

Wage Relativity Adjustments

Dear Members,

Following feedback from our members expressing their deep concerns regarding the implementation of wage relativity and its consequences on their economic activities and employment, we wish to share our position on the new Remuneration Regulations imposed by the Ministry of Labour and Industrial Relations.

Our legal advisors are currently examining the legal basis of these regulations. According to their analysis, the regulations are not compliant with existing legislation. Compliance with this directive could create a potentially harmful precedent.

This generalized increase is not in line with the established processes related to a wage and salary review. Its uniform application and imposed timeline do not take into account the existing salary structures within companies, periodic salary review cycles, nor the fact that a majority of enterprises have already implemented relativity measures. This structurally affects the equity and coherence of the remuneration policies already in place.

We emphasize that the established consultation process with the National Remuneration Board and the National Wage Consultative Council has not been respected. These tripartite bodies play a crucial role in balancing the interests of all parties concerned.

As we await the final conclusions of our legal advisors, we recommend that our members maintain the status quo pending clarification of this legal imbroglio.

The business community is in favour of transforming Mauritius into a high-income economy. However, we believe that it is crucial to take into account the legal framework and institutional mechanisms in place, the wage review cycles of companies, as well as the diversity of Mauritian companies and their ability to absorb these changes.

Business Mauritius is committed to continuing the dialogue with the authorities to find a fair solution that respects the laws of the country, the interests of employees, and the economic model that has made our island successful.

We will keep our members informed of any further developments in the coming days.

Business Mauritius