BUSINESS MAURITIUS

NATIONAL BUDGET 2026–2027

Business Mauritius Analysis & Assessment

26 June 2026

Table of Contents

Executive Snapshot

Overall assessment

The National Budget 2026–2027 signals a number of policy directions that broadly converge with the strategic priorities advanced by Business Mauritius in its Budget Memorandum.

This convergence is visible in areas such as investment-led growth, business facilitation, AI and digital transformation, start-ups and SMEs, strategic infrastructure, skills development, energy transition, food security, water resilience, coastal rehabilitation and pension reform.

Business Mauritius notes this direction positively. It suggests a recognition that Mauritius must strengthen its productive capacity, improve competitiveness, mobilise private investment, build resilience and prepare the economy for new sources of growth.

However, several structural competitiveness issues remain insufficiently addressed, including real productivity gains, stabilisation of the Mauritian rupee, greater openness of air access and the institutional capability required to deliver reform.

In several areas, the Budget sets out intent rather than a full implementation framework. Impact will depend on institutional readiness, clear timelines, operational detail, appropriate talent and expertise across Government and parastatal bodies, financing mechanisms, policy consistency and structured public-private coordination.

This is particularly important where measures may affect competitiveness, business costs, investment confidence or sectoral operating conditions. Pension reform is necessary, but must be pursued with clarity, balance across pension pillars and protection of long-term financial discipline.

Four key takeaways

1. A visible shift towards investment-led growth
The Budget recognises the importance of private investment, public-private partnerships, investment facilitation and the mobilisation of private capital. This direction is consistent with the need to move towards a growth model driven by productivity, competitiveness and enterprise expansion, rather than relying primarily on public expenditure.

2. Encouraging signals on future-facing sectors
Measures relating to AI, digital transformation, start-ups, SMEs, fintech, cloud services, strategic infrastructure and the Special Economic Zone at Côte d'Or indicate an intention to prepare Mauritius for new areas of economic activity. The challenge will be to ensure that these ambitions are matched by the relevant digital infrastructure, data ecosystem and access, skills and human capital development, innovation, research and ecosystem development, governance regulation and ethics, and adoption and sectoral deployment.

3. Resilience is increasingly recognised as an economic issue
The Budget demonstrates a greater recognition of the links between resource security, climate resilience and economic development. Measures on energy, water, food security, the blue economy, coastal rehabilitation, biodiversity and circular economy point to this broader understanding, although several areas still require clearer operating models and implementation pathways.

4. Delivery, consistency and readiness remain decisive
The Budget sets out a broad reform ambition, but several measures require further operationalisation. Business Mauritius will pay close attention to implementation calendars, regulatory detail, institutional responsibilities, private-sector consultation mechanisms, policy consistency and the impact of new measures on competitiveness and the cost of doing business.

Alignment dashboard

Priority area	BM assessment
Private-sector-led growth	**Strong alignment**
AI, digital transformation and innovation	**Strong alignment**
Start-ups and SMEs	**Strong alignment, details needed**
Strategic infrastructure and logistics	**Positive alignment, execution-dependent**
Tourism repositioning	**Positive direction, limited concrete measures**
Skills, training and employability	**Positive alignment**
Energy transition	**Partial alignment**
Water resilience	**Partial alignment**
Food security and blue economy	**Positive alignment**

Priority area	BM assessment
Coastal rehabilitation	**Strong alignment**
Ease of doing business	**Positive direction, implementation gap**
Investment and investor facilitation	**Positive direction, partial gap**
Labour-market flexibility	**Gap remains**
Higher education hub	**Positive but partial**
Circular economy and new growth sectors	**Positive direction, scalability gap**
Pension reform	**Reform necessary, action must be calibrated and balanced among pension pillars**
Taxation and cost of doing business	**Watchpoint**
CSR, just transition and selected social measures	**Watchpoint**

Introduction

The Budget can only deliver tangible outcomes if strategic intent is converted into disciplined implementation.

The National Budget 2026-2027 was presented at a moment when Mauritius faces a difficult balancing act. Fiscal space remains constrained, external risks have intensified, and structural bottlenecks continue to affect investment, productivity and competitiveness.

Business Mauritius submitted its Budget Memorandum 2026-2027 in this context. The Memorandum called for investment-led growth, stronger execution capacity, greater policy predictability, improved competitiveness, structural reform and a broader understanding of resilience.

This document assesses the Budget against those priorities. Its purpose is to examine the extent to which the Budget responds to the strategic priorities identified by Business Mauritius for national economic development.

The overall direction is encouraging. Several measures respond directly or partially to BM proposals, including business facilitation, investment attractiveness, AI, start-ups, SMEs, infrastructure, skills, pension reform, tourism repositioning, food and water security, and coastal rehabilitation.

However, alignment in direction does not automatically translate into impact. For many important measures, the credibility test will be implementation: clear timelines, assigned institutional responsibilities, structured private-sector participation and competitiveness safeguards.

For Business Mauritius, the central question must move beyond what has been announced and into whether the Budget can now move from strategic intent to implementation.

Business Mauritius: The Priority Framework

Business Mauritius' Budget Memorandum 2026–2027 was developed through a broad consultative process with its members, Partner Member associations and Commissions. Our proposition was that Mauritius must strengthen resilience while repositioning the economy for sustainable, investment-led growth.

The recommendations were anchored around three core imperatives:

1. Restore growth and investment without undermining fiscal sustainability

Business Mauritius called for a growth model that would crowd in private investment, improve investor confidence, strengthen competitiveness and reduce pressure on public finances. This included recommendations on ease of doing business, investment attractiveness, port transformation, strategic infrastructure, innovation, higher education and new growth sectors.

2. Strengthen resilience to external and structural shocks

The Memorandum broadened the definition of resilience beyond short-term crisis response. It highlighted the need to address energy security, water security, food security, climate adaptation, disaster risk reduction, coastal rehabilitation and the circular economy as core economic priorities.

3. Improve execution capacity and policy predictability

Across all areas, Business Mauritius emphasised the need for predictable policies, faster implementation, clear institutional responsibilities, measurable outcomes and structured public-private collaboration. The credibility of reform depends not only on policy intent, but on the ability to deliver.

BM priority clusters

Economic competitiveness	Ease of doing business; investment attractiveness; port transformation; strategic infrastructure; higher education hub; innovation and new growth sectors
Sustainability and resilience	Energy transition; water security; food security; coastal rehabilitation; circular economy; disaster risk reduction; blue economy
Social capital and productivity	Skills development; employability; labour-market reform; migration and access to talent; pension reform; inclusive and family-supportive workplaces
AI and future readiness	AI adoption; digital infrastructure; cybersecurity; AI skills; responsible AI governance; innovation ecosystems

Assessment lens

1. Does the measure respond to a priority identified by Business Mauritius?
2. Is the alignment full, partial, limited or mainly strategic?
3. What implementation conditions are required for impact?
4. What risks, gaps or watchpoints remain for businesses, investors, and the wider economy?

Overall Alignment Assessment

A Budget aligned in direction, but dependent on execution

Business Mauritius' preliminary assessment is that the key National Budget 2026-2027 measures and our BM Budget Memo converge on priorities.

This alignment is strongest at the level of strategic direction. The Budget recognises the need to move towards private-sector-led growth, investment facilitation, technology-enabled transformation, stronger resilience and improved competitiveness.

However, several areas remain only partially addressed. The Budget often signals intent, but does not yet provide the full implementation architecture required to translate measures into outcomes.

Areas of convergence

Business Facilitation

Investment facilitation, Private-sector-led growth, private capital mobilization, AI-enhanced public service, regulatory reforms.

Connectivity: Digital & Infrastructure

AI and Innovation (AI skills, public-sector digitalisation, cloud positioning, fintech and cybersecurity); port transformation, air connectivity and road infrastructure improvement

Start-ups and SMEs

Start-Up Act, Start-Up Council, SME Bill and support platforms

Sustainability and resilience

Energy, water, food security, coastal rehabilitation, blue economy and climate adaptation; circular economy is recognised but remains a concern

Partial alignment, gaps and watchpoints

Execution architecture

Delivery mechanisms, KPIs and empowered public-private structures remain insufficiently clear

Ease of doing business

Positive direction, but implementation certainty remains weak

Labour-market flexibility

Skills measures positive, but productivity-enhancing reforms remain pending

Circular economy

Recognised in principle, but operational levers and roadmap continuity remain insufficiently addressed

BUSINESS MAURITIUS

01

Economic Affairs

Growth, investment and competitiveness

Growth, investment and competitiveness

Substantial strategic alignment - with implementation certainty now the decisive factor.

The Budget strategically incorporates Business Mauritius' call for a more investment-led and private-sector-enabled growth model. It recognises several structural priorities of the business community, including business facilitation, investment attractiveness, start-up and SME development, strategic infrastructure, port transformation, financial services, manufacturing, higher education and innovation.

Several measures supporting innovation are particularly well aligned with BM priorities: the Start-Up Act, Start-Up Hub at the Côte d'Or SEZ, public-private Start-Up Council, Accelerator Scheme, digital patent management, a 10-year income tax holiday for start-ups and new support measures for SMEs. These initiatives reinforce the ambition of positioning Mauritius as a Start-up Nation.

Measures on port modernisation, airport infrastructure, digital border control and road connectivity respond to concerns about logistics, productivity and competitiveness. Port transformation remains central to Mauritius' ability to position itself as a competitive logistics gateway. Some measures announced in the National Budget remain to be further clarified.

There is a clear intent to strengthen exports and diversify markets. The higher fiscal burden on live animal exports will weaken competitiveness in this niche, high-value market.

While the proposed Business Facilitation Bill will positively impact on ease of doing business, a set of recommendations already included in our joint work with EDB could immediately facilitate business, if adopted in the Finance Bill, rather than a separate bill. The SME Bill, the "silent agreement" mechanism and use of AI-powered tools on NELS and at the FSC are useful enablers.

Overall, while there is a degree of strategic alignment with business imperatives, several priority areas and long-standing issues continue to be unresolved. BM advocates for stronger public-private dialogue and careful policy considerations to address these gaps, particularly during implementation phases to ensure effective delivery and sustained impact.

Economic Affairs Alignment Dashboard

Priority area	Budget direction	BM assessment
Start-ups	Start-Up Act; Start-Up Hub; Start-Up Council; Accelerator; digital patent management; 10-year tax holiday	Strong alignment. Opportunity to strengthen the start-up ecosystem, subject to consultation on legal, fiscal and labour framework.
Start-up labour framework	Dedicated labour framework for start-ups based on international best practices	Positive direction, careful design needed to balance flexibility, protection and competitiveness.
Innovation scholarships	Up to Rs 500,000 for ten university students through NRII	Positive but clarification needed on eligibility and industry collaboration.
SMEs	SME Bill; utility vehicle duty exemption; single digital platform for schemes and financing facilities	Positive alignment. Details needed on eligibility, accessibility, funding and navigability.
Special Economic Zone	High-tech SEZ at Côte d'Or targeting AI, digital sectors and advanced manufacturing	Strong alignment. Impact depends on infrastructure delivery, incentives, governance and promotion.
Port transformation	USD 1bn Island Container Terminal; second operator licence; Rs 7bn MPA/CHCL projects	Positive direction, clarity required on governance, sequencing and productivity outcomes.
Airport and border control	Rs 2.7bn modernisation; biometric e-Gates and digital border control	Positive alignment for connectivity, visitor experience and tourism facilitation.
Manufacturing	Industry Bill and industrial policy	Positive direction, consultation needed on competitiveness, upgrading and exports.
Financial services	National Crime Agency; investigative tools; CERT-MU; BoM threat sharing	Positive alignment for regulatory credibility, cybersecurity and evaluation readiness.
Fintech and digital finance	Frameworks for stablecoins, tokenisation and open banking	Positive alignment, subject to consultation and regulatory clarity.
Banking legislation	New Bank of Mauritius Bill, Banking Bill and resolution framework	Positive alignment for governance, financial stability and innovation.
Green buildings	Green Building Code and buildings as power producers	Positive but implementation-sensitive; standards should be realistic and phased.

Economic Affairs Alignment Dashboard

Priority area	Budget direction	BM assessment
Ease of doing business	Review of licences and permits; Business Facilitation Bill; silent agreement	Positive direction, implementation gap. Success depends on genuine simplification.
Digital licensing	AI chatbot on NELS and FSC tools	Positive direction if paired with process reform and user-centred design.
Regulatory framework	Name reservation period extended from two to six months	Positive technical improvement for business administration.
Travel facilitation	Electronic Travel Authorisation for non-citizens	Positive direction, with cost and mobility implications to monitor.
Trade and retail	STC bulk purchasing; abusive pricing and parallel imports; E-Commerce Bill	Watchpoint. Requires consultation to avoid effects on competition and market efficiency.
Higher education hub	Foreign university framework; Study Mauritius portal; student work rights	Positive but partial. Requires a fuller student ecosystem.
Real estate	Restrictions on disposal of new G+2 units on State land/pas géométriques	Concern. Implications for investment, project viability and grandfathering need clarity.
Real estate levy	10% special levy on sale of such G+2 apartments	Concern. Potential effect on transaction costs and development pipeline.
EDB property schemes	Duties and taxes applicable to EDB property transfers to be reviewed	Watchpoint. Market needs clarity on rates, timelines and transitional issues.
Insurance Premium Tax	5% tax on short-term general insurance from 1 Jan 2027	Watchpoint. Implications on insurance costs for policyholders and disincentive towards voluntary short term covers, should be assessed.
Personal income tax	35% rate above Rs 12m, replacing Fair Share Contribution for individuals	Watchpoint. Impact on talent attraction and jurisdiction competitiveness should be monitored.
Life sciences / exports	Reduced corporate tax rate of 3% on export profits not applicable to export of live animal exports	Watchpoint. Clarification required on implications for life sciences and incentives, especially given last year's levy.

Economic Affairs Watchpoints

01 Port transformation

Implementation clarity is needed on the second operator licence, governance, productivity targets, equipment investment and prior Cabinet decisions.

02 Ease of doing business

Business facilitation, silent agreement and digital licensing must translate into measurable simplification, faster permits and fewer duplicative requirements.

03 Investor facilitation

Confidence depends on policy consistency, decision speed, tax predictability, regulatory clarity and rapid resolution of bottlenecks.

04 Trade, retail & imports

STC bulk purchasing, abusive pricing, parallel imports and e-commerce measures require consultation to avoid market disruption.

05 Higher education hub

Positive measures need a fuller ecosystem: housing, onboarding, work rights, student services, industry links and coordinated promotion.

06 Real estate confidence

G+2 restrictions and levies require clarity on scope, timing, grandfathering, investor confidence and project viability.

07 Taxation & business costs

Revenue measures should be assessed for cumulative impact on business costs, investment, talent attraction and competitiveness.

08 Manufacturing capacity

The Industry Bill should support upgrading, technology, export readiness, access to skills and energy competitiveness through consultation.

09 Financial services credibility

Measures are positive, but must balance innovation with regulatory credibility, ESAAMLG readiness and international standards.

02

Social Capital

Skills, families, pensions and labour reform

Skills, families, pensions and labour reform

Social progress, worker protection, business continuity and productivity must be mutually reinforcing.

The Budget reflects encouraging alignment with BM's human capital agenda, particularly on skills, employability, AI-enabled training, technical education, higher education, migration, diaspora engagement and access to talent.

Business Mauritius welcomes the emphasis on training and reskilling, including large-scale AI training, micro-credentials and the HRDC Skills-Interface platform. These measures can support productivity if they are demand-led, employer-connected and measured against labour-market outcomes.

The Budget also sends positive signals on TVET, including the Technical Education Applied Pathway and the revamping of École Hôtelière Sir Gaëtan Duval. Implementation should be linked to employer demand, placements and job outcomes.

Higher education and talent attraction measures — including world-class universities, Study in Mauritius, online student visas, student work rights and post-study opportunities — support the higher education hub ambition, but will require a fuller student ecosystem.

Migration and diaspora measures are directionally positive. The comprehensive migration policy and National E-Diaspora Platform can help address labour shortages and skills mismatches if implemented through a multisectoral approach involving public institutions and the private sector.

However, skills development and access to talent alone will not fully address labour-market challenges. Targeted labour law adjustments and structured social dialogue remain important gaps.

The Budget introduces family-supportive workplace measures, including maternity and paternity leave extensions and menstrual leave. BM supports the objective of more flexible and humane workplaces, but the legislative, operational and financial framework will be critical, particularly for SMEs, labour-intensive sectors and business continuity.

On pensions, BM welcomes a more structured and depoliticised framework, but reform must avoid undue pressure on middle-income households, discouraging responsible saving, weakening private pension participation or undermining long-term financial discipline.

Social Capital Alignment Dashboard

Priority area	Budget direction	BM assessment
Skills development	Training, reskilling and employability measures	Positive alignment if demand-led, employer-connected and linked to outcomes.
Micro-credentials	Integration into the National Qualifications Framework	Useful for flexible upskilling if credentials are recognised and pathways are clear.
Skills-Interface	HRDC platform linking employers, training providers and Government	Positive, but mandate should avoid duplication with existing labour-market functions.
Technical & vocational education	Technical Education Applied Pathway; École Hôtelière revamp	Positive if linked to industry demand, placements and job outcomes.
AI-enabled skills	Large-scale practical AI skills programmes	Strong alignment if linked to workplace adoption and sector needs.
Labour-market flexibility	Limited reform beyond start-up labour framework	Gap remains. Targeted labour law adjustments are not yet substantially addressed.
Structured social dialogue	No sufficiently clear new framework announced	Gap. Essential to balance protection, productivity, flexibility and competitiveness.
Start-up labour framework	Dedicated labour framework for start-ups	Positive direction; consultation needed to balance flexibility and decent work.
Maternity leave	Extension of maternity leave	Supportive objective, implementation watchpoint. Design must avoid unintended effects.

Social Capital Alignment Dashboard

Priority area	Budget direction	BM assessment
Paternity & parental leave	Extension of paternity leave; no broader parental leave framework	Positive direction / watchpoint. Gender-neutral parental leave could reduce bias.
Menstrual leave & employer costs	Paid menstrual leave and broader leave measures	Watchpoint. Needs sensitive implementation and consideration of SME/labour-intensive costs.
Pension reform	Independent regulator, central bureau, SAP consolidation, NPPF	Reforms necessary, careful calibration needed; clarity required on private and occupational schemes.
Private savings & middle class	Potential effect on savings, disposable income and private pensions	Watchpoint. Avoid undue pressure and preserve responsible financial discipline.
Migration & foreign labour	Comprehensive migration policy and talent attraction	Positive alignment, subject to efficient implementation and multisectoral coordination.
Diaspora engagement	National E-Diaspora Platform and direct expert engagement	Positive direction; needs clarity on eligibility, onboarding, procurement and skills links.
Higher education hub	World-class universities, portal, visas, work rights, post-study opportunities	Positive but execution-dependent; needs housing, services, quality assurance and industry links.
Higher education regulation	HE Act amendments: equivalence, foundation courses, micro-credentials	Positive direction; provider approval and implementation details should be monitored.
Women's economic participation	Women Incubator, board representation, loans, She-Invents	Positive alignment; uptake and measurable outcomes should be monitored.

Social Capital Watchpoints

01 Labour flexibility

Skills, employability and talent measures advance, but targeted labour law adjustments and social dialogue remain important for productivity and continuity.

02 Leave measures

Maternity, paternity and menstrual leave reflect social ambition, but the framework must consider SMEs, labour-intensive sectors, State support and continuity.

03 Gender bias

Family-supportive measures should avoid unintended effects on women's recruitment, promotion or career progression; broader parental leave could help.

04 Pension calibration

Reforms should ensure that they does not weaken incentives for personal retirement savings by ensuring balance among the 5 pension pillars.

05 Migration & diaspora

Impact depends on efficient processing, clear eligibility, recognition of qualifications, onboarding mechanisms and links with employer demand.

06 Education ecosystem

Higher education, TVET and micro-credentials should be measured by employer recognition, placement, retention, progression and productivity.

07 Women's participation

Entrepreneurship, representation, financial autonomy and innovation measures need clear amendments, access to funds, uptake and outcomes.

08 Training outcomes

Training should be assessed not only by numbers trained, but by employability, placement, retention, productivity and career progression.

03

Sustainability & Inclusive Growth

Resilience as economic strategy

Resilience as economic strategy

Resilience is increasingly recognised as core economic infrastructure.

The Budget marks an important shift in the way national resilience is positioned. Energy, water, food security, coastal rehabilitation, biodiversity, the blue economy, sustainable tourism and cultural heritage are increasingly presented as foundations for economic stability, competitiveness and long-term growth.

Circular economy is also recognised through the proposed Bill and waste-to-wealth framework. However, the response remains insufficient from an implementation perspective: key levers such as waste segregation, EPR, access to recoverable waste streams and market access for recycled products are not yet adequately addressed.

Food security remains particularly significant and must be understood together with water security, as reliable access to water is a core condition for agricultural production and long-term resilience. Measures such as 25by35, the Food Security and Nutrition Bill, contract farming, increased land for production, agriculture support and a National Food Reserve respond to import, freight, currency and supply-chain risks.

The coastal rehabilitation package is an important area of alignment. The five-year programme, investment envelope, priority sites, nature-based solutions, private-sector participation and National Shoreline Management Strategy are close to the direction advocated by BM.

On energy, while the direction is generally positive, concerns subsist as to the mechanisms to achieve the 2035 objective for 60% renewable energy. Measures for rooftop solar, net metering, feed-in tariffs, PV kits and battery storage will support the transition in targeted areas, but grid readiness, permitting, capacity planning and biomass should also be addressed.

Overall, the Budget shows positive intention on several sustainability and resilience priorities, but energy and circular economy stand out as concerns: recognition is present, but infrastructure, operational support, and continuity with the roadmap remain to be clarified.

Sustainability & Inclusive Growth Alignment Dashboard

Priority area	Budget direction	BM assessment
Energy transition	60% renewable energy mix by 2035; 220 MW solar PV with storage; net metering; carbon neutral schemes	Alignment on broad vision. Areas of concern regarding grid readiness, storage, permitting, and project bankability. Biomass remains a key unresolved component of the renewable energy mix.
Rooftop solar and inclusion	CEB solar kits for 1,000 households; feed-in tariff increase; 25% grant under household solar scheme	Positive direction, but limited in scale relative to national energy transition needs.
Green buildings	Green Building Code and buildings as power producers	Positive but implementation-sensitive; standards should be developed with sector consultation.
Water security	Rs 175m for household water; Rs 6.4bn over three years for catchments, boreholes, pipes and filtration	Positive but incomplete. Governance, non-revenue water and tariff reform require attention.
Food security	25by35; Food Security Bill; contract farming; land for production; foreign labour support	Strong alignment. Needs focus on execution.
National Food Reserve	STC storage facility for grains, pulses and essential commodities	Positive. Implementation should ensure transparency and coordination.
Biodiversity and agroforestry	Forest Bill; agroforestry project; safe food production	Positive alignment, integrating biodiversity, food security and climate resilience.
Sustainable tourism	Nature-based, cultural, wellness, community tourism and eco-integrated villages	Positive direction, limited concrete measures. Strategic repositioning needs actionable measures.
Coastal rehabilitation	Rs 4bn over five years; 17 sites; dune restoration; private-sector participation; Shoreline Strategy	Strong alignment. Close to BM advocacy for structured coastal rehabilitation.

Sustainability & Inclusive Growth Alignment Dashboard

Priority area	Budget direction	BM assessment
Blue economy	Ocean studies centre, technology incubator, aquaculture, seaweed, fisheries and hatcheries	Positive alignment. Supports diversification, food security and ocean innovation, with aquaculture development requiring clear environmental safeguards and careful monitoring of marine ecosystem impacts.
Cultural heritage and creative industries	Artists as cultural workers; cultural hub; one-stop shop; cultural programme; Biennale; Mahébourg and Le Morne	Positive direction, clarity needed on governance, financing and private-sector role.
Circular economy	Rs 150m programme; Circular Economy Bill; waste-to-wealth framework; waste recovery amendments	Concern / major implementation gap. Recognition is present, but waste segregation, EPR, access to recoverable streams, market access for recycled products, financing and roadmap continuity are not sufficiently addressed.
Plastic bottles	Rs 2 excise duty extended to all plastic bottles	Watchpoint / concern. Clarity needed on on alignment with the National plastic waste free roadmap, as well as multiple operational impacts/effect such as target market, expected revenues, pass-through effects and whether proceeds will fund collection, sorting, recycling and waste-to-wealth infrastructure.
Climate finance	Limitations on deductions linked to Corporate Climate Responsibility Levy; more resources for climate funds	Positive direction, but implications for businesses should be assessed.
Sustainability reporting	Financial Reporting Act amendments for sustainability-related disclosures	Positive alignment. Implementation should be proportionate and business-informed.
Just transition	Setting up of a Just Transition Commission	Watchpoint. Mandate, governance and private-sector participation require clarity.
Maurice Île Durable	Revival of Maurice Île Durable as part of the green transition strategy	Positive signal; clarity needed on scope, governance and financing.
CSR	Corporates may spend up to 25% of CSR Fund and remit at least 75% to NSIF	Concern. Reduced direct flexibility requires clarity on NSIF governance and impact.

Sustainability & Inclusive Growth Watchpoints

01 Energy transition

Overall direction is positive, but there are significant gaps around grid readiness, infrastructure, permitting, storage, procurement, bankability and biomass.

02 Water security

Water is strategic infrastructure; reform must address governance, efficiency, non-revenue water, tariffs, digital monitoring and how water is distributed/allocated across economic sectors.

03 Food security

A strong alignment area. Implementation should involve farmers, agro-industry, importers, distributors and research institutions.

04 Coastal rehabilitation

Measures should become a structured national programme with scientific prioritisation, financing, leadership and private-sector participation.

05 Sustainable tourism

Positive intention but few concrete measures to support the repositioning ambition.

06 Cultural heritage

Measures can support heritage and creative entrepreneurship, but governance, financing and links with existing commitments need clarity.

07 Circular economy

Concern: recognition is present, but gaps remain on segregation, EPR, waste-stream access, financing, market uptake of recycled products and roadmap continuity.

08 CSR

The return to 25% direct spend raises concern. Clarity is needed on NSIF rationale, allocation, governance, reporting and impact.

09 Transition governance

Just Transition needs clarity on mandate and private-sector participation, while sustainability reporting will require proportionality and business-informed implementation.

04

AI and New Tech

A strong area of convergence

A strong area of convergence

AI moves from strategy to implementation - with delivery architecture now essential.

The Budget reflects clear alignment with BM's call to position AI and digitalisation at the centre of economic transformation, recognising AI as a national competitiveness, productivity and skills priority. It also reinforces the need to move decisively from Strategy to Implementation.

The announced measure broadly offer an enabling push across digital connectivity, AI and cloud positioning, AI-enabled education, capacity building, a Start-Up Act, accelerator support, the development of a high-tech SEZ at Côte d'Or, responsible governance, cybersecurity and public-sector productivity. Measures supporting the ambition of developing a Start-up Nation are particularly positive.

Mauritius' participation in Google's America-India Connect initiative is significant. Strengthening subsea connectivity and route resilience is critical for a small island economy seeking to position itself as a reliable digital, financial and services hub.

The Budget also signals an ambition to position Mauritius as a trusted base for AI and cloud services serving Mauritius, the Indian Ocean and SADC region, subject to investment conditions, regulatory predictability, cybersecurity and resource planning.

However, it is important not to assume AI-readiness without a clear assessment of national capabilities. The execution mechanisms required to drive adoption and turn AI into productivity gains remain largely underdeveloped.

Overall, while the intent set out in the Budget is positive and well aligned with BM priorities, the focus must now shift to delivery, with stronger implementation architecture, a clear data agenda, a comprehensive AI-readiness diagnostic, adoption support for firms, adapted procurement frameworks and modern cybersecurity legislation.

AI and New Tech Alignment Dashboard

Priority area	Budget direction	BM assessment
Digital connectivity	Google America-India Connect initiative to strengthen subsea connectivity and strategic routes	Strong alignment for resilience, continuity and regional services positioning.
AI and cloud positioning	Engagement with AI and cloud companies for Mauritius, Indian Ocean and SADC services	Strong strategic alignment; clarity needed on conditions, infrastructure, energy and water.
AI in education	Scaling up AI-enabled learning following MyT-GPT pilot in 10 schools	Positive alignment, subject to safety, teacher support and responsible use.
Teacher training	8,000 secondary teachers trained and enabled with personalised AI tools	Strong alignment for education transformation and AI literacy at scale.
Student learning	12,000 Grade 9 students to access AI-enabled learning tools	Positive alignment; careful design and equal access needed.
Practical AI skills	25,000 Mauritians trained in practical AI skills	Strong alignment. Directly supports productivity and employability.
Public-sector productivity	5,000 public officers trained to use AI safely and responsibly	Positive alignment for efficiency and service delivery.
National AI target	50,000 Mauritians enabled or trained in practical AI use	Strong alignment; outcomes should be measured by adoption and productivity.
Champion of AI Programme	Develop AI leaders across organisations	Positive alignment; should include private-sector champions and sector tracks.
National AI Learning Platform	Rs 25m for structured training, certification and AI Innovation Start-Up Programme	Positive alignment, subject to industry relevance and accessibility.
Responsible AI governance	National AI Guideline for higher education and civil service	Positive but partial; private-sector consultation needed.
Cybersecurity	Cyber Forensic Lab, cybersecurity survey and ISMS across Government	Positive alignment. Cybersecurity is core infrastructure for the AI economy.
Data governance	Limited explicit measures on data access, interoperability and sandboxes	Gap / watchpoint. Data readiness remains important for practical AI.
Energy/water impact	AI/cloud infrastructure ambition not yet linked to resource planning	Watchpoint. Infrastructure will require energy, water, cooling and land planning.

AI and New Tech Watchpoints

01 Linking training to productivity

Training programmes must be demand-led, employer-connected and measured against adoption, employability and productivity outcomes.

02 Private-sector input

Responsible AI governance should support private-sector adoption with practical guidance on data, cybersecurity, human oversight, IP, procurement and employee issues.

03 SME adoption

SMEs need accessible tools, diagnostics and sector-specific use cases to translate AI awareness into productivity gains.

04 Data readiness and cybersecurity

AI depends on reliable data, interoperability, safe access and strong cyber preparedness as cloud and digital services expand.

05 Resource planning

AI infrastructure can be resource-intensive. Energy, water, cooling, land use and sustainability considerations should be integrated from the outset.

06 Public-private delivery

A structured delivery mechanism should bring together Government, regulators, businesses, academia, start-ups and technology providers.

Partner Member Perspectives

Sectoral voices of the business community

AHRIM — Tourism & Hospitality

"The Budget sends a positive signal for tourism, but implementation and competitiveness will determine whether its ambitions translate into results."

Sector reading

AHRIM reads the Budget as a constructive signal that tourism remains a strategic pillar, with renewed emphasis on destination diversification, coastal resilience, cultural and eco-tourism, airport modernisation and skills development.

At the same time, it notes that several measures may increase operating costs, reduce investment incentives or create implementation uncertainty. AHRIM therefore views the Budget as positive in intent, while emphasising the importance of maintaining competitiveness and providing timely implementation guidance.

Resilience and competitiveness lens

Conversely, measures affecting investment incentives, fiscal flexibility and labour costs including changes to capital allowances, renovation and embellishment deductions, CSR flexibility, CCR levy offsets, VAT remittance, public holidays and parental leave provisions, should be carefully assessed to ensure they do not weaken hotels' investment capacity or international competitiveness. Airport modernisation, e-Gates, the Rodrigues runway and the EHSGD reform strengthen both visitor experience and long-term human capital.

What the Budget gets right

- Rs 1bn tourism transformation envelope, including Rs 490m for the MTPA.
- Destination diversification: nature, cultural, wellness, community tourism and eco-integrated villages.
- Increased marketing effort to position Mauritius as a diversified, year-round, higher-value destination.
- Airport modernisation, e-Gates, Rodrigues runway and École Hôtelière revamp as visitor-experience and talent enablers.

Conditions for impact

- Early publication of implementation guidelines.
- Grandfathering arrangements for investments already committed.
- Ongoing public-private dialogue during implementation.
- Monitoring of cumulative cost impacts on competitiveness.

BM lens

The tourism sector is aligned with the wider BM position: the Budget's intent shows a will towards strategic repositioning, but outcomes will depend on implementation speed, destination readiness, labour availability and resilience investment.

PARTNER MEMBER PERSPECTIVES | LOCAL MANUFACTURING

AMM — Local Manufacturing

ASSOCIATION OF MAURITIAN MANUFACTURERS

> **"While the Budget recognises the importance of local production and food security, the sugar tax and proposed changes on parallel imports in agro raise serious concerns for manufacturers."**

Sector reading

AMM and Made in Moris note that the Budget places purchasing power, food security, circular economy and innovation at the centre of the economic response.The sector welcomes the recognition that food security must be built on a strong local productive base.

However, AMM's overall reading remains cautious, given two measures of major concern: the sugar tax and the proposed approach to parallel imports in agro, both of which could significantly affect local manufacturers, established value chains and the competitiveness of Mauritian production.

Resilience and competitiveness lens

For AMM, local production is not only industrial policy: it supports purchasing power, food security and economic sovereignty.The sector represents 70 industries and services to industry, while Made in Moris brings together 350 companies, 400 brands and a majority of SMEs. Manufacturing is linked to two in five jobs in Mauritius.

However, productive resilience cannot be strengthened if local operators face higher input costs, weaker market predictability or measures that may undermine existing distribution, quality and investment frameworks. The sugar tax and parallel imports in agro therefore require urgent consultation and careful impact assessment.

What the Budget gets right

- Food security recognised as a national priority, with the 25by35 objective.
- Investment Tax Credit extended to 2029, including AI solutions and patents.
- Export ambition, port transformation and second cargo licence as competitiveness enablers.
- Comprehensive Migration Policy, Just Transition and Made in Moris potential in local tourism experiences.

Conditions for impact

- Engage urgently with industry on the sugar tax and its impact on production costs, pricing, competitiveness and employment.
- Consult operators before any changes on parallel imports in agro, given potential effects on quality, supply chains and existing investments.
- Implement the Industry Bill and Waste-to-Wealth programme rapidly.
- Ensure STC procurement favours local production where quality and availability are equivalent.
- Consult industry on the Comprehensive Migration Policy and monitor maternity leave, public holiday shifts and other cost-impacting measures.

BM lens

Manufacturing aligns with BM's call for productive resilience. The Budget's intent on food security, innovation, exports and migration must be matched by competitiveness safeguards, policy consistency and fast implementation.

BACECA — Construction

> **“The greatest risk facing the industry today is not only rising costs, but the gradual slowdown in both public and private investment.”**

Sector reading

BACECA recognises some encouraging Budget measures that can support construction activity and national development priorities, notably in housing, healthcare, water infrastructure, drainage and resilience.

However, from the perspective of contractors, the Budget contains relatively few direct responses to the operational challenges that have weighed on the sector over the past two years.

Resilience and competitiveness lens

For BACECA, the central issue is investment momentum. The sector is concerned by fewer new projects, weaker visibility on future pipelines and uncertainty around the timing of implementation.

BACECA also stresses that stronger local participation in major projects is needed so that infrastructure spending contributes more effectively to the Mauritian economy.

What the Budget gets right

- Social and middle-income housing initiatives, including joint private-sector participation.
- Rs 1.5bn for healthcare infrastructure and Rs 6.4bn for water retention and related infrastructure.
- Drainage, climate resilience, environmental and coastal protection measures.
- Review of price adjustment methodology in standard bidding documents, responding to a key industry concern.

Conditions for impact

- Accelerate procurement, award and execution of announced projects, and improve visibility on future pipelines.
- Review fixed-price contract models and ensure workable price-adjustment mechanisms.
- Address contractor cashflow and financing constraints, especially for SMEs.
- Develop a long-term strategy on labour shortages, local participation and productivity.

BM lens

The construction sector reinforces BM’s broader message: the Budget points in a direction that recognises infrastructure and resilience needs, but impact will depend on implementation speed, investment continuity, fair operating conditions and stronger links between public spending and local economic participation.

MBA — Banking

MAURITIUS BANKERS ASSOCIATION LIMITED

“All sections of our memorandum have been addressed, at least in part. The next step is to examine the detail of these measures and assess their impact on competitiveness and the sector’s operating environment.”

Sector reading

MBA notes that the Budget addresses, at least in part, the main sections of its memorandum. It highlights fiscal consolidation, AML-CFT readiness, ease of doing business, talent migration and banking-sector competitiveness as relevant areas of Budget direction.

Resilience and competitiveness lens

For the MBA, fiscal credibility, regulatory strength and competitiveness are closely linked. Maintaining fiscal consolidation matters for Mauritius’ investment grade rating, while AML-CFT measures are critical ahead of the ESAAMLG/FATF review.

The Banking Act changes also follow representations made to clarify an ambiguity.

What the Budget gets right

- Fiscal consolidation maintained, supporting investment-grade credibility.
- AML-CFT measures to strengthen readiness for ESAAMLG/FATF review.
- Ease-of-doing-business and talent-migration measures addressed in part.
- Banking Act changes clarify an ambiguity raised with the Bank of Mauritius.

Conditions for impact

- Clarify the bank resolution regime and assess implications for competitiveness.
- Revisit digital payments, cashless adoption and the reduction of cash and cheques.
- Ensure AI-focused digitalisation does not displace practical payment-modernisation priorities.
- Engage with Government on the review of the Income Tax Act.

BM lens

The banking sector reinforces BM’s wider message: the Budget direction touches several strategic priorities, but delivery must protect competitiveness, regulatory credibility, policy predictability and the practical modernisation of financial services.

Mauritius Chamber of Agriculture

MCA — Agriculture & Agro-industry

> **"The Budget is constructive in intent, but its impact will depend on the quality and speed of execution, in consultation with the agricultural private sector."**

Sector reading

MCA notes several positive orientations for agriculture, particularly renewed attention to food security, the 25by35 project, contract farming, land mobilisation for food production, facilitation of foreign labour, and measures relating to livestock, veterinary services, water and renewable energy.

It also notes the objective of raising sugar production to 250,000 tonnes by 2030 and announced support for land rehabilitation among small and medium planters.

Resilience and competitiveness lens

MCA's overall sentiment remains prudent. Several structural constraints remain insufficiently resolved: secure access to water, input costs, labour availability and flexibility, mechanisation, cane competitiveness, biomass and bagasse valorisation, logistics, regulatory visibility and effective implementation.

Signals given in previous Budgets have not always produced sufficiently tangible results, making follow-through essential.

What the Budget gets right

- Food security and the 25by35 project recognised as national priorities.
- Contract farming, land mobilisation and support for food production.
- Measures relating to livestock, veterinary services, water and renewable energy.
- Sugar production target of 250,000 tonnes by 2030 and land rehabilitation support for small and medium planters.

Conditions for impact

- Move rapidly from announcements to operational mechanisms accessible to producers and agro-industrial operators.
- Address secure water access, input costs, labour flexibility and mechanisation.
- Clarify regulatory pathways, logistics conditions and biomass/bagasse valorisation.
- Ensure implementation is designed with the private agricultural sector.

BM lens

Agriculture reinforces BM's resilience lens: the Budget's direction is constructive, but food security and agro-industrial competitiveness will depend on execution, resource security, private-sector coordination and consistency across water, labour, energy and land-use policies.

MCCI — Commerce & Industry

THE MAURITIUS CHAMBER OF COMMERCE AND INDUSTRY

“Constructive public-private dialogue is essential to find the right balance between fiscal consolidation and economic growth.”

Sector reading

Following an initial reaction, MCCI consulted members across services, manufacturing, distribution and retail. The Chamber welcomes the Government’s intention to pursue fiscal consolidation and restore public finances.

Debt control and macroeconomic stability remain essential priorities for national competitiveness. At the same time, several measures raise concerns for operators, particularly where they may affect costs, supply chains and sector viability.

Competitiveness lens

The sugar tax increase is expected to raise production, sourcing and distribution costs, in some cases significantly, and could threaten the viability of some activities over the medium term.

Concerning parallel important, any change of exhaustion right regime requires impact study and careful consideration.

What the Budget gets right

- Continued focus on fiscal consolidation and public finance recovery.
- New growth poles such as biotechnology, the blue economy and high-value activities.
- Strategic port infrastructure, including the Island Container Terminal Project.
- Recognition of logistics competitiveness as an important national priority.

Conditions for impact

- Open urgent dialogue on sugar tax to balance public-health goals with economic activity and jobs.
- Consult operators thoroughly before any reform of the parallel imports regime.
- Consider further fiscal relief measures, including in the automotive sector.
- Sustain public-private dialogue to protect competitiveness while supporting fiscal repair.

BM lens

MCCI’s reading reinforces BM’s measured position: the Budget’s direction intersects with key competitiveness priorities, but implementation must be calibrated through consultation to avoid unintended impacts on costs, supply chains, investment and employment.

MEXA — Exports/ EOM

“These measures provide a strong foundation for long-term export transformation, but immediate cost-competitiveness pressures must also be addressed.”

Sector reading

MEXA welcomes the Budget’s ambition to reposition manufacturing and exports as key drivers of growth, including the objective to double exports from approximately US$1.5bn to US$3.0bn over the next five years.

The sector remains a major contributor to the economy, foreign exchange, investment and employment, but continues to face pressure from US tariffs, uncertainty around AGOA and the gradual erosion of export competitiveness.

Export competitiveness lens

MEXA notes that early 2026 indicators show improving momentum, with domestic exports growing in the first quarter. However, significant untapped potential remains.

Unlocking the next phase of export-led growth will require renewed investment, industrial upgrading, productive capacity expansion and diversification into higher-value activities.

What the Budget gets right

- Industry Bill to provide a modern framework for industrial development.
- High-Tech SEZ at Côte d’Or and industrial FDI in advanced manufacturing and high-value industries.
- Renewal of the Investment Tax Credit for industrial modernisation.
- Island Container Terminal and ocean economy measures supporting logistics, food security and export growth.

Conditions for impact

- Maintain TPMS at its current level for another year to ease short-term cost pressures.
- Engage exporters as the Industry Bill and related initiatives take shape.
- Ensure port transformation translates into productivity, reliability and lower logistics friction.
- Pair structural measures with immediate competitiveness safeguards for exporters.

BM lens

MEXA’s position captures the distinction between strategic direction and near-term competitiveness. The Budget’s export ambition is positive, but delivery must combine structural reform with immediate measures that protect exporters facing cost and market-access pressures.

OTAM — ICT-BPO/Digital Services

Outsourcing & Telecommunications Association of Mauritius

“AI and digitalisation are clearly given priority, but execution is key and we will remain very attentive to implementation.”

Sector reading

OTAM welcomes the priority given to AI and digitalisation, including the National AI Learning Platform, the development of the Special Economic Zone, investments in cybersecurity and international connectivity, and measures supporting start-ups.

Facilitating migration is also viewed positively, given the talent needs of the ICT-BPO and digital services sector. However, the increase of the minimum salary threshold to Rs 50,000 for Professional Occupation Permits could make it more challenging to recruit foreign talent for certain positions, unless complemented by efficient mechanisms to address skills shortages.

Digital competitiveness lens

For OTAM, the main test is execution. Some measures, such as silent agreement, have been announced before without sufficient follow-through.

The sector will therefore remain attentive to implementation and looks forward to ongoing dialogue with Government, particularly where measures affect operating conditions, talent and productivity.

What the Budget gets right

- AI and digitalisation placed high on the national agenda.
- National AI Learning Platform as a capacity-building instrument.
- SEZ, cybersecurity and international connectivity measures supporting digital positioning.
- Start-up and migration facilitation measures relevant to the sector’s ecosystem.

Conditions for impact

- Translate digital and business-facilitation announcements into concrete implementation.
- Clarify the practical impact of the Rs 50,000 Professional Occupation Permit threshold on ICT-BPO recruitment and skills access.
- Ensure migration facilitation mechanisms are efficient enough to address talent shortages.
- Clarify HR-related changes, including maternity and menstrual leave, and their cost-sharing implications.
- Assess operational and productivity effects on companies before implementation.

BM lens

OTAM’s feedback reinforces BM’s delivery message: AI and digital ambition must be matched by practical implementation, regulatory clarity, talent availability and careful assessment of measures that may affect productivity and business continuity.

Conclusion

Public-private collaboration and a constructive path forward

Signals for Public-Private Collaboration

A notable feature of the Budget is the number of measures that either directly mention or clearly imply public-private collaboration. This is encouraging, as it recognises that national transformation cannot be delivered by the State alone.

In AI, Government will work with the private sector to train Mauritians in practical AI skills. In the start-up ecosystem, the Budget provides for a high-level public-private Start-Up Council. In skills development, the HRDC Skills-Interface platform is expected to coordinate employers, training providers and Government.

The same logic appears in port transformation, blue economy, cultural heritage, diaspora expertise, circular economy, energy transition and higher education. These signals should now be converted into structured delivery platforms with clear mandates, timelines, responsibilities, KPIs and escalation mechanisms.

Priority area	Budget direction	BM assessment
AI and digital	Private-sector involvement in AI training; AI/cloud positioning; responsible AI and cybersecurity	Strong opportunity for structured delivery with business, academia, start-ups and tech providers
Start-ups	Public-private Start-Up Council; Start-Up Act; Accelerator Scheme	Positive model that could be replicated in other reform areas
Skills	HRDC Skills-Interface coordinating employers, providers and Government	Important if linked to employer demand, placement and productivity
Port and logistics	Second licence to an international operator; port investment	Governance, participation and sequencing must be clarified
Blue economy	Expressions of interest for fish farming zones; commercial investment and SMEs	Strong opportunity, subject to environmental and regulatory clarity
Diaspora expertise	National E-Diaspora Platform and procurement amendments	Positive if eligibility, onboarding and links with national skills needs are clear
Circular economy	Circular Economy Bill and waste-to-wealth framework	Concern / major delivery gap. Private participation is essential, but the operating model remains unclear: segregation, access to waste streams, EPR, financing, market access for recycled products and roadmap continuity.
Higher education	Study in Mauritius portal, student work rights and university framework	Requires a fuller public-private student and talent ecosystem

Conclusion

A constructive path forward

The National Budget 2026–2027 sets out a number of policy directions that converge with the priorities advanced by Business Mauritius and the wider business community. It recognises several important imperatives for Mauritius: investment-led growth, competitiveness, AI and digital transformation, start-ups and SMEs, skills development, sustainability, resilience and long-term pension reform.

Business Mauritius notes these signals positively. They suggest a recognition that Mauritius must strengthen its productive base, mobilise private investment, address structural bottlenecks and prepare the economy for new sources of growth.

However, the impact of the Budget will depend on the quality of implementation that follows. Many measures now require further detail, clear institutional responsibility, realistic timelines, transparent processes, financing mechanisms and structured public-private delivery platforms.

This is especially important where measures may affect competitiveness, business costs, investment confidence, labour-market dynamics, sectoral operations or long-term fiscal credibility. Policy consistency and predictability will be essential if the Budget is to strengthen confidence and translate intent into measurable outcomes.

Business Mauritius will continue our analytical work in the margins of the Finance Bill, implementation guidelines and institutional arrangements as they are published, and will engage constructively with Government, public institutions, Partner Members and the wider business community.

The Business Mauritius team stands ready to work with all stakeholders to help translate Budget measures into tangible outcomes for investment, productivity, employment, resilience and shared prosperity.