



REPUBLIC OF MAURITIUS

# BUDGET SPEECH

## 2025 - 2026

**From Abyss to Prosperity:  
Rebuilding the bridge to the future**

**Dr the Hon Navinchandra RAMGOOLAM, GCSK, FRCP**

*Prime Minister,  
Minister of Defence, Home Affairs and External Communications,  
Minister of Finance,  
Minister for Rodrigues and Outer Islands*

05 June 2025

**Madam Speaker,**

1. I move that the Appropriation Bill (2025-2026) No XIV of 2025 be read a second time.

**Madam Speaker,**

2. It is with a sense of great responsibility and humility that I stand to present the first Budget of this Government to the House.

3. Behind the façade mounted by the unethical and incompetent previous Government lie a shredded social fabric, perilous governance, cross-cutting institutional failures, a decaying democracy, public finances in a shambles, and an economy in dire straits.

4. They left our country with:

- (1) an unsustainable public sector debt of Rs 642 billion representing 90 percent of GDP;
- (2) a budget deficit of 9.8 percent of GDP;
- (3) Rs 180 billion from reckless printing of money with devastating consequences on inflation and the exchange rate of the rupee; and
- (4) a huge trade deficit of Rs 203.7 billion representing 29.4 percent of GDP.

An unimaginable nightmare scenario that beggars belief. – Really “tout était possible ensemble pour eux.” Reminds me of Murphy’s law: “What won’t happen will happen.”

5. As a result, Madam Speaker, debt servicing alone is consuming Rs 21.8 billion of the budget. This is money that could have been used for funding essential development expenditure on education, healthcare, and social security, among others.

**Madam Speaker,**

6. Clearly the situation we have inherited is unsustainable. Furthermore, international pressures are mounting due to tariff and trade wars, resulting in heightened uncertainty, high volatility, and unpredictability. If we do not change course, there is a real risk of a sovereign rating downgrade, which would further worsen our situation and push the country deeper into crisis.

7. There is thus an urgent need for a fundamental reappraisal of our accustomed way of doing things. It is in the best interest of the population and businesses that we take bold measures now so that we can build a more resilient economy and society for all.

8. For far too long we have postponed facing up to fundamental changes and making fundamental choices.

**Madam Speaker,**

9. We have chosen what is right for the country.

10. There is no other option.

11. We must break the mould to stop the rot – now. The choices we make today will shape the better future we deserve or doom us to drift aimlessly, never seizing the chance to create real change.

12. As a responsible Government, our commitment is to bring the budget deficit, the borrowing requirement and debt to sustainable levels within the next three years.

13. Let me make it clear that as we pursue these goals, we will balance fiscal consolidation with the need to shore up investment and economic growth, protect the most vulnerable and address emerging challenges like demographic transition, climate change and disruptive technology such as Artificial Intelligence and blockchain.

14. Our approach will be one of fiscal responsibility with empathy and compassion.

**Madam Speaker,**

15. And so, today we choose the path **From Abyss to Prosperity: Rebuilding the Bridge to the Future.**

16. To steer our country toward that goal, Budget 2025-2026 sets out a comprehensive plan of actions and policies resting on three pillars:

- (1) Economic Renewal;
- (2) A New Social Order; and

(3) Fiscal Consolidation.

17. We will realise these objectives while putting people at the centre of all our decisions. Our topmost priority is and will always remain the wellbeing of the population.

**Madam Speaker,**

18. Before announcing our measures and policies, I would like to stress that I am presenting a strategic Budget for rebuilding our country's future. The Budget documents will feature an Annex with additional measures and policies, and each Minister will provide further details on policies that are within their areas of responsibility.

**A. ECONOMIC RENEWAL: SHAPING INNOVATIVE MAURITIUS**

**Madam Speaker,**

19. I will now speak on our strategy for economic renewal.

20. We are shifting the economic paradigm with structural reforms. We must imperatively unlock growth, contain external deficits, boost productivity and investment to create well paid jobs for our youth and raise standard of living for all. We will not let financial restraints stand in the way of economic growth.

21. We are therefore transitioning to a New Economic Model driven by:

- (i) Research & Development and innovation;
- (ii) resource repurposing for higher productivity;
- (iii) transformative investments;
- (iv) updated trade strategies;
- (v) smart investment in productive infrastructure; and
- (vi) a focus on consumer well-being.

## **I. Unlocking Innovation with R&D and Artificial Intelligence**

**Madam Speaker,**

22. I will start with our actions to unlock innovation.

23. First, it is well known that research today is innovation tomorrow, we are setting up a new National Research and Innovation Institute (NRII) under the Ministry of Tertiary Education, Science and Research. It will support both public and private sectors, while streamlining existing public research institutions for greater effectiveness.

24. Second, I am providing Rs 200 million to the various Ministries to finance research that result in policy innovation.

25. Third, Government will require all parastatal organisations and State-Owned Enterprises to come up with an R&D and innovation plan that conforms with our vision of Innovative Mauritius.

26. Fourth, the High-Level Steering Committee on the Government Programme at the Prime Minister's Office will monitor progress on the Innovative Mauritius mission.

### ***Empowering Innovation through Open Data and Big Data***

27. Fifth, the Ministry of Information, Technology, Communication and Innovation (MITCI) has developed a blueprint for the ICT sector to digitalise the country for operational efficiency and enhanced productivity. Government will ensure that the implementation of this Blueprint is carried out as speedily as possible.

28. Sixth, to foster data-driven innovation, I am providing extra funding to Statistics Mauritius so it can build capacity for implementing open data and big data. In addition, we have secured technical assistance from the International Monetary Fund (IMF) for a Report on Observance of Standards and Codes (ROSC), which is the most comprehensive review and assessment of statistical systems. Our aim is to safeguard governance and integrity of data and establish clear institutional boundaries to prevent undue political or external influence.

29. Seventh, we are allocating some Rs 70 million to set up a Tier IV Government Data Centre for disaster recovery.

30. Eighth, we are also amending the Data Protection Act to meet EU requirements.

31. Ninth, we are aligning the Cybersecurity and Cybercrime Act with international standards. A Cyber Security Operation Centre will be set up based on the UK model.

32. Tenth, we are strengthening and internationalising the protection of creators' and inventors' legal rights to their ideas.

33. Eleventh, we are offering a package of incentives that include eligibility to a new Premium Investment Certificate, fast-track permits and easy access to infrastructure to attract foreign research laboratories to Mauritius.

### ***Introducing the Innovative Mauritius Scheme***

34. Twelfth, I am launching new fiscal incentives through a new Innovative Mauritius Scheme to promote R & D and innovation.

### ***Innovation at Work: Transforming Mauritius with AI***

35. Thirteenth, I am providing for an AI Innovation Start-Up Programme to be spearheaded by the Ministry of ITCI.

36. Fourteenth, a dedicated AI Unit will be set up at that Ministry to accelerate the transition to a digitally advanced economy.



37. Fifteenth, we are fostering an AI-driven culture in Mauritius, with the Government leading by equipping all ministries with AI tools to enhance policy making and services. I am earmarking Rs 25 million in this Budget to kick-start a Public Sector AI Programme.

38. Sixteenth, Start-Ups and MSMEs will be able to claim tax deduction on their investments in AI technologies up to an amount of Rs 150,000.

39. Seventeenth, we are implementing National AI Policy Guidelines in schools, launching an AI Proficiency Programme for educators and students and making AI a mandatory module in all public higher education curricula.

## **II. Resource Repurposing to boost Productivity**

40. I will now outline our policies regarding the second key pillar of our new economic model: Resource Repurposing - that is, more productive use of our labour, land and capital.

41. There is substantial scope for improving productivity to achieve higher levels of economic growth.

42. We will start with our policies to improve conditions on the labour market.

### ***When Women Thrive, Our Entire Society Prospers***

43. First, the Workers' Rights (Working from Home) Regulations 2020 will be replaced by the Workers' Rights (Flexible Work Arrangement) to make the job market more accessible to women.

44. Second, we are also empowering more women to start their own business. All DBM loans under the Women Entrepreneur Loan Scheme will now carry a grace period of 18 months for repayments instead of 12 months. Additionally, the maximum credit limit on these loans is being raised from Rs 500,000 to Rs 1.2 million.

45. Third, women entrepreneurs will also have access to a wide range of non-financial support including mentorship programmes, marketing assistance, and opportunities to build networks.

46. Fourth, to improve women participation rate we will encourage both flexible and hybrid employment opportunities.

47. Fifth, we will also promote employment in the gig and digital platform economy.

### ***Supplementing our Labour Force with Foreign Talent***

48. Our sixth measure addresses the acute shortage of labour and skills which is severely impinging on investment and therefore economic growth. We are expediting the recruitment of foreign labour and skills. This will be done through a fast-track and simplified rules-based work permit system to be managed by the Economic Development Board (EDB).

49. Seventh, Government will come up with an innovative immigration policy.

50. Let me be clear: we are seeking to supplement and not to replace local workers.

51. Eighth, Government will uphold its commitment to invest in the labour force of the future. We are allocating Rs 550 million for training, reskilling and upskilling.

52. Ninth, the current diaspora scheme is not performing as per expectations. A new scheme is being put in place to make it less restrictive for diasporas to return while creating opportunities for them to participate directly in our development.

53. Tenth, a Diaspora and Global Advisory Council will be set up under the Prime Minister's Office. It will serve as a platform to encourage greater participation from our diaspora and friends of Mauritius from overseas in our development.

### ***Land Repurposing: Reimagining Land Use for a Prosperous Future***

54. Our next actions on resource repurposing are aimed at optimising the productivity of our land.

55. Eleventh, the National Development Strategy for Land Use Planning will be comprehensively reviewed and aligned with our new development priorities.

56. Our twelfth measure is to implement the Digital Twin Mauritius Project. This will help to optimise land use, reduce environmental impact, and support efficient planning for agriculture, development, and conservation.

57. Thirteenth, the land database at Landscape will be expanded to serve as a digital marketplace for agricultural land, in particular, to foster greater food security.

58. Fourteenth, public institutions holding significant land assets will join efforts and come up with plans to maximise the use of their land assets.

59. Fifteenth, I am launching 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.

### ***Capital Productivity: Doing More with Less***

60. My sixteenth measure on resource repurposing involves enhancing industrial policy coordination to increase capital productivity. We will establish an Industrial Policy Coordination Committee to oversee and direct the rollout of productivity-boosting strategies with particular emphasis on raising capital productivity in the manufacturing sector.

61. Seventeenth, I am providing for expanding certification to boost consumer confidence, both locally and abroad, in Mauritian products.

This should increase demand for such products and therefore investment.

### **III. Shifting Focus: Building Growth through Transformative Investment**

62. I now turn to the third pillar of our New Economic Model which is about building growth through transformative investment. We are replacing the inherited consumption-driven approach with an investment-led growth model.

63. Government is creating a vast investment space through four new 'Pôles de Croissance'.

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

Second, we are creating opportunities for massive transformative investments through a new "Waste-to-Wealth Investment Scheme". This new scheme will promote creative waste to art projects, 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.

Third, a vast investment corridor will be opened in the blue economy. We will engage with stakeholders and experts through an "Assise de l'Océan" to come up with a new

Blueprint. Our focus will be on six strategic ocean economy sectors, namely;

- i. Sustainable Fisheries and Aquaculture;
- ii. Ocean-Based Renewable Energy;
- iii. Sustainable Ocean Tourism;
- iv. Marine Transport and Trade;
- v. Research, Capacity Building and Innovation; and
- vi. Blue Finance.

Fourth, Government is revitalising the creative arts sector focussing on both economic progress and social coherence.

To this end, I am providing for the setting of a “National Open Arts Commission” to advise on comprehensive policy on arts and culture.

At the same time, we will streamline the administrative procedures for the holding of festivals and concerts.

We are also introducing Art Trading as a new export activity, positioning it as an asset class for investment by international ultra-high-net-worth individuals. The EDB will help to create facilities in the freeport for the trading of international art works. This will also open up significant opportunities for our nation’s premier artistic talents.

64. The next leg of our strategy to expand the investment space is to consolidate existing pillars of our economy.

***Advancing Sustainable and Inclusive Tourism for an Innovative Mauritius***

65. Reimagining the future of tourism is a daunting but necessary exercise. The future of tourism will focus on quality, value addition, sustainability, inclusion and resilience. In partnership with the private sector and other stakeholders we will work on a blueprint to rethink the future of tourism in the light of both challenges and opportunities. The structural problems must be looked into. Today, the two most critical challenges confronting the sector are its acute shortage of labour and its impact on the environment.

66. The blueprint will consider the following goals:

- (1) To focus on quality and value-added tourism so as to increase tourism spending as opposed to relying only on quantity and gross tourism receipts;
- (2) To improve the branding, marketing and positioning of Mauritius;
- (3) To embrace sustainability challenges of the industry so as to have an environment friendly tourism growth;

- (4) To accelerate the role of technology, AI and innovation as a gamechanger in tourism demand and supply;
- (5) To diversify our offers and our geographical footprint and to grow off peak arrivals and address seasonality;
- (6) To ensure inclusion and growing opportunities for our compatriots;
- (7) To address the critical issues of air connectivity and competitiveness;
- (8) To propose solutions for the acute labour shortages in the industry; and
- (9) To build a strategic partnership with the private sector and ensure better synergies and coordination between the public and private sectors.

67. The blueprint should propose development strategies, implementable objectives, key action plans and specific measures to face the new challenges and emerging opportunities. The strategy must be flexible and adaptable to meet changing circumstances.

68. To facilitate visitors upon arrival at the airport, I am providing for the introduction of e-gates.



69. In essence a new tourism strategy that is smarter, resilient, more sustainable and inclusive.

70. I am allocating a sum of Rs 900 million to the Ministry of Tourism.

### ***Embracing Innovative Agriculture to Enhance Food Security***

71. I will now spell out our actions to embrace innovative agriculture.

72. Government is setting up a food resilience scheme to incentivise controlled environment agriculture. This includes:

1. advanced techniques such as vertical farming;
2. indoor climate controlled agriculture; and
3. modern production of seeds and fertilizers, among others.

73. I am allocating Rs 800 million to support farmers, planters and breeders through various schemes and assistance programmes.

74. We will provide access to Artificial Intelligence for producers of food, especially the small and medium enterprises so that they can modernize their operations and produce safe food with a view to improving food sovereignty.

75. Landscape will develop food security projects by leveraging their land assets.

76. In line with our policy of widening opportunities and inclusiveness, we will ensure that sugarcane planters earn a fair income.

***Embracing Change for a Dynamic and Innovative Financial Services and Banking Sector***

77. Government's strategy for the financial services sector focusses mainly on promoting higher value-added offerings and consolidating financial stability.

78. Government will request for the conduct of a Financial Sector Assessment Programme (FSAP) jointly by the IMF and the World Bank.

79. We are investing in a wide range of skills development including advanced AML/CFT training.

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

81. I will now focus on our policies to stimulate investment in our banking sector.

82. First, the Bank of Mauritius is launching bullion banking as a major new activity that will stimulate investment, employment creation and economic growth.

83. Second, we will review the Bank of Mauritius Act and Banking Act to further increase its independence.

84. Third, the Bank of Mauritius will implement an effective resolution regime to ensure orderly resolution of a failed bank.

85. Fourth, a new Electronic Trade Documents Bill will give legal recognition to digital bills of exchange and trade instruments, enabling fully digital trade finance and reinforcing our status as a modern regional trade hub.

86. Fifth, we will amend the relevant legislations to allow for documents using secured electronic signatures to be accepted for registration and transcription purposes.

87. Sixth, we are streamlining licensing for wealth management and family offices to better serve high-net-worth clients and establish Mauritius as a key gateway for investment into Africa.

### ***Rebuilding Institutional Capacity for Investment Promotion and Facilitation***

88. While we work to expand opportunities for investment, we are also enhancing our institutional capacity for promotion and facilitation.

89. We are restructuring the EDB to better support our vision of Innovative Mauritius by streamlining processes, boosting transparency, and promoting investment in all sectors. It will also lead the Government's export-driven growth strategy.

90. The EDB will also promote the “Innovative Mauritius” brand.

91. To boost investment, the EDB is dedicating resources and efforts to improve the ease of doing business.

92. Our restructuring efforts will extend to the Mauritius Tourism Promotion Authority.

93. The State Investment Corporation (SIC) will re-engineer its portfolio and refocus its mission on Innovative Mauritius.

94. We are introducing seven new investment incentive schemes tailored to the needs of specific strategic sectors while improving the existing schemes for more impact.

95. In addition to investment facilitation, we are creating opportunities for private sector investment in public sector infrastructure. The Government will encourage private investment in renovating, maintaining, and managing key heritage sites, including theatres and museums through a new “Heritage Stewardship Scheme”.

#### **IV. Updated Trade Strategies for an Innovative Mauritius**

96. The next key aspect of the new economic model focuses on adjusting our trade policies to address increasing protectionism and shifting centres of economic influence.

97. We are therefore equipping our embassies to focus on economic and developmental diplomacy, tasking them with creating actionable trade and investment projects by leveraging economic cooperation agreements.

98. We will optimise the benefits of the recently established strategic partnership framework between Mauritius and UK. We will also enhance our trade and investment relations with the EU member states while at the same time negotiating a mutually beneficial trade and investment agreement with the USA.

99. Special efforts will be put on 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).

100. We are also adapting our Africa Partnership Strategy to our vision of Innovative Mauritius while honouring our commitment to the Africa 2063 project of the African Union.

## **V. Smart Investment in Productive Infrastructure**

101. I now turn to the fifth pillar of our new economic model which is about making infrastructure development the gateway to new investment opportunities.

**Madam Speaker,**

102. While we are stressing on fiscal consolidation to reconstruct our economy we cannot and will not do so at the expense of economic expansion and job creation. We are therefore investing in physical infrastructure with proven growth linkages, namely for land, sea and air transport. Such investments will mitigate the contractionary effects of fiscal consolidation.

103. I am providing for the implementation of the 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.

104. I am also providing for the Ring Road Phase 2 project. The new Ring Road Phase 2 starts around 200m before the end of the Ring Road Phase 1, crosses Quoin Bluff mountain and Moneron Hill through two tunnels and connect to the end of Boulevard Victoria at Vallee Pitot. Ring Road Phase 2 also connects to Tranquebar through a grade Separated junction.

105. The Mauritius Ports Authority will invest approximately Rs 5.4 billion to expand the cruise jetty, construct a small jetty for bunker barge, acquisition of tugs and expansion of the Mauritius Container Terminal.

106. The Cargo Handling Corporation is undergoing a major overhaul to ensure that Mauritius reclaims its reputation as one of the most efficient ports in the Indian Ocean region.

107. Government is deeply committed to resolving the water problem as we recognise that it is vital to the quality of life.

108. We are therefore making provision for the long overdue construction of the Rivière des Anguilles Dam.

109. We are also investing in a wide spectrum of water infrastructure such as replacement of water pipes, upgrading and rehabilitation of water treatment plants and new service reservoirs.

110. In all, we are planning for some Rs 128 billion of investments for the next five years in infrastructure development, including housing, transport, water, wastewater, solid waste, land drainage and electricity.

## **VI. Investing to Protect Purchasing Power**

111. The next cornerstone of our New Economic Model and Innovative Mauritius vision focuses on protecting purchasing power of consumers, in particular those with modest income.

**Madam Speaker,**

112. One legacy from the previous Government that is causing a social mayhem in our country is the struggle of many families to make ends meet.

113. We pledged to address this issue as a priority once we are in Government. We have redeemed that pledge bringing down the inflation rate to 2.6 percent as at April 2025. The Bank of Mauritius has also been able to stabilise the value of the rupee which reins in inflation.

114. Today, we are doing more to combat inflation.

### ***Creating Proximity between Consumers and Producers***

115. To protect the purchasing power of the population and as promised in our Electoral Manifesto, we are establishing a Price Stabilisation Fund of Rs 10 billion, starting with an initial Rs 2 billion contribution in this budget.

116. 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.

117. I am removing VAT on some infant foods, canned vegetables and frozen packed vegetables.

118. We are enacting legislation to protect consumers from unscrupulous practices, such as reducing product sizes while keeping prices unchanged or hoarding essential goods during crises to inflate prices.

119. The Competition Commission of Mauritius will be mandated to conduct sector-wide pricing and profitability audits, especially in essential goods to ensure that retail outlets are not overcharging customers.



120. Government will invest in an integrated Price Monitoring Information System (PMIS) to combat price collusion and provide maximum information to consumers so that they can make right choices.

121. A High-Level Steering Committee will be set up to accelerate the 'Parallel Import' framework. This will enable us to lower medicine prices while ensuring quality and effectiveness.

## **B. USHERING IN A NEW SOCIAL ORDER**

**Madam Speaker,**

122. Building a resilient economy is good social policy and good social policy helps to grow the economy.

123. We are harnessing that powerful synergy as we introduce a New Social Order to save our country from the path of social decadence blazed by the previous heartless Government.

### **Education**

**Madam Speaker,**

124. As our most precious resource is our human capital, we need to nurture and invest in high quality education as a priority.

125. We are starting at the top, with a renewed social contract for education.

126. Shaping this new social contract requires broad participation and strong stakeholders support. Government will introduce an appropriate Blueprint to provide clear directions on this critical national project.

127. In the meantime, to promote inclusiveness, I am making provision in this Budget to secure greater support for Special Education Needs (SEN) students.

128. I am allocating Rs 20 million to consolidate the Foundation Programme.

129. A Quality Assurance Unit will be set up for both the pre-primary and primary education sectors.

130. We are establishing a National Education Council and a National Curriculum Advisory Board to advise Government on quality improvement for pre-primary, primary and secondary education.

131. I am therefore allocating Rs 438 million for infrastructure improvement across the entire range of learning institutions, from pre-primary to tertiary.

132. We have a grand vision of making Mauritius a leading regional hub for higher education, research, and innovation - shifting from simply consuming knowledge to generating it.

133. Our aim is to double the number of foreign students in Mauritius within the next three years.

134.A Hall of Residence will be constructed at Réduit to accommodate international and local students.

135.We will encourage institutions of higher learning to operate in Mauritius. We will, in collaboration with private stakeholders, develop a marketing strategy of the “Study Mauritius” brand to make Mauritius an education hub.

## **Health for All: Foundation for a Fairer Future**

**Madam Speaker,**

136.I will now announce our policies to fundamentally reform our health care system. A new health care system in a New Social Order must move beyond traditional models. It must be future ready in the face of new challenges such as the rising burden of non-communicable diseases (NCDs), an ageing population, and increasingly complex health threats including pandemics and climate change.

137.I am therefore announcing the following:

- (1) The outdated health legislation which dates back to 1925 will be reviewed.
- (2) We are creating a new health system that will prioritise prevention through health promotion, healthy lifestyle campaigns, and robust NCD management. To this end, I am providing for an innovative ‘Path to Remission Programme’ for diabetic and prediabetic patients. This programme

will reach some 450,000 of our citizens. I am providing Rs 47 million to kick start that programme.

138. We are stressing on a similar proactive approach to dealing with cancer and cardio-vascular diseases with the participation of foreign consultants who are leaders in their fields. We have already started organising international conferences for teaching and research.

139. To promote preventive healthcare, as from 6<sup>th</sup> June 2025:

- (1) the rates of excise duty on alcoholic and tobacco products will be increased by 10 percent; and
- (2) 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.

140. I will be moving for a financial resolution to that effect.

141. In addition, as from 1st October 2025, I am extending the excise duty on sugar sweetened products to chocolates and ice cream.

142. We are introducing a new culture of hospital management by putting the right person in the right place.

143. I am therefore providing for the recruitment of 5 professional managers, with strict key performance indicators, to ensure that our hospitals are managed to the highest standards.

144. Qualified emergency physicians rather than generalist physicians will now provide the necessary care and treatment in the Accident and Emergency departments.

145. I am providing for the setting up of a National Health Quality Commission to secure strong and effective quality control.

146. Government will set up an office of an Ombudsperson for health services which will be empowered to look into any abusive practice in the sector.

147. Paper health records, long queues and disconnected health care providers must become a thing of the past.

148. To this end, we are applying digital health solutions, including electronic health records, telemedicine, and e-prescriptions to improve efficiency and access.

149. We are also providing for the necessary infrastructure, equipment and staffing to cut waiting time for treatment.

150. We are bringing about a novel strategy for dealing with mosquito-borne diseases. Government is investing Rs 24 million in the Sterile Insect Technique (SIT) Production Facility.

151. I am providing for the recruitment of 1,000 Student Nurses over the next three years, 50 trainee midwives, 50 Medical and Health Officers, and 30 Specialists, amongst others.

152. In spite of a very tight budgetary situation, I am doubling the budget for training and capacity building in the health care system from Rs 22 million to Rs 44 million.

153. To improve food safety and public health, I am allocating Rs 20 million for the purchase of rapid testing kits. These will enable instant detection of contaminants and therefore faster response.

154. In all, I am allocating Rs 18.5 billion for the healthcare budget.

## **Ensuring Inclusive Social Security for Equity in the Emerging Social Order**

**Madam Speaker,**

155. I now turn to our policy to shape a new social security approach that is in line with the emerging social order.

156. I am therefore providing Rs 660 million to support some 7,000 households registered under the Social Register of Mauritius (SRM).

157. I am also providing Rs 67.5 million for implementation of ongoing social housing schemes for SRM beneficiaries.

158. To further enhance social inclusion, Rs 1.1 billion is being provided for social aid beneficiaries.

159. I am increasing the monthly household income threshold to benefit from cash grants for the purchase of assistive devices from Rs 35,000 to Rs 40,000.

160. I am also extending refund of taxi fares to children with Autistic Spectrum Disorder (ASD) and Attention Deficit Hyperactivity Disorder (ADHD) attending schools.

161. I am providing for the training of interpreters in Mauritian sign language.

162. I am also enhancing financial support to Charitable institutions. The daily inmate allowance for residents less than 90 years old will be increased to Rs 500.

163. Rs 184 million is being earmarked for the implementation of the e-Social Security system.

164. Rs 1.3 billion is being reserved under the National Social Inclusion Foundation to support the NGOs.

**Madam Speaker,**

165. I made a 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.

166. I am providing Rs 90 billion for the social protection sector for FY 2025/2026. This accounts for 34.8 percent of our national budget.

## **Homes For All: Building Hope, Empowering Families**

**Madam Speaker,**

167. As we lay the groundwork for a new social order our housing policy assumes primary importance.

168. Despite the financial constraints inherited from the previous government, we remain fully committed to ensuring that every family has access to decent housing.

169. Government will ensure that contractors will correct all the shortcomings and structural issues that have been identified in the 8,000 units under construction before handing them over to the applicants.

**Madam Speaker,**

170. Government is fully conscious that there is a huge backlog of social housing units even after handing over of the 8,000 social housing units. While this is a tremendous challenge, Government will do its utmost to secure a decent home for every family.

171. To this end, an in-depth study of the housing situation for low and middle income families will be carried out to come up with a new Housing Policy Roadmap.



## ***Improve Living Conditions in NHDC Housing Estates***

172. In the meantime, we are raising the income threshold for social housing eligibility from Rs 40,000 to Rs 48,000.

173. I am providing Rs 40 million for a new National Syndic Scheme to ensure better maintenance of NHDC estates and timely provision of scavenging services.

174. In connection with Phase I of the 8,000 social housing units, 10 priority sites will be included in the National Flood Management Programme.

## **Environment**

### **Madam Speaker,**

175. We are also putting environmental considerations at the heart of our policies for a New Social Order.

176. Today, as we celebrate World Environment Day, our policy actions reaffirm our commitment to help safeguard the natural world for present and future generations.

177. We have to be bold in tackling environment issues.

178. In addition to the Waste-to-Wealth initiatives and the development of the renewable energy industry I have announced, I am providing Rs 164 million to restore vital habitats, prevent beach erosion and combat marine pollution.

179. Government is introducing more prohibitive fines on noise and sound pollution and also introducing a Deposit Refund Scheme for plastic bottle.

A Climate Finance Unit will be set up at the Ministry of Finance to better mobilise and manage climate finance for adaptation, mitigation and resilience.

180. To unlock the economic and energy value of waste and transition to a greener, more resilient economy, the Waste to Wealth strategy will focus on transforming waste into energy, fertiliser, materials, and even art, supporting the national energy and sustainability strategy through four mechanisms:

- (1) Reforming the Waste Management System;
- (2) Building Waste Transformation Processing Capacity;
- (3) Enabling Circular Investment; and
- (4) Driving cultural and educational transformation.

181. I am allocating Rs 3.3 billion to the Ministry of Environment, Solid Waste Management and Climate Change.

## **Redefining Law and Order to build a Safe and Modern Society**

**Madam Speaker,**

182. We have already initiated action to redefine Law and order to build a safe and modern society.

183. In the emerging social order, effective law enforcement depends on empathy, technology and advanced training.

184. I am therefore allocating Rs 200 million to start the construction of the Mauritius Disciplined Forces Academy which will enable comprehensive capacity building across the Mauritius Police Force.

185. We are also investing some Rs 2.2 billion in the next fiscal year to protect our maritime space from illicit activities.

186. I am allocating Rs 19.7 billion for law and order.

## **Combatting Drugs – Aiming at a Drugs Free Future**

**Madam Speaker,**

187. To combat drug abuse our approach is crystal clear and resolute: zero-tolerance.

188. That is why, we have set up the National Agency for Drug Control (NADC). In this Budget an amount of Rs 70 million has been earmarked to support the operational setup of the agency.

189. ADSU is being strengthened with more manpower, advanced drug detection technologies, and better inter-agency collaboration.

190. The drug screening facilities at the airport and seaport are being upgraded.

191. The construction of the New Forensic Laboratory will be completed by the end of December this year and will be reorganised to be results-oriented and will also include a dedicated specialised laboratory for drug detection.

192. Rs 3.5 million is being provided for the implementation of a structured drug rehabilitation and reintegration centre at Petit Verger Prison, targeting 50 detainees in its initial phase.

### **Justice for All: Strengthening Trust, Securing the Future**

193. To enhance the capacity of our judiciary and improve the delivery of judgements, I am providing for:

- (1) an E-judiciary System for Judges in Chambers Cases and Supreme Court Registry,
- (2) a Digital Court Recording and Video Conferencing System for Rodrigues Court,
- (3) a National Crime Agency will be set up,
- (4) a National Prosecution Service will be set up and will be headed by the DPP just as the DPP is the head of the Crown Prosecution Service in Britain; and

- (5) the Constitutional Review Commission will start functioning by the end of this month.

194. I am also providing for court infrastructure improvements, for the renovation of the Supreme Court Building, the rehabilitation of the timber roof at the Flacq District Court and for enabling on-line payment of fines and court fees.

### **Safer Roads, Safe Lives, Safer Mauritius**

195. Today, we also commit to making Mauritius safer.

196. Rs 205 million will be invested to enhance safety on our roads.

197. The points-based driving licence system will become operational in January 2026.

198. The use of the Safe City cameras will be extended to improving traffic operations and detecting Road Traffic Offences.

199. The legislative framework will be reinforced to offer more protection to two wheelers and pedestrians.

200. Fines for speeding and use of mobile phones while driving will be increased to act as effective deterrents.

201. A Road Safety Fund will be set up in collaboration with Insurance Companies, Vehicles Dealers and Vehicle Companies to finance road safety initiatives and infrastructure.

## **Aiming for Excellence - A Nation United through Sports**

202. I will now address our strategies for advancing sports development which form a central pillar of our new social order.

203. Investing in sports, physical and recreational activities is investing in the well-being of people.

204. To professionalise the sports sector, we are providing for the setting up of seven sports academies.

205. We are giving ample financial support to our athletes and para-athletes while investing massively to upgrade our sports infrastructure.

206. And I am also providing for a feasibility study on the construction of a rally circuit for our young rally enthusiasts.

207. I am allocating Rs 1.1 billion to the Ministry of Youth and Sports.

## **A New Civil Service for a New Social Order**

**Madam Speaker,**

208. The civil service plays a crucial role in the implementation of government policies. It will be equipped to support the building of a solid foundation for our new economy and the new social order, and to effectively serve all citizens.

209. A Public Sector Reform Bill will be introduced to strengthen public sector governance. In the same vein, the Atal Bihari Vajpayee Civil Service College, which was inaugurated during the state visit of Prime Minister Shri Narendra Modi, has already started a dedicated programme for Public Administration and Management.

210. Reforms and Innovation Units will be set up in all Ministries and Departments.

### **Shoring up the Development of our Outer Islands**

211. I am allocating an amount of Rs 5.785 billion for Rodrigues. Of this sum:

- (1) Rs 5 billion will be dedicated to recurrent expenditure; and
- (2) the remaining Rs 785 million will be allocated to capital expenditure.

212. These funds will support projects that are vital to Rodrigues development, including:

- (1) the construction of the new runway at Plaine Corail,
- (2) increasing the national water supply,
- (3) raising agricultural productivity, and
- (4) the construction of access roads to the Technopark.

213. This allocation reflects our commitment to both maintaining essential services and investing in the infrastructure necessary for Rodrigues' continued growth and prosperity.

214. I am allocating Rs 25 million to implement a Masterplan for Agalega to drive its sustainable development while raising the standard of living.

## **C. FISCAL CONSOLIDATION FOR A RESILIENT, INCLUSIVE MAURITIUS**

**Madam Speaker,**

215. I now turn to the challenging task of fiscal consolidation.

216. The previous Government took fiscal irresponsibility to its zenith.

217. They have placed our country in the quicksand of fiscal and financial distress.

218. For fiscal year 2024-2025, the previous Government deliberately inflated revenues, downplayed expenditures and overstated the GDP levels. These were done intentionally to create a misleading impression that all was well – an act that was both reckless and deceitful. Some of those who have actually dilapidated the public finances – “les pyromanes qui se pretendent pompiers” - have the audacity to unashamedly assert that there is ample money in the Government's account. “Si le ridicule pouvait tuer !”. However, all we have uncovered is a mountain of debt and an ocean of liabilities-both direct and contingent.



219. Let us compare their initial estimates for fiscal year 2024-2025 and the estimated outturn:

- (1) They forecast a budget deficit of Rs 26.8 billion. This is now estimated at Rs 70 billion - an increase from 3.4 percent to 9.8 percent of GDP.
- (2) They also forecast a public debt of Rs 574 billion. This is now estimated is at Rs 642 billion - an increase from 71.9 to 90 percent of GDP.

220. They deliberately overestimated recurrent revenue with a forecast of Rs 207 billion. The estimated outturn is Rs 181 billion.

221. We need to reverse this trend. We are taking the bull by the horns right away in this budget.

222. It will clearly take more than one budget to achieve our goal of fiscal consolidation and reconstruction. Our strategy will focus on investment and growth friendly fiscal consolidation while protecting the vulnerable. We are pacing the reforms with compassion, empathy, and humanity.

### **Our Fiscal Principles**

223. By the end of our mandate, we are targeting:

- (1) A real GDP growth path of 4 to 5 percent;
- (2) A primary budget surplus; and
- (3) A lower public sector debt of 75 percent of GDP with a commitment to reduce it to 60 percent in the long term. This obligation will be made statutory in a Fiscal Responsibility legislation.

224. These projections are inclusive of the revenue from Chagos which will be used for debt repayment for the first 3 years.

225. To achieve these targets, our plan is to adjust both the expenditure side and the revenue side of the budget while boosting GDP growth through our New Economic Model.

226. I have already spoken about our plan to boost economic growth. I now turn to our strategies and policies on the expenditure side of the budget.

227. Our strategy is clear – prioritise cuts in inefficiency and wastage.

### **Removing Wastage and Inefficiencies in our Expenditure System**

228. The Audit Report has unveiled Alibaba's cave and amplified calls for accountability, responsibility, transparency and efficiency.

229. **We** have heard these calls many times and **we** are acting on them.

230. Government will ensure that the Report of the Director of Audit is debated in the National Assembly and is submitted to the relevant institution for investigation, where appropriate.

231. We are embarking on a much-needed Public Bodies Financial Sustainability Programme. Bold decisions, including, but not limited to mergers, disinvestment of non-strategic assets and rationalisation of tariffs will be considered by the parent Ministries.

232. To address the issue of inefficiency and generate budgetary savings, we are undertaking a series of reorganization.

233. As we reduce inefficiencies, cut waste, and rationalise parastatals, Government expects to save Rs 5 billion over a 3-year period.

**Madam Speaker,**

234. One of the most atrocious decisions of the previous Government was the setting up of the MIC under the pretext of supporting businesses in difficulty. However, it turned out to be a major financial disaster, fraught with fraudulent transactions. The Bank of Mauritius is seeing to it that the finances of the MIC are put in order.

235. Government is also ensuring greater transparency in the management of public finances. We are accordingly starting a process to integrate the Special Funds in the Consolidated Fund.

### **Securing Long-Term Stability of our Pension System**

**Madam Speaker,**

236. We are facing mounting fiscal pressures from the pension system and we need to address them.

237. It is widely agreed that the CSG introduced by the previous Government is a serious threat to overall fiscal sustainability and social fairness.

238. Although the stated goal set by the previous Minister when introducing the CSG was to top up the pension of our elderly, the CSG funds have in fact been used for all kinds of expenditure except what it was intended for, that is, **the pension of the elderly**. As blatantly acknowledged by the previous Minister of Finance himself, the CSG funds have been depleted. In fact, it would be more appropriate to say **dilapidated!** As a result, it has added some Rs 9 billion rupees to Government debt in this fiscal year and that amount is bound to surge in future years.

239. It would be irresponsible on my part to leave this issue unresolved. But at the same time, I want to balance fiscal responsibility with empathy and compassion.

240. In order to address this burning issue, we are setting up a Commission of Experts to make recommendations to reform the various pillars of our pension system including revamping the National Pension Fund to replace the CSG. I will personally chair a Steering Committee to assess and act on the recommendations of the Commission.

241. The former Minister of Finance used CSG funds to finance various allowances for electoral purposes, most of which he had already decided, would end on 30 June 2025.

242. However, out of compassion and empathy, and in spite of the challenges of fiscal consolidation, I am proceeding as follows:

- (1) I am guaranteeing a monthly income of Rs 20,000 for all full-time employees. Accordingly, I am maintaining the “Revenu Minimum Garantie” Allowance to top up the difference between actual wages and Rs.20,000;
- (2) I am also maintaining the Equal Chance Allowance of Rs 2,000 per month for households earning less than Rs 20,000 monthly; and
- (3) All beneficiaries of SRM will continue to benefit from CSG allowances that they are currently drawing.

243. I recognise the difficulties the beneficiaries would face when the CSG Income Allowance, CSG Child Allowance, CSG School Allowance, Pregnancy Care Allowance, Maternity Allowance and

Housing Loan Relief Scheme, introduced for electoral purposes, end on 30 June 2025 as decided by the previous Minister of Finance.

244. Instead of the abrupt cut planned by the previous Minister of Finance, I will phase out gradually the allowances until 2027. To further cushion the impact of the removal of the allowances, I am guaranteeing a monthly income of Rs 20,000 for all full-time employees. Accordingly, the “Revenu Minimum Garantie” Allowance which is ending on 30 June 2025 will be renewed.

245. We will ensure that 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.

**Madam Speaker,**

246. It is widely recognised that the Basic Retirement Pension (BRP), in its current form and which represents 26 percent of the recurrent budget, is clearly unsustainable. The elderly population is growing more rapidly than the working population. This stands as a serious threat to the sustainability of the BRP. It is a situation that calls for urgent redress.

247. And so, we are rationalising the BRP.

248. The age eligibility for BRP is being increased to 65 years. Out of compassion, we are phasing that increase over a period of 5 years.

249. It is a very difficult decision but we believe that we have consciously made the right choice. In our decision we have not prioritised political gain but we have chosen to do what is best for future generations.

250. Let me reassure the beneficiaries of the Basic Widows Pension and Basic Invalid Pension that they will continue to receive their pensions until they reach the BRP eligibility age.

### **Restructuring our Revenue System for Better Performance**

251. The second leg of our efforts on fiscal consolidation is to restructure our revenue system.

252. Our new tax policies are not only about fiscal consolidation – they are also about long-term growth and stability, about long-term economic resilience and social coherence.

253. The growth in the number of cars is outpacing our ability to expand our road network and causing severe road congestion with all the consequential effects. Moreover, the surge in the import of cars is expected to be a drain of over Rs 20 billion this year on our foreign currency reserves weighing heavily on our balance of trade.

254. To address these critical issues, effective 6th June 2025, 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.

255. I will be moving for a financial resolution to that effect.

256. Effective 1<sup>st</sup> July 2025 the following measures will come into force:

- (1) An increase of 30 percent in the registration duty payable on first registration of vehicles in Mauritius;
- (2) However, we are abolishing registration duty on the sale and transfer of domestic pre-owned vehicles;
- (3) An increase in the quantum of the Road Motor Vehicle Licence in the range of Rs 200 - Rs 4,000 depending on the type of vehicle.

257. I will now turn to our other tax measures.

### **Value Added Tax**

258. Businesses will henceforth be compulsorily required to register for VAT purposes upon making a turnover of taxable supplies exceeding Rs 3 million instead of Rs 6 million.

259. Specified digital or electronic services provided by foreign suppliers will be subject to VAT with effect from 1 January 2026.

### **Tourism**

260. A Tourist Fee of Euro 3 per tourist per night will be introduced in designated tourist accommodation establishments.



## **Reforming the Personal Income Tax Regime**

261. Regarding personal income tax, we are reducing the tax bands from eleven to three.

262. Up to Rs 500,000 of annual chargeable income, the tax rate will be zero.

263. The next Rs 500,000 of annual chargeable income will be taxed at 10 percent.

264. The remaining annual chargeable income will be taxed at the rate of 20 percent.

265. The personal income tax reliefs and deductions are being rationalised.

## **Reforming the Corporate Income Tax Regime**

266. I now turn to our policies to reform the corporate income tax regime.

267. First, I am introducing an Alternative Minimum Tax on certain profitable sectors in order to ensure fairness and equity given their low effective tax rate.

268. Second, a Qualified Domestic Minimum Top-Up Tax will be imposed on a resident parent or subsidiary of a large Multinational Enterprise to raise their effective tax rate to 15 percent. Appropriate measures will be introduced to retain the competitiveness of the Mauritius International Financial Services Sector.

## **Smart Cities and other EDB Schemes**

269. As we pursue our policy of land resource repurposing, to promote strategic food security and ensure a level playing field, we are reviewing the Smart City scheme. The fiscal incentives granted to smart city promoters are therefore being discontinued. There will be a transitional period to cater for components of smart city projects where construction has already started.

270. 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.

271. 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.

## **Fair-Share Contribution**

### **Madam Speaker,**

272. A high-income earner, 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 percent of his chargeable income after adding thereto any dividend income received during the year from domestic companies.

273. The contribution will be collected under the PAYE system on income received by an individual as from 1 July 2025 and it will be applicable for 3 consecutive income years, i.e., up to 30 June 2028.

274. The choices we make today about our public finances will determine the future of our nation. We are therefore appealing to the spirit of solidarity among the more fortunate, urging them to support the most vulnerable and disadvantaged members of our society. To achieve this, the Government will be implementing a fair-share contribution from both corporations and individuals over the next three financial years.

275. A contribution of up to 5 percent of chargeable income is being imposed on domestic enterprises having annual chargeable income above Rs 24 million.

276. Regarding banks, there will be an additional contribution of 2.5 percent on chargeable income on their domestic operations.

277. These fair-share contributions will help to prevent a downgrading of our sovereign rating which could be catastrophic to our economy. It will also ensure social coherence and socio-economic resilience. They will be applicable for three financial years only.

## **Tax Administration**

### **Madam Speaker,**

278. I now turn to our measures to simplify tax administration while improving much needed revenue collection for fiscal consolidation.

279. The MRA will operate two new schemes namely the Tax Dispute Settlement Scheme and the Voluntary Disclosure Settlement Scheme for one year only. The aim is to facilitate settlement of tax

disputes and encourage voluntary disclosure of under-declared or undeclared income.

280. The MRA will prepare a comprehensive document on the modalities of the two schemes.

281. Furthermore, the Tax Arrears Settlement Scheme is being renewed for one year.

282. The powers of the MRA to raise assessments in respect of **past years will be restricted to only two years**, unless there are exceptional circumstances.

### **Consolidating Public Finances: Going beyond the Numbers**

**Madam Speaker,**

283. In this Budget, we are doing more than just fiscal consolidation. We are strengthening overall public finances.

284. We are therefore carrying out a systematic review and reengineering of our portfolio of parastatal bodies.

285. We are also developing a National Asset Liability Management Framework as proposed in the Government Programme for a more coherent approach to managing the nations' financial and physical wealth.

286. Government will start the groundwork to set up a Future Fund, to which receipts from the Chagos deal will be transferred as from

year four. The aim of the Future Fund is to create wealth for future generations.

**Madam Speaker,**

287. As a responsible Government, we will safeguard the Future Fund against misuse, having learned from past incidents of fund misappropriation and abuse under the previous government.

288. To ensure that the funds are used for developmental purposes, we are identifying five main uses including:

- (1) Food Security to lower dependence on imports and support domestic production;
- (2) Clean Energy, Climate Change Adaptation and Mitigation to lower imports of fossil fuel and CO<sub>2</sub> emission while enhancing resilience to unpredictable climatic events and boosting economic growth;
- (3) The Blue Economy to harness the resources of the sea in a responsible and sustained manner and to reverse the declining trend of manufacturing;
- (4) Speeding up the adoption of AI, Blockchain technology and innovation; and
- (5) Equity funds for our young people and women to become entrepreneurs.

289. I am allocating seed capital of Rs 3 billion in each financial year 2026-2027 and 2027-2028.

290. As from financial year 2028-2029, the totality of the annual rental and Development Fund will be allocated to the five aforementioned activities.

291. As we achieve our recovery goals, which I expect to be in around three years' time, I pledge that everyone will share in the benefits, including a return to a lighter tax policy.

292. Let me reiterate that unless we take decisive action now to address the damaging legacy left by the previous government, there will be no hope for a brighter future for our youth and for Mauritius. We are confident that our efforts are setting the country on the right course toward full recovery and shared prosperity.

### **From Crisis to Care: Rebuilding with Empathy and Compassion**

**Madam Speaker,**

293. Before I conclude, I want to emphasise that advancing our economy and society from crisis to care, from disaster to recovery, we are balancing responsibility with empathy and compassion.

294. We have made a deliberate and conscious policy choice. In spite of the urgent need to consolidate our finances, we have decided not to increase the rate of VAT. Instead, we are removing VAT on a number of food products giving priority to the well-being of consumers. This will help to bring down the cost of living.

295. In spite of the pressing need for fiscal consolidation, we are:

First, raising the tax exemption threshold by Rs 110,000, that is, by 28 percent.

Second, we are removing 44,000 individuals from the tax net.

Third, some 75,000 individuals earning between Rs 500,000 and Rs 1 million in a year will actually be paying less income tax; and

As a result of the measures I have introduced, 81 percent of employees in our country will not pay any income tax.

Fourth, I am making special efforts to increase support to fishers. We are providing for:

- (1) free first-aid kit to all fishers;
- (2) navigational aids, mooring aids and solar lights at all the jetties throughout the island; and
- (3) for the construction of 3 more fish sheds.

Fifth, we are also increasing the retirement benefit for fishers who return their fishing licenses as follows:

- (1) from Rs 125,000 to Rs 200, 000 for artisanal fishers aged 65 years;
- (2) from Rs 125,000 to Rs 200,000 for net fishers; and

(3) from Rs 250,000 to Rs 300,000 for cooperatives.

Sixth, 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.

Seventh, as promised in our Electoral Manifesto, we are providing for the establishment of a Rs 10 billion Price Stabilisation Fund with an initial contribution of Rs 2 billion to lower the costs of living.

Eighth, another electoral promise that we are honouring is the abolition of the registration duty applicable on the sale and transfer of domestic pre-owned vehicles.

Ninth, I am providing Rs 67.5 million for implementing ongoing social housing projects for SRM beneficiaries.

Tenth, we are providing free internet connection to families under the SRM.

Eleventh, I am increasing the daily capitation grant for elderly residents of charitable institutions from Rs 295 to Rs 500.

Twelfth, I am providing Rs 2.4 billion for drain infrastructure projects across the island.

Thirteenth, I am providing Rs 3.1 billion for the water sector with a strong determination to ensure that every family has uninterrupted access to tap water.



Fourteenth, patients who are beneficiaries of Basic Pensions will continue to receive their pensions when staying abroad for treatment for a period exceeding six months, provided it is recommended by the Medical Board.

**Madam Speaker,**

## **CONCLUSION**

296. Let me now, conclude.

297. As we had pledged all along our campaign, my Government's role is to build a bridge to the future.

298. This first budget of this Government lays the foundation for building this bridge.

299. A bridge wrecked over the last ten years that has led this country staring right into the abyss.

300. A new bridge built together with the people of this country on solid foundation with solid railings to protect the more vulnerable with a solid platform to withstand the storm and with a clear pathway to a brighter future for the common good of this and future generations.

301. In this journey, the population put the trust in us and we shall honour this trust to get all of us to the right destination.

302. To face an unprecedented challenge, we need a bold response. I don't have a magic wand but I have done my very best in a context where I had to meet different competing objectives.

303. First, we have fiscally consolidated by bringing down the budget deficit, the borrowing requirements and the debt as a percentage of GDP.

304. Second, we have protected both the vulnerable group, the lower-middle income group and the middle-income group by maintaining social allowances and lowering their taxes.

305. Third, we have introduced measures to support investment and growth.

306. Fourth, we have embraced measures to deal with the climate transition and the adoption of artificial intelligence and disruptive technologies.

307. Fifth, we have introduced measures to support food security and the blue economy.

308. Sixth, we have adopted policies to support young people and women through an equity fund.

309. Inspired by what Mauritius can become, rather than being locked in the past, Budget 2025-2026 dares to challenge vested interests, disrupt the status quo, take bold decisions and chart a new development path.

310. We are leading the way out of the mess not by doing what is easy or popular for Government but what is right for our country.

311. This Budget lays a strong foundation for Innovative Mauritius powered by AI and latest technologies. It unfolds unprecedented opportunities for private investment and high paying jobs for our youth by fostering four new “Pôles de Croissance”.

312. It rids our country of an economic model that has long outlived its essence and replaces it with a dynamic and forward looking new economic model. It reforms the pillars of our society to create a new social order for greater social justice and social coherence. This Budget boldly reforms our public finances to reclaim its soundness and resilience.

**Madam Speaker,**

Nous sommes devant un paysage en ruine. L'état a fait naufrage. But we are boldly laying the foundation for economic recovery.

313. It is a Budget that conveys a powerful message of hope and confidence. A brighter future awaits us. We must share the burden now so that we can share the proceeds of growth.

314. Let us be united. And let us commit to build the bridge to the future - **As One People, As One Nation.**

315. This has been a teamwork. Let me thank the Deputy Prime Minister, my colleague Ministers, the Junior Minister of Finance, the Acting FS, including the Chief Economic Adviser, the staff of the Prime Minister's Office, the Ministry of Finance and other Ministries and all stakeholders who participated.

316. Let me end with a quote by the former Secretary General of the UN, Dag Hammarskjöld, “I don’t promise to take you to heaven, but I shall certainly prevent you from going to hell”.

317. I thank you for your attention.

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