (Agro)	**Neutral**	
QBL	**Negative**	
Livestock Feed	**Neutral**	

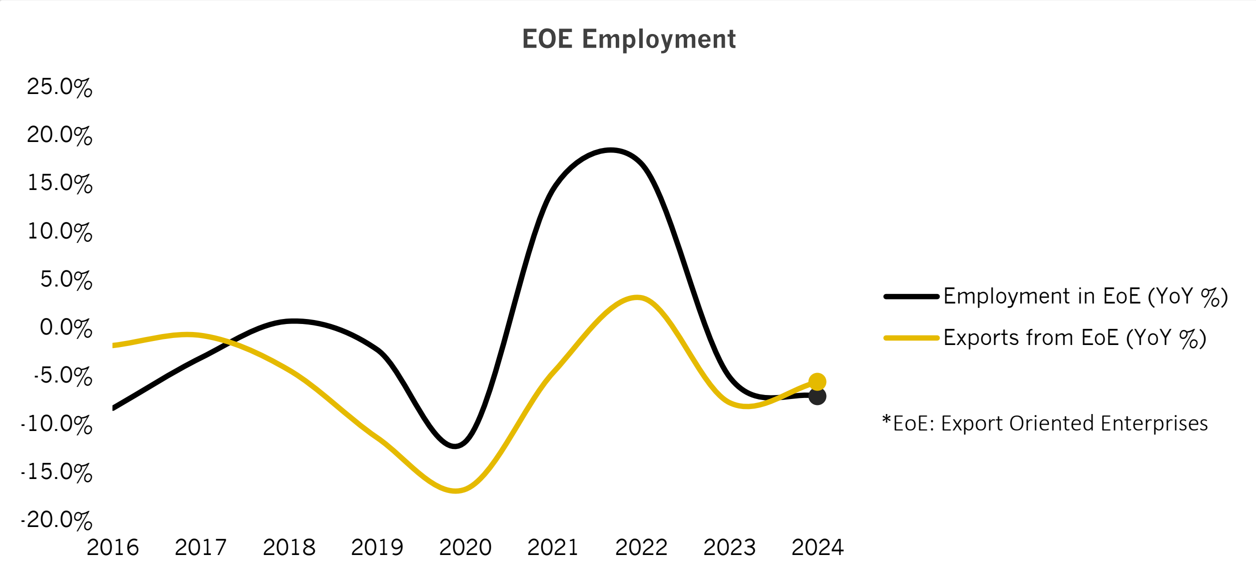
Outlook: Beverage producers like PBL and QBL may see margin pressures due to higher excise duties on alcohol and sugar content. Similarly, Innodis could be affected by increased costs on sugar-sweetened products such as chocolates and ice cream.

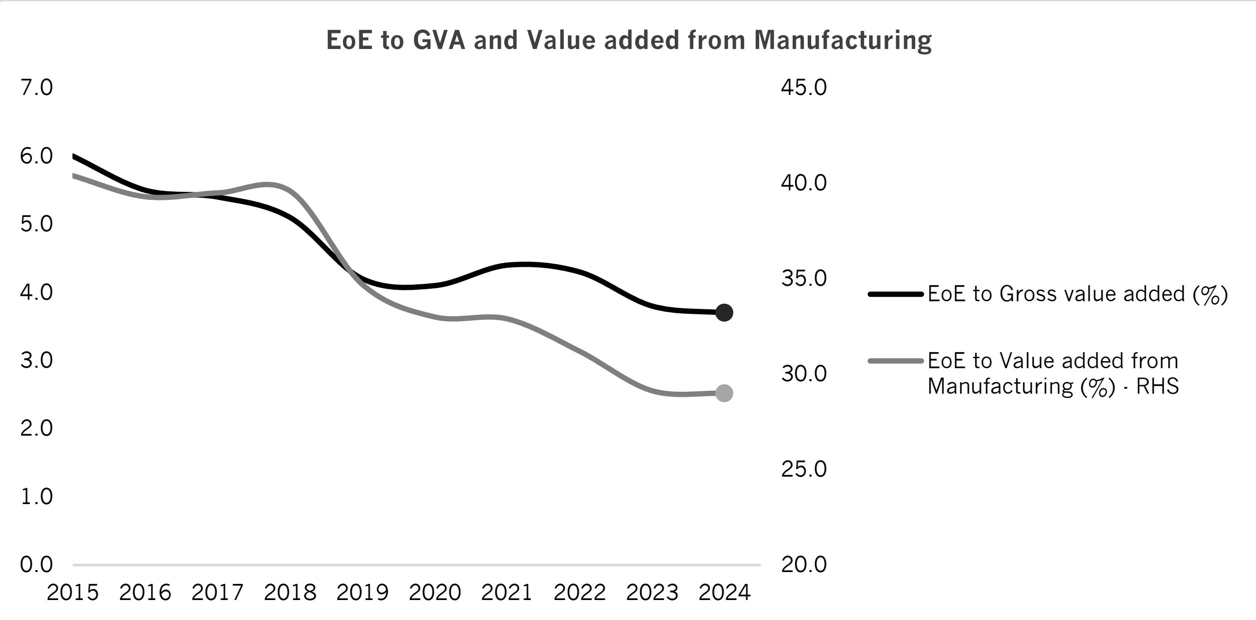
Sector Review

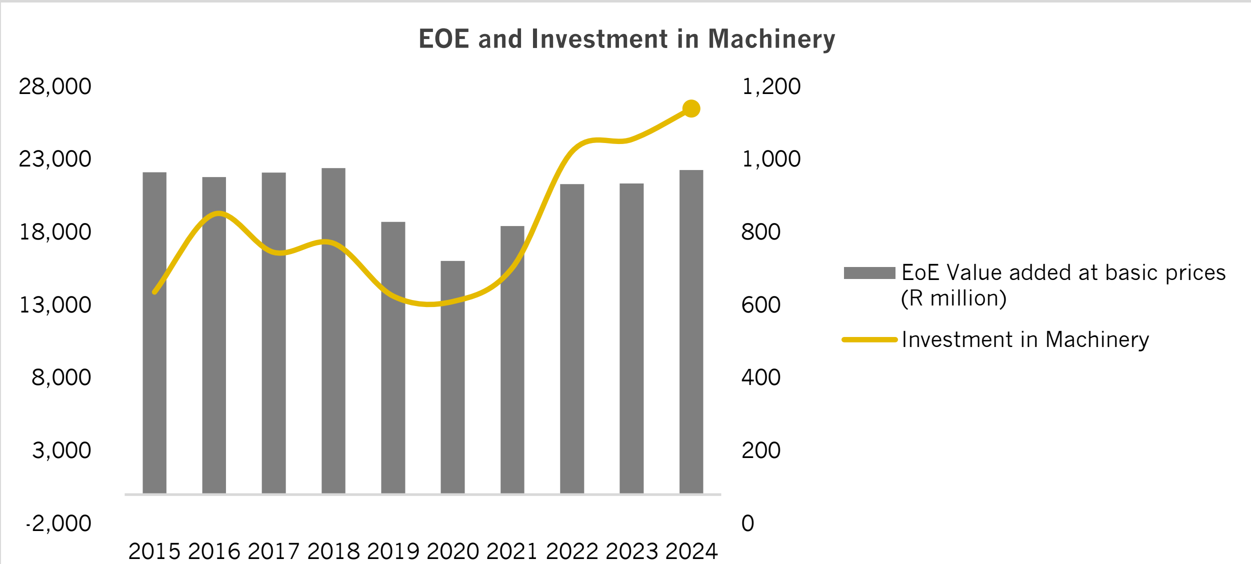
	Parameter	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025 (f)	Trend
Manufacturing	% contribution to GDP	13.2	13.5	13.2	12.9	12.9	
	Sector Real Growth Rate (%)	8.3	9.1	1.9	1.5	3.2	
Textile	Sector Real Growth Rate (%)	8.9	6.7	-10.0	-6.1	1.0	
Food (Excluding Sugar)		4.9	12.1	4.2	3	3.5	
Sugar		-5.1	-8.4	2.5	-7.8	0	

Source: Statistics Mauritius

Manufacturing & Agriculture







Leisure & Hotels

Leisure and Hotels

Key Measures

- A Tourist Fee of Euro 3 per night per tourist will be charged for stay in a designated establishment, including hotels, effective as from 1st October 2025.
- The tourism blueprint will address mainly the shortage of labour and its impact on the environment.
    - Focus on quality and value-added tourism so as to increase tourism spending as opposed to relying only on quantity and gross tourism receipts;
    - To improve the branding, marketing and positioning of Mauritius;
    - To embrace sustainability challenges of the industry so as to have an environment friendly tourism growth;
    - To diversify Mauritius' offers and geographical footprint and to grow off peak arrivals and address seasonality;
    - To address the critical issues of air connectivity and competitiveness;
    - To propose solutions for the acute labour shortages in the industry;
- Introduction of E-gates to facilitate visitors upon arrival at the airport.
- Allocation of Rs 900 million to the Ministry of Tourism.
- Allocate Rs 785 million to Rodrigues for capital expenditure, which will be used for the construction of the new runway at Plaine Corail
- The subsidy on air tickets provided for Mauritians and Rodriguans, under the Rodrigues Special Holiday Package Scheme, will be phased out over the next two years, that is by 33% reduction by June 2026 and 67% reduction by June 2027.
- Restructuring of the Mauritius Tourism Promotion Authority.
- The Lodging Accommodation Framework will be revamped to make it easier for employers to recruit foreign workers by allowing owners of lodging accommodations to hold a Lodging Accommodation Permit to lodge foreign workers of several employers centrally in their lodging accommodations
- The Tourism Authority Act will be amended to extend the validity period of both the Tourist Accommodation Certificate and the Tourist Enterprise Licence from 1 year to 3 years to reduce administrative burdens and enhance ease of doing business
- Introduction of an "Alternative Minimum Tax" (AMT) on hotels. The minimum total tax payable by such a company will be 10% of its book profits, after having adjusted for capital gains/ losses and dividends received from resident companies.
- The 4-year income tax holiday granted to an SME on conversion from a sole trader or partnership into a company will no longer be allowed where the SME is a tourism operator
- A non-citizen acquiring a residential property under the EDB Schemes (Invest Hotel Scheme) will be liable to pay Registration Duty at the rate of 10% instead of 5% of the value of the property.
- Reinforcing the Gambling Regulatory Framework and amendment to the Gambling Regulatory Authority Act to
    - regulate the importation and local transfer of horse races;
    - strengthen provisions regarding illegal betting and money laundering in the gaming industry;
    - make it mandatory for horse racing operators to be connected to the Central Electronic Monitoring System;
    - strengthen the regulatory and enforcement power to better control gaming activities.
- Increase in Gambling licence fees, including Bookmaker licence for conducting fixed odd betting on local horse betting races, Bookmaker licence for conducting fixed odds betting on events and contingencies through remote communication and Mauritius National Lottery, amongst others.

Leisure and Hotels

<table>
<tr><th>Listed Companies</th><th>Impact</th><th>Industry Comments</th></tr>
<tr><td>NMH</td><td>Neutral</td><td rowspan="9">
Tourist Fee of Euro 3 per night per tourist will be charged for stay in a designated establishment.
Hotels will be subjective to a minimum tax of 10% under the Alternative Minimum Tax.
Non-citizen acquiring a residential property under the Invest Hotel Schemes will be liable to pay Registration Duty at the rate of 10% instead of 5% of the value of the property.
Increase in Gambling licence fees
Bookmaker licence for conducting fixed odd betting on local horse betting races at the racecourse will increase from Rs 1 million to Rs 1.2 million; outside racecourse, license fee payable at 2 million; through remote communication which increased from Rs 3.5 million to Rs 5 million; and outlets which increased from Rs 40,000 to Rs 50,000
Bookmaker licence for conducting fixed odds betting on events and contingencies through remote communication from Principal place of Business increased from Rs 3.5 million to Rs 5 million; Additional Place of business increased from Rs 40,000 to Rs 50,000; and each event in addition to foreign Football, is now payable at Rs 1 million
License fee for Operator of Mauritius National Lottery increased from Rs 5 million to Rs 6 million. That of Loterie Vert went from Rs 500,000 to Rs 1 million.
The Local Pool Promoter Licence increased from Rs 15,000 to Rs 30,000
</td></tr>
<tr><td>LUX</td><td>Neutral</td></tr>
<tr><td>SUN</td><td>Neutral</td></tr>
<tr><td>CHSL</td><td>Neutral</td></tr>
<tr><td>Southern Cross Tourist</td><td>Neutral</td></tr>
<tr><td>Tropical Paradise</td><td>Neutral</td></tr>
<tr><td>ASL</td><td>Neutral to Negative</td></tr>
<tr><td>Steven Hills</td><td>Neutral to Negative</td></tr>
<tr><td>Lottotech</td><td>Neutral to Negative</td></tr>
</table>

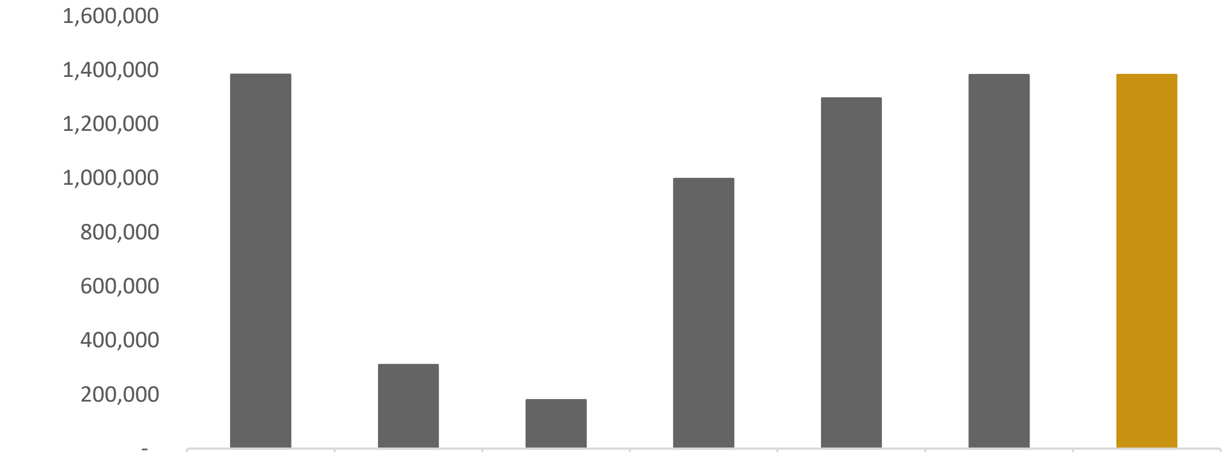
Outlook: Tourist arrivals for 2025 are projected to reach 1.4 million, generating an estimated Rs 100 billion in tourism earnings. The tourism blueprint's emphasis on improving air connectivity, destination branding, and addressing labour constraints is expected to enhance the sector's long-term resilience and growth potential. Additionally, initiatives to facilitate the recruitment of foreign workers should help mitigate the ongoing labour shortage in the industry. On the other hand, the increase in gambling-related licence fees may lead to higher costs for leisure-focused companies, although the impact should remain contained overall.

Sector Review

	Parameter	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025 (f)	Trend
Tourism	% contribution to GVA	2	7.4	8.4	8.5	8.2	
	Sector Real Growth Rate (%)	-21.8	250.7	24.7	5.7	0	

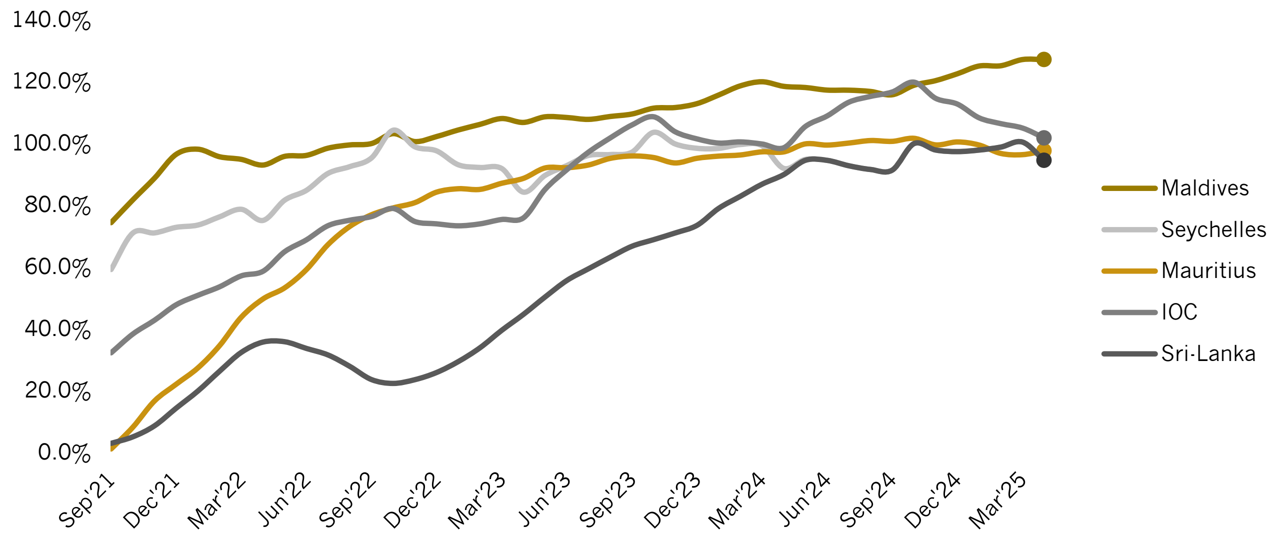
Leisure and Hotels

Tourist Arrivals

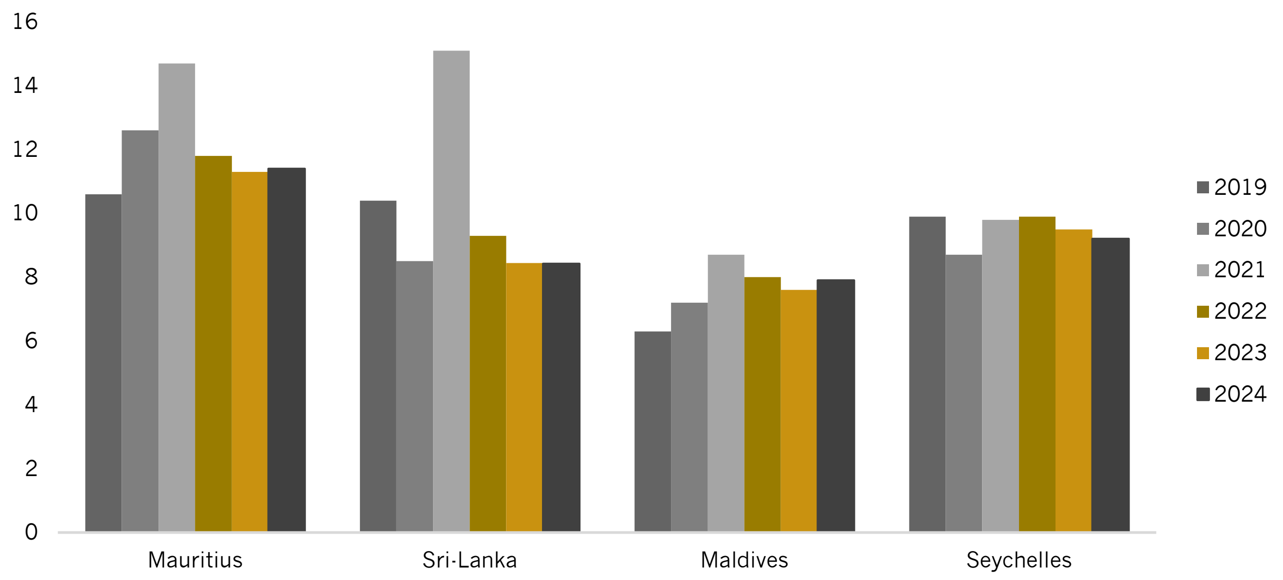


	2019	2020	2021	2022	2023	2024	2025(f)
Tourist Arrivals	1,383,488	308,980	179,780	997,290	1,295,410	1,382,177	1,382,177

Arrivals Recovery Rate (6 Month Average) - Reference Year 2019



Average Length of Stay (Days)



Property and Construction

Property and Construction

Key measures

Infrastructure Development, Water, Housing (Rs. 128 billion over next 5 years)

- Motorway M4 project which will be implemented in two phases. Phase 1 will connect Forbach to Pont Blanc and Phase 2 will extend the motorway to Bel Air.
- Ring Road Phase 2 project to further decongest traffic into and out of Port Louis
- Mauritius Ports Authority shall invest Rs. 5.4 billion toexpand the cruise jetty, construct a small jetty for bunker barge, acquisition of tugs
- Construction of the Riviere des Anguilles Dam will start

Smart City Scheme

- Fiscal incentives given to Smart City promoters and developers are for projects starting as from the 5th June 2025 shall be waived which included key incentives such as:
  - 8-year income tax holiday on income derived from real estate activities within the Smart City;
  - exemption from value added tax (VAT) on buildings and infrastructure;
  - exemption from customs duty on import of machinery and materials for construction of buildings;
  - exemption from registration duty and land transfer tax on the transfer of land into a Smart City Company;
  - exemption from land conversion tax and morcellement fee.
- As regards any project where development has already started prior to 5th June 2025, there will be no further exemption from:
  - land conversion tax under the Scheme; and
  - customs duty on import on furniture and machinery and materials for construction of buildings.
- Such projects will continue to benefit, in respect of components for which a Building and Land Use permit has been issued and where construction has started before 5th June 2025, from:
  - recovery of VAT paid on buildings, capital goods and construction of public roads; and
  - income tax holiday on income derived from real estate activities within the Smart City.

Property and Construction

<table>
<tr><th>Listed Companies (Key companies)</th><th>Impact</th><th>Industry Comments</th></tr>
<tr><td>Gamma</td><td>Positive</td><td rowspan="8">Public investment in infrastructural projects is expected to support industry growth.
Mention of numerous infrastructure projects is expected to support sectoral growth in coming years.
The disincentives of the Smart City Scheme would weigh on the Property Industry development
The cessation of the Home Ownership scheme and Home Loan Payable Scheme at the end of June 2025 would inflate the cost of purchase of a residential unit
The registration duty payable by a non-citizen on the acquisition of a residential property under the EDB schemes or an apartment will be increased from 5 percent to 10 percent.
Land transfer tax at the rate of 10 percent instead of 5 percent will be charged to the seller of the residential property or apartment.
The construction of the M4 motorway will promote property development as connectivity and accessibility improves
Promotion of “Study Mauritius” with an aim to double the number of foreign students in Mauritius over the next 3 years along with more higher learning institutions to establish in the island. New facilities and residential units would be required.</td></tr>
<tr><td>UBP</td><td>Positive</td></tr>
<tr><td>Kolos</td><td>Positive</td></tr>
<tr><td>ENL (Property)</td><td>Neutral</td></tr>
<tr><td>Terra (Property)</td><td>Neutral</td></tr>
<tr><td>Alteo (Property)</td><td>Positive</td></tr>
<tr><td>Medine (Property)</td><td>Neutral to Positive</td></tr>
<tr><td>United Docks (Property)</td><td>Neutral</td></tr>
</table>

Outlook: Infrastructure remains a key component of public sector investment, which includes construction of roads, flyovers, bypasses, drains and water storage facilities. We believe these large-scale projects will continue to dominate public sector investments in coming years especially with the extension of the metro around the cardinal points of Mauritius.

Sector Review

	Parameter	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025 (f)	Trend
Construction	% contribution to GVA	5.3	5.2	5.3	5.8	5.6	
	Sector Real Growth Rate (%)	22.7	1.3	9.1	13.3	0.0	


Environment, Sustainability, Green Energy

Environment, Sustainability, Green Energy

Key Measures:

Funds

Unlocking some Rs 30 billion of investment over the next three years in the renewable energy sector, mainly in solar energy and biomass projects.

Waste Reduction

“Waste-to-Wealth Investment Scheme”. This new scheme will promote waste to compost, waste to energy and re-use of metal scrap, amongst others. This scheme will also play a significant role in lowering our carbon footprint.

Climate finance

A Climate Finance Unit will be set up within the Ministry of Finance to mobilise and coordinate climate finance to ensure that finance is targeted at national priorities. The Unit will also initiate the process to identify National Direct Access Entities that could pursue the accreditation process with the Climate Finance Institutions and support the implementation of Mauritius priorities.

Institutional Reforms

Minimum Energy Efficiency Requirements will be introduced to ensure that buildings are designed, constructed and operated in a manner that minimises energy consumption. This will help to reduce our dependence on imported fossil fuels and lower the overall energy demand

Mobility

- The excise duty on hybrid and electric vehicles is being re-introduced, and the rates of excise duty and customs duty on conventional vehicles are being increased to between 45 percent to 100 percent.

- Effective 1st July 2025 the following measures will come into force:
  - An increase of 30 percent in the registration duty payable on first registration of vehicles in Mauritius. However, we are abolishing registration duty on the sale and transfer of domestic pre-owned vehicles

Other sustainability measures

- Rs 2.4 billion for drain infrastructure projects across the island
- Rs 3.1 billion for the water sector with a strong determination to ensure that every family has uninterrupted access to tap water

Environment, Sustainability, Green Energy

Listed Companies	Impact	Industry Comments
UBS	Neutral	• From a sustainability perspective, we note the clear intention of authorities to place the ESG segment on the forefront, notably by earmarking Renewable energies as a new key economic pillar. However, we sense a lack of concrete measures in the short term that could incentivise private sector companies to commit capital to the table. This could potentially push back any targets in terms of energy mix. • From the vehicles perspectives, market participants expected an increase in taxes linked to cars. This allows authorities to tap into the ever-growing pool of new cars on the island each year. What was unexpected however, was the cancellation of the negative excise duty scheme which echoed into the authorities' goal to reduce the country's carbon footprint. • Overall measures announced are not expected to create a significant impact in consumer behaviour.
RHT	Neutral	
Terra (Energy)	Neutral to Positive	
Omnicane (Energy)	Neutral to Positive	
Alteo (Energy)	Neutral to Positive	
ENL (Axess)	Neutral	
ABC Motors	Neutral	
CIM Finance	Neutral	
Rogers Capital	Neutral	

Please contact your Research Desk
for more information about our current
recommendations

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