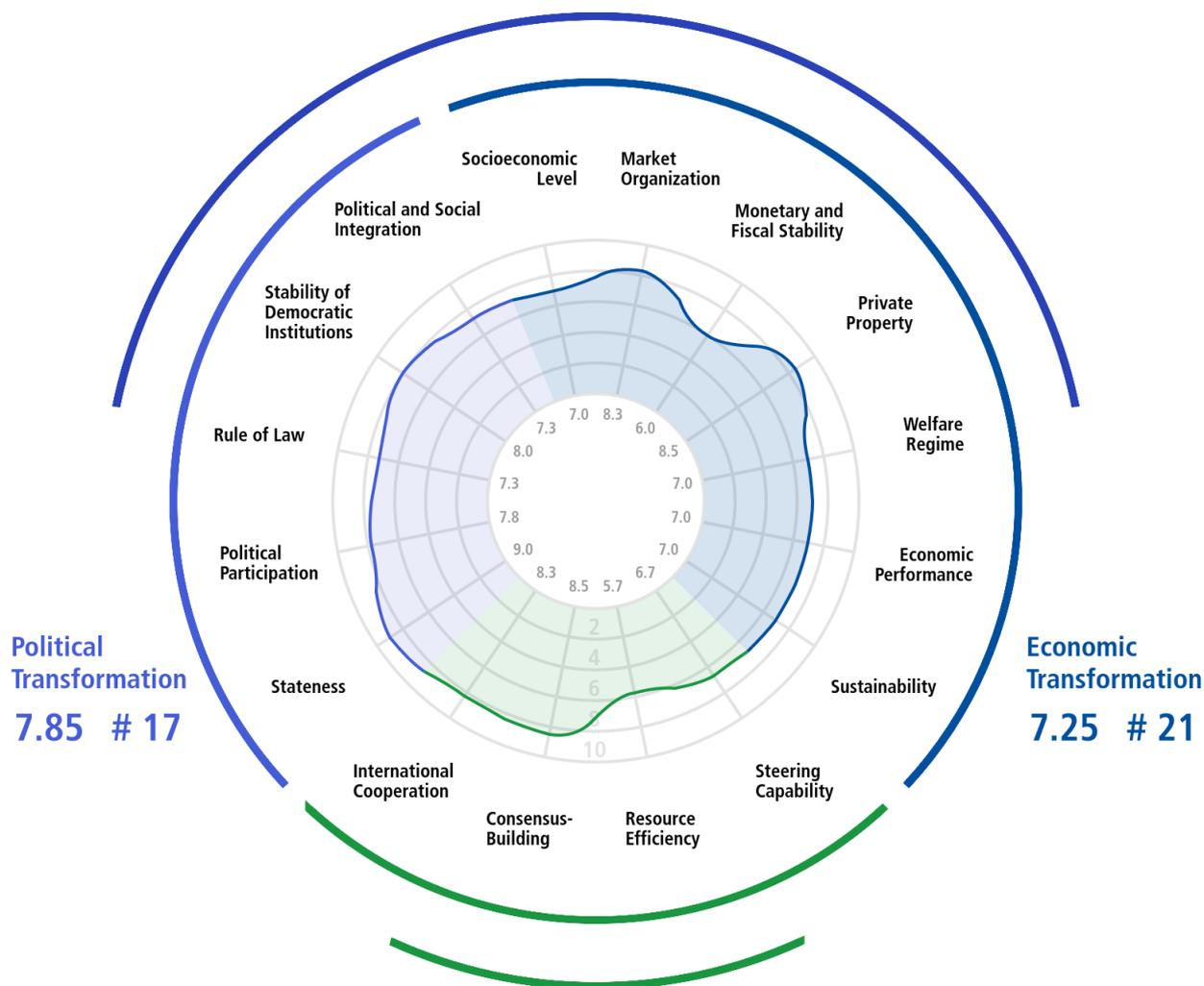


# Mauritius

## Status Index

**7.55 # 15**

on 1-10 scale out of 137



**Political Transformation**  
**7.85 # 17**

**Economic Transformation**  
**7.25 # 21**

## Governance Index

**6.13 # 23**

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2026**. It covers the period from February 1, 2023 to January 31, 2025. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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## Contact

Bertelsmann Stiftung  
Carl-Bertelsmann-Strasse 256  
33111 Gütersloh  
Germany

### Sabine Donner

Phone +49 5241 81 81501  
[sabine.donner@bertelsmann-stiftung.de](mailto:sabine.donner@bertelsmann-stiftung.de)

### Hauke Hartmann

Phone +49 5241 81 81389  
[hauke.hartmann@bertelsmann-stiftung.de](mailto:hauke.hartmann@bertelsmann-stiftung.de)

### Sebastian Plate

Phone +49 5241 81 81263  
[sebastian.plate@bertelsmann-stiftung.de](mailto:sebastian.plate@bertelsmann-stiftung.de)

### Sabine Steinkamp

Phone +49 5241 81 81507  
[sabine.steinkamp@bertelsmann-stiftung.de](mailto:sabine.steinkamp@bertelsmann-stiftung.de)

**Key Indicators**

Population	M	<b>1.3</b>	HDI	<b>0.806</b>	GDP p.c., PPP \$	<b>31051</b>
Pop. growth <sup>1</sup>	% p.a.	<b>-0.1</b>	HDI rank of 193	<b>73</b>	Gini Index	<b>36.8</b>
Life expectancy	years	<b>73.4</b>	UN Education Index	<b>0.730</b>	Poverty <sup>3</sup>	% <b>1.8</b>
Urban population	%	<b>40.9</b>	Gender inequality <sup>2</sup>	<b>0.352</b>	Aid per capita \$	<b>75.2</b>

Sources (as of December 2025): The World Bank, World Development Indicators | UNDP, Human Development Report 2025. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

## Executive Summary

General elections were held in Mauritius on November 10, 2024, with a high turnout rate of 79.3% of registered voters, reflecting significant dissatisfaction. The opposition coalition, the Alliance for Change (Alliance du Changement), won the elections in a landslide with 62.6% of the vote, securing all 60 directly elected seats in parliament. This was the third “60-0” in the political history of independent Mauritius. This clear sweep appeared to be a rejection of the outgoing regime, which had been plagued by scandals throughout its mandate. The final blow came from revelations of a wiretapping scandal, popularly called the Mustache Leaks, a week before the elections. It exposed damning phone conversations among key officials, including the prime minister, the commissioner of police, ministers and members of the judiciary.

The two pre-electoral years were sharply different in terms of progress in the economy and social welfare paired with setbacks in civil liberties. Mauritius’ economy continues to grow strongly, supported by the dynamism of traditional key sectors, in particular the construction and manufacturing sectors, financial services, and tourism. Both 2023 and 2024 were marked by massive investment in social policies, notably the implementation of and successive increases in the minimum wage. The 2023/24 and 2024/25 budgets displayed the government’s largesse with an eye toward the electoral contest, containing an array of social measures and the introduction of the minimum wage. According to official data, these measures have been successful in tackling inequality, improving Mauritius’ Gini coefficient. According to the IMF country report of May 2024, the Mauritian economy has rebounded from the pandemic on the back of buoyant tourism, social housing construction and financial services, with supportive social policies facilitating the strong recovery.

On the other hand, the two years under review were also marked by a severe deterioration in the freedom of expression and civil liberties, notably with the (aborted) mandatory re-registration of SIM cards in October 2023 and the attempt to block social media during the electoral campaign in

November 2024. Furthermore, the newly elected government released a State of the Economy audit report in December 2024 that revealed a larger fiscal deficit and a higher debt burden than previously stated, and which included revised indicators. Given the uncertainty about Mauritius' ability to address the challenging fiscal situation, Moody's changed the outlook on Mauritius' Baa3 rating from stable to negative in January 2025.

The newly elected government, having won all 60 elected seats and a complete majority in parliament, has received a clear mandate from the electorate. As the 2024 V-Dem report placed Mauritius among the most rapidly autocratizing countries in the world for the period under review, the question is whether the Alliance for Change will bring the change that is needed and desired without succumbing to the temptation to indulge in the same authoritarian flaws as previous regimes.

## History and Characteristics of Transformation

The history of settlement in Mauritius largely explains its capacity for transformation. The island was successively colonized by the Dutch, the French and the British before achieving independence in 1968. Because there was no indigenous population, several layers of colonization produced an externally oriented pattern of development from an early date.

Although the Dutch were sporadic (1638 – 1658 and 1664 – 1710) in settling Mauritius, they introduced sugar cane to the island and gave the country its name. Under French colonization (1715 – 1810), the island developed into a strategic port of call on the trade route to India. Initially run by the French East India Company (1721 – 1767), the island was an important base from which to oversee the Indian Ocean trade. In 1767, the French crown took over the island's administration. The Isle de France then flourished as an increasingly important commercial entrepot in the Western Indian Ocean and was described as “the star and the key of the Indian Ocean.”

In 1810, the British took over the Isle de France, restored its name to “Mauritius” and in 1825 granted Mauritius its first constitution. Inclusion in the British Empire entailed profound transformations in Mauritian society and politics, as well as the island's economy. In 1825, the repeal of preferential tariffs on West Indies sugar entering Britain triggered massive production of cane sugar for the imperial market. The island's metamorphosis into a sugar cane colony was achieved through the large-scale importation of slave labor, which had begun under the French administration, and, after the abolition of slavery in 1835, was replaced by indentured labor from India (1834 – 1907).

The sugar cane plantation shaped a plural society in which ethnic groups coexisted, retaining their own cultural and religious specificities while being economically interdependent. Each of these ethnic groups was entrenched in economic niches of the plantation economy: Hindus as small planters and laborers, Chinese and Tamils in the retail trade, Gens de couleur in the civil service,

and white Franco-Mauritians in the capital-intensive sugar-mill sector. Creoles of slave descent (Afro-Creoles) remained at the margins of the plantation system. In 1962, according to anthropologist Burton Benedict, people of Indian descent constituted 62% of the population, 28% were Creoles (of African or mixed African and European descent), 3% were of Chinese origin, and 2% were of solely European descent.

After the 1930s plantation riots, in which laborers contested the inequities of the plantation social order, consociational democracy was gradually established in Mauritius in the period from 1945 to 1968 to prevent interethnic violence from hindering decolonization. In March 1968, the country became independent within the Commonwealth, with the British monarch as the head of state. The price of independence was the 1965 excision of the Chagos Archipelago, the brutal deportation of its inhabitants and the construction of a joint British-U.S. military facility on Diego Garcia. In 1992, Mauritius became a republic through constitutional amendment, with a president as the head of state. Mauritius is today a stable multiparty parliamentary democracy. Elections are held every five years, with the most recent in November 2024.

In 1968, economic power was still concentrated among a small elite; sugar was grown on almost all cultivated land and accounted for most of the country's exports; unemployment and poverty rates were high; and these tensions culminated in interethnic riots. Despite these inauspicious beginnings, the newly independent state achieved one of the most successful development trajectories in Africa. Over 55 years of independence, Mauritius has undergone major structural changes, moving from a monocrop agricultural producer to become a diversified, upper-middle-income economy with a manufacturing base and a services economy focused on international financial services.

The development of the Economic Processing Zone (EPZ) and tourism in the 1970s and 1980s offered an alternative to the sugar monocrop economy, spurring substantial job creation and productivity gains that supported rising salaries and welfare improvements. In the 1990s, the offshore financial sector was launched, leading to the development of Mauritius as an international financial center. The 2000s marked a shift toward a knowledge-based economy on the island. Currently, Mauritius is embracing digitalization through the Digital Mauritius 2030 Vision.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

## Transformation Status

### I. Political Transformation

#### 1 | Stateness

The state of Mauritius has a monopoly on the use of force across the entire territory of the Republic of Mauritius, covering both land and maritime zones. Moreover, it may soon be extended to the Chagos Archipelago, or part of it, as the deal with the U.K. for a transfer of sovereignty back to Mauritius progresses. Since 2015, India has established a military base on North Agalega Island; however, Mauritius retains sovereignty over the Agalega Islands.

The Republic of Mauritius consists of the islands of Mauritius, Rodrigues, Agalega, Tromelin and Cargados Carajos (Saint Brandon) and, since 2019, the Chagos Archipelago, including Diego Garcia, as well as any other island within the state of Mauritius. Mauritius has an exclusive economic zone (EEZ) of about 2.3 million square kilometers.

The Mauritius Police Force (MPF) maintains the monopoly on the use of force. It operates under the authority of the Prime Minister's Office and is headed by the commissioner of police, who holds an independent constitutional post. As Mauritius does not have a standing army, the MPF carries out police, security, military and naval functions. The Special Mobile Force (SMF) is a paramilitary unit of the police that ensures internal and external security.

According to the constitution, Mauritius is a sovereign, democratic state known as the Republic of Mauritius. A large majority of the Mauritian population accepts the nation-state as legitimate. Officially, all individuals enjoy citizenship without discrimination. The constitution ensures that no Mauritian will be discriminated against on the basis of "race, place of origin, political opinions, color, creed or sex."

During the decolonization period, Mauritius was ethnically polarized and sharply divided over independence. Four communities were officially specified and retained in the constitution of 1968: Hindu (50.3%), Muslim (16.1%), Sino-Mauritian (2.9%) and "General Population" (30.7%). The official recognition of ethnic communities at the time of independence in 1968 was instrumental in establishing state legitimacy among all quarters of the population.

Question  
Score

Monopoly on the  
use of force

10



1

State identity

9



1

State legitimacy was further strengthened by the welfare state. To curb ethnic polarization, welfare policies were implemented to make state resources available to all citizens, regardless of their ethnic background.

However, the neediest were excluded by the system, especially when they lacked the political networks to access state resources. This was particularly the case for the Creole population, whose descent reflects a mixture of African, French and Indian origins, and who were included in the “General Population” category. Creoles have remained the most vulnerable and marginalized segment of society and are subject to discrimination in various areas of social and economic life. This is being addressed through a new set of social measures and the establishment of a minimum-wage policy in 2023/24.

Although the constitution does not explicitly state this, Mauritius presents itself as a secular state. The constitution provides for freedom of thought and religion, including the right of individuals to change, manifest and propagate their religion.

Seven religious groups are officially recognized and subsidized by the state: Hindus, Roman Catholics, Muslims, Anglicans, Presbyterians, Seventh-day Adventists and The Church of Jesus Christ of Latter-Day Saints. Other religious groups, colloquially known as sociocultural associations, are not subsidized but also play an important role in political lobbying. Some Hindu sociocultural associations regularly advocate for the passage of anti-conversion legislation, while the Muslim lobby is influential in maintaining a personal law regime for Muslims.

Some of these sociocultural associations have sought to assume the role of “law and order” defenders by creating militias. For instance, in October 2023, an armed group from one religion interrupted a charity concert at a venue in Port Louis and forced attendees to disperse. The disturbance led to several arrests.

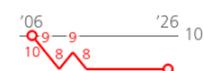
Sociocultural organizations are somewhat encouraged by government financial favors. The 2024/ – 2025 budget increased the grant to religious bodies by 60% from MUR 125 million to MUR 200 million, and included measures such as subsidies for religious pilgrimages or duty-free facilities for the purchase of cars for priests of recognized religions.

The administrative structures of the welfare state extend throughout the country and provide all basic public services to the people. Because social welfare is a central pillar of Mauritian policy, infrastructure, public services, free health care and social housing are at the forefront of this policy.

According to the 2022 Housing and Population Census, more than 99% of the population has access to a reliable supply of electricity, sanitation facilities and safe drinking water. However, due to insufficient water catchment areas that are unable to meet the demands of the population and development requirements, access to water is not always available around the clock, and the Central Water Authority implements water cuts, especially during the dry season.

No interference of religious dogmas

8



1

Basic administration

9



1

In the World Health Organization’s Tracking Universal Health Coverage: 2023 Global Monitoring Report, Mauritius was ranked at third place in the Southern Africa region. There were 30 doctors and 35 nurses per 10,000 people in 2022. The entire population has access to affordable medicines on a sustainable basis. Regarding the provision of juridical functions, Supreme Court statistics for 2023, the latest available as of the time of writing, indicate that 80% of cases were resolved within 12 months.

## 2 | Political Participation

The constitution and the law allow citizens to choose their government in free and fair periodic elections. Universal suffrage was introduced in Mauritius even before independence, in the 1959 constitution. Mauritius uses an adapted version of the first-past-the-post (FPTP) model, in which the three candidates with the most votes are elected in each constituency.

General elections were held in Mauritius on Nov. November 10, 2024, with a high turnout rate of 79.3% of registered voters, reflecting significant citizen significant dissatisfaction with the incumbent government. The Southern African Development Community (SADC) electoral mission’s preliminary statement raised concerns about alleged discrepancies in the electors’ registers, with stakeholders alleging that the register of electors still contained names of people who were no longer in the country or deceased.

These were the 12th legislative elections since independence in 1968. Three main coalitions contested the elections: Prime Minister Pravind Jugnauth’s Alliance Lepep, former Prime Minister Navin Ramgoolam’s Alliance for Change, and former Minister of Good Governance Roshi Bhadain’s Alliance Reform-Union.

The opposition coalition, the Alliance for Change (Alliance du Changement), won the elections in a landslide, with 62.6% of the vote, securing all 60 directly elected seats in the unicameral National Assembly, a result referred to as a “60-0.” The alliance was composed of three parliamentary parties, the Labor Party (PTR), the Mauritian Militant Movement (Mouvement Militant Mauricien, MMM) and the New Democrats (ND), as well as one extraparliamentary party, Resistans ek Alternativ (ReA). Its leader therefore won a fourth term as prime minister. The Rodrigues People’s Organization party retained its two seats on Rodrigues Island.

The outgoing Alliance of the People (Alliance Lepep) coalition failed to secure a single elected seat. The defeated Militant Socialist Movement (Mouvement Socialiste Mauricien, MSM), which had been in power since 2014, obtained only one corrective “best-loser” seat and, at the same time, the constitutional position of leader of the opposition. Its ally, the Mauritian Social Democratic Party (Parti Mauricien Social Démocrate, PMSD), obtained the second “best-loser” seat awarded.

Free and fair elections

8



1

This was the third “60-0” in the political history of independent Mauritius. This clean sweep appeared to be a rejection of the outgoing regime, which had been plagued by scandals since 2019. The final blow came one week before the elections, with revelations of a wiretapping scandal popularly called the “Mustache Leaks” that exposed phone conversations on social media involving key officials, including the prime minister, the commissioner of police, ministers and members of the judiciary. The subjects of the conversations included the cover-up of the murder of a detainee.

Legislative elections are held every five years. However, this constitutional provision does not apply to local elections. Village council elections were last held in 2020, whereas municipal council elections have not been held since 2015. In May 2023, the incumbent government again postponed the municipal elections until 2025 through the Local Government (Amendment) Act 2023. However, the newly elected prime minister announced the decision to hold municipal elections on May 4, 2025, with votes counted the same day for the first time.

Democratically elected political representatives in Mauritius have the effective power to govern, with no individual or group holding veto power. Over successive post-independence general elections, the first-three-past-the-post voting system has delivered governments with stable majorities. The overwhelming 60-0 result in favor of the Alliance for Change in the latest general elections in November 2024 signifies a clear and robust mandate from the electorate.

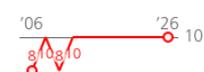
In Mauritius’ consociational democracy, each of the officially recognized ethnic communities is assured representation in the legislature through the Best-Loser System (BLS). Under this system of corrective nominations, communities under-represented in election results are allocated corrective seats in the legislative assembly. Described in the constitution as a means to “ensure a fair and adequate representation of each community,” the BLS aims to foster interethnic peace by enhancing equal access to political opportunities.

Up to eight additional members can be appointed under the Best-Loser System from among unelected candidates to balance ethnic representation in parliament. However, no “best-loser” seats were allocated to the winning majority in the November 2024 general elections because the Alliance for Change won all 60 elected seats. Only two best-loser seats were allocated to the defeated coalition.

Unlike other consociational democracies, where a minority veto is usually an important component of the power-sharing arrangement, no such veto is attached to the BLS principle in Mauritius. The BLS is only a symbolic power-sharing device that reassures minorities about their representatives’ participation in decision-making at the parliamentary level.

Effective power to govern

10



1

The freedoms of assembly and association are enshrined in Section 13 of the Mauritian constitution, including the right to form or belong to trade unions or other associations. However, public meetings and processions are regulated by the Public Gathering Act of 1991, which subjects them to conditions and prior approval of the commissioner of police. Granting authorization is at his sole discretion.

Though Mauritians have enjoyed a wide degree of freedom to associate, express themselves and engage in civic action as they wish, civic engagement has been affected by a strong culture of informal censorship in the form of retaliation affecting employment, promotions and contracting, which makes Mauritians wary of expressing themselves or engaging freely in civic action (Afrobarometer 2018). Moreover, assemblies of the political opposition or others who are critical of the government are the most likely to be forbidden or impeded.

In August 2024, a few months before the general elections, members of the “Rann Nou Later” movement were taken into custody by police during a lawful demonstration in Côte d’Or. The movement demanded the return of state-owned land that had been allocated to the Mauritius Tamil Cultural Center Trust in Réduit, rejecting the alternative site the government had proposed in Côte d’Or. A confrontation with police unfolded just moments before Prime Minister Pravind Jugnauth arrived for a contract-signing ceremony at the Mauritius Tamil Cultural Center Trust. The confrontation escalated after police intervened, leading to several arrests. The opposition leader and other quarters of civil society condemned the actions taken by law enforcement, calling them “brutal” and the arrests “arbitrary.”

In response to the Information and Communication Technologies (ICT) Authority’s October 2023 regulations that required all mobile phone users to re-register their SIM cards within six months, a “Pa Tous Nou SIM Card” (Don’t touch our SIM card) platform was set up by members of civil society. A peaceful demonstration was organized on April 21, 2024. The regulations were eventually struck down by the Supreme Court in December 2024.

The ICT Authority regulation issued on November 1, 2024, which aimed to suspend access to social media, also stirred widespread objections from civil society, the business community, opposition politicians and citizens, who argued that it would stifle the democratic process and harm the economy. Mauritian citizens widely turned to virtual private networks (VPNs) to bypass restrictions. Top10VPN reported a 9,547% surge in VPN usage on the day the ban took effect. The ban was initially intended to last until November 11, the day after Mauritius’ legislative election, but was lifted a day later following public outcry and passive protest.

Association /  
assembly rights

8



1

Freedom of expression is enshrined in the Mauritian constitution. With the first printed newspaper in the southern hemisphere published in Mauritius in 1773, the country has one of the oldest press traditions in southern Africa. There is no official censorship of the press. People have access to media to express their views and are exposed to different viewpoints. However, a tangible fear persists among Mauritians with regard to speaking out openly or expressing criticism of the government. In the absence of a Freedom of Information Act, government officials can be jailed under the Secret Official Act for providing sensitive information to journalists.

As Reporters Without Borders has highlighted, the legal framework does not protect journalists; those critical of the government can be threatened or arrested. Moreover, the 2018 amendment to the Information and Communication Technologies Act (ICT) criminalizes posting false, damaging or unlawful information online, with a sentence of up to 10 years in jail. The U.N. Human Rights Council Working Group on the Universal Periodic Review noted in 2024 that this provision is extremely vague and can be abused, and is not in line with international standards on freedom of expression. It also noted that the amendment does not meet the requisite normative standards for the protection of freedom of expression, and would likely lead to illegitimate persecution and prosecution.

The island's digitalization process appears to be correlated with further backsliding on the freedom of expression, as exemplified by two Information and Communication Technologies Authority (ICTA) regulations issued in October 2023 and November 2024. In October 2023, the ICTA issued a regulation making it compulsory for all mobile phone users to re-register their SIM cards and provide a digital photo when doing so. Failure to comply would lead to automatic deactivation. The regulations were eventually struck down by the Supreme Court and revoked by the newly elected government in December 2024. On November 1, 2024, during the electoral campaign, the ICTA issued a regulation ordering all internet service providers to suspend access to social media due to "illegal postings that constitute a threat to national security and public safety." Human Rights Watch warned that the ban threatened voters' access to information ahead of the November 10 poll. The ban was initially intended to last until November 11, the day after Mauritius' legislative election, but was lifted a day after being imposed, following public outcry.

Freedom of expression

5



### 3 | Rule of Law

Mauritius' parliament is modeled on the Westminster system of parliamentary democracy. The legislative power is vested in a unicameral National Assembly, elected for five-year terms and consisting of 62 elected members and up to eight additional members appointed under the Best-Loser System. Executive power is exercised by a council of ministers headed by a prime minister who assembles a government from members of the National Assembly.

Several international reports have documented a decline in the quality of democratic governance in Mauritius since 2017. The most critical findings have come from V-Dem, which placed Mauritius among the world's most rapidly autocratizing countries during the review period because of the executive's overwhelming preeminence. However, the executive's autocratic tendencies in Mauritius are not new, as they are rooted in some provisions of the constitution.

The Mauritian political system is theoretically one in which the principle of checks and balances (mutual control) applies. However, constitutionally, the principle favors the executive and, more specifically, the prime minister, who is the actual head of the executive and holds full executive powers. Although the president of the republic is the head of state, he or she holds only honorary functions. The officeholder is formally elected by the National Assembly to a five-year term, but is actually designated by the prime minister – the vote is a mere validation of the prime minister's decision – according to section 28 of the constitution.

General elections are usually followed by the swearing-in of a new president of the republic. On December 6, 2024, Dharam Gokool, a member of the Labor Party, became the new president of the republic upon the proposal of the new prime minister, Navin Ramgoolam, and Robert Hungley, a member of the MMM party, was sworn in as vice president.

Mauritius' judicial system is a mix of the French and British systems, reflecting the trajectory of its colonial history. It is a hybrid framework derived from the French Napoleonic Code and British criminal law. On the World Justice Project's Rule of Law Index 2024, Mauritius was ranked 46th out of the 142 jurisdictions assessed, and at third place in sub-Saharan Africa.

The judicial architecture of Mauritius is established by the 1968 constitution. It consists of the Supreme Court, which serves as the highest judicial authority; the Intermediate Court, which has jurisdiction over civil and criminal cases; district courts, which handle civil and criminal cases within their respective geographic jurisdictions; and an Industrial Court. The Mauritian constitution provides for a right of appeal against decisions of Mauritian courts to the Judicial Committee of the Privy Council in the U.K., subject to specific parameters. The Privy Council thus has the power to make the final decision in any criminal or civil proceedings and on questions related to the interpretation of the Mauritian constitution.

Separation of powers

7



1

Independent judiciary

9



1

Although the executive designates the top positions of the judicature (the chief justice and the senior puisne judge of the Supreme Court), the judiciary in Mauritius is widely regarded as independent, institutionally differentiated and fully functional, as noted in Freedom House's 2024 report.

However, there has been an erosion of citizens' trust in the independence of the judiciary over the past decade. The share expressing trust in the judiciary has declined by 23 percentage points since 2012, according to Afrobarometer's 2024 survey. Twenty-nine percent of Mauritian citizens believe that political leaders or other powerful people frequently interfere with the judiciary. Nonetheless, for many Mauritians, the judiciary remains the ultimate bulwark against abuses of power by the executive or corrupt politicians and public servants. This was reaffirmed by the cancellation of the SIM card re-registration regulations by the Supreme Court in December 2024.

Although Mauritius lacks laws on political party financing, it does have legislation that imposes criminal penalties for corruption by public officials. This includes laws relating to asset declarations, asset recovery, prevention of corruption, anti-graft, anti-money-laundering and criminal offenses related to the abuse of office by public officials. Anti-graft and public procurement frameworks exist, notably through the Central Procurement Board and the Public Procurement Act (2006). Under the Declaration of Assets Act 2018, public officials, including members of the National Assembly, mayors, and chairpersons and chief executive officers of state-owned enterprises and statutory bodies, are required to declare their assets and liabilities. The legislation was updated and reinforced in 2023 and 2024 with the creation of a Financial Crimes Commission under the Financial Crimes Commission Act 2023.

In Afrobarometer's 2024 survey, 35% of Mauritian citizens said they believed the law was applied unequally, and that government officials who committed crimes were more likely to go unpunished than ordinary people. A majority (60% of respondents) also said they believed that sentences for officials and others in positions of power who were found guilty of wrongdoing were too lenient. Indeed, in practice, corrupt officials take advantage of the Secret Official Act to operate in secrecy and under cover, exploiting loopholes in the system. Reporting such activities to parent ministries is often futile, as whistleblowers within the system face retaliation.

The Financial Crimes Commission Act 2023, which came into effect in March 2024, addresses several issues and loopholes in previous anti-corruption legislation and bodies. It repeals the Prevention of Corruption Act (2002), the Asset Recovery Act (2011) and the Good Governance and Integrity Reporting Act (2015). The Financial Crimes Commission established under this act will be responsible for receiving and monitoring specified public officials' declarations of assets and liabilities.

Prosecution of  
office abuse



Although the constitution of Mauritius guarantees the protection of human rights, as enshrined in its second article, it mentions only civil and political rights. Economic, social and cultural rights are not expressly provided for in the constitution, which dates to 1968. However, authorities provide these rights to citizens through the welfare state by ensuring access to universal, free health care services; quality education; and social aid and pension benefits for vulnerable groups, including the elderly.

Mauritius was rated “Free” in Freedom House’s 2024 annual study of political rights and civil liberties worldwide. It received scores of 85 in 2023 and 86 in 2024. However, the National Human Rights Commission (NHRC), the institution that addresses human rights violations, has often been criticized as toothless by human rights activists. The NHRC is an independent institution established under the Protection of Human Rights Act that deals with violations of the human rights listed in Chapter II of the constitution of Mauritius. Its mandate is narrowly defined and does not address issues related to economic, social and cultural rights; environmental rights; or rights associated with sexual orientation or gender identities. This limits the ability of defenders working on those rights to report violations. The U.N. Human Rights Council Working Group on the 2024 Universal Periodic Review stated that human rights defenders working on the rights of detainees could not submit complaints to the NHRC on their behalf and were additionally denied access to prisons, which prevented them from informing detainees about their rights and legal remedies when those rights were violated.

The recognition of LGBTQ+ rights progressed during the period under review, with the Supreme Court decriminalizing same-sex sexual activity in October 2023. In its decision, the court found that the law prohibiting “sodomy,” which dated to the colonial era, violated a constitutional protection against discrimination and ruled that it should not be interpreted to include consensual sexual intercourse between male adults. The ruling was welcomed by the United Nations and human rights organizations.

The investigative powers vested in the newly created Financial Crimes Commission under the Financial Crimes Commission Act 2023 have fueled concern among civil society groups with respect to freedom and civil rights. The new legislation allows for intrusive surveillance techniques to gather intelligence or evidence, which may enable political spying, they argue.

## Civil rights

7



1

#### 4 | Stability of Democratic Institutions

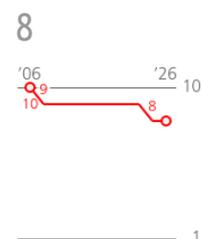
In addition to its stable system of government and tradition of smooth transitions of power, Mauritius has relatively well-performing public institutions. However, a weak separation of powers over the years has led to the growing importance of the executive, causing friction between institutions.

The National Assembly’s effectiveness and credibility were strongly hampered during its last term by parliamentarians’ disregard for house rules, the speaker’s partiality and the sidelining of opposition members of parliament. Over the years, frictions have multiplied between the executive and the legislature, leading to a gradual weakening of the legislature, particularly with regard to its role and responsibilities in exercising oversight. On several occasions during the review period, the speaker blocked or censored parliamentary questions from the opposition. The 60-0 outcome in the November 2024 general elections, which leaves only two seats for the new opposition, now raises concerns about the legislature’s accountability.

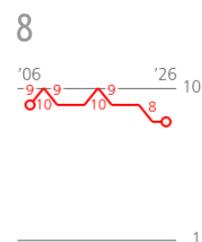
The executive was further shaken by the “Mustache Leaks” scandal in October 2024. One of the recordings allegedly featured the island’s police commissioner, Anil Kumar Dip, who appeared to request that a forensic doctor alter the postmortem report relating to a person who died after being beaten in police custody. In a press conference, the police commissioner denied interfering in police investigations, alleging that the recordings were produced using artificial intelligence. However, he resigned in November 2024.

The institutions of the republic are accepted as legitimate by all relevant actors, even though lingering mistrust of the political elite persists, because most key positions in the state or in parastatals are filled by political nominees.

Performance of democratic institutions



Commitment to democratic institutions



## 5 | Political and Social Integration

Mauritius has a well-established multiparty culture that predates the country's independence. Political parties have no legal status. They are only requested to register with the Electoral Supervisory Commission (ESC) 14 days before the nomination of their candidates for general elections; otherwise, they remain unregulated.

The Mauritian political landscape is dominated by four historical parties: the Labor Party (MLP), the Mauritian Social Democratic Party (Parti Mauricien Social Democrate, PMSD), the Mauritian Militant Movement (Mouvement Militant Mauricien, MMM) and the Militant Socialist Movement (Mouvement Socialiste Militant, MSM). Each of these mainstream parties has, at different times, formed alliances with one or another, a game of musical chairs that has led to the quasi-domination of the Mauritian political landscape by these four parties. Mauritian politics is dominated by four family dynasties that alternate in power in an oligarchic manner: the Ramgoolams, linked to the Labor Party; the Jugnauths, linked to the MSM; the Berengers, linked to the MMM; and the Duvals, linked to the PMSD.

Mainstream parties are socially anchored, with electoral bases that are predominantly ethnic. The Labor Party and the MSM compete for the Hindu vote, while the MMM and the PMSD compete for the “General Population” vote. The Muslim vote is divided across those parties. The Representation of the People Act (1958) and the Best-Loser System, which require candidates to declare which community they are associated with, perpetuate these political allegiances on ethno-religious grounds.

Mauritius' political landscape also includes a number of extraparliamentary parties with a small electoral base but an impact on ideas and programs. A total of 73 parties were registered to contest the 2024 general elections. Linion-Reform, an alliance of extraparliamentary parties, did not secure any seats in parliament. However, the extraparliamentary party Rezistans ek Alternative entered parliament thanks to its alliance with the main opposition bloc, the Alliance for Change. Although the political landscape is fragmented, voter volatility remains moderate. This is due to polarization that remains high along ethnic lines but, paradoxically, contributes to maintaining stable voting banks because of the ethnic nature of the political parties.

Since decolonization, the political system in Mauritius has been largely based on institutionalized cultural pluralism, recognizing ethnic communities as the main pillars of political and social organization. Therefore, the prevailing political culture is one in which ethnically based interest groups wield comparatively great leverage in negotiations with the government. The government usually includes these interest groups in consultations on policy issues, whether they are civil society organizations, trade unions, private sector organizations or sociocultural associations. However, interest groups also tend to defend their own sectoral interests rather than those of society at large. The most influential are sociocultural groups and business-sector organizations.

### Party system

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### Interest groups

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Historically, Mauritius also has a dense network of government-business interactions that has played a role in the country's economic success. The business sector is represented in consultations with the government through the Joint Economic Council (JEC), whose members are directors of major business associations. Lobbying from the private sector is so influential that the OECD Investment Policy Review for Mauritius 2024 observed that such lobbying can even prevail over the legislative process. The government and the private sector also engage in tripartite agreements with the trade unions, primarily centered on workers' rights and wage negotiations.

Religious sociocultural associations from various ethnic and religious communities also exert strong lobbying pressure on government and political elites. They sponsor candidates from their communities and use their political connections to influence the nominations of their members to ministries, key government posts and parastatal bodies.

Mauritian citizens value democracy and democratic principles such as freedom of association and freedom of the media. The public's level of approval of democratic norms and procedures is relatively high.

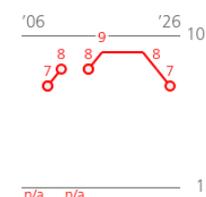
However, levels of satisfaction with how democracy works in Mauritius have declined significantly over the past decade. The 2024 Afrobarometer survey on Mauritians' demand for democracy showed that 66% of respondents supported democracy in principle, rejecting non-democratic alternatives. According to the Afrobarometer survey, 90% of respondents strongly disapproved of one-party rule. Yet the overwhelming 60-0 electoral result in favor of the Mauritius Labor Party (MLP) and its allies in the 2024 general elections, giving them absolute dominance over parliament, goes against this assertion. This score resulted from a massive vote against the outgoing government, in line with the latest Afrobarometer survey results for 2024, which indicated growing disappointment among Mauritians regarding the functioning of democracy. In that survey, almost half (49%) of the respondents described Mauritius as "not a democracy."

Levels of popular trust in political elites are low in Mauritius, and public confidence in the functioning of institutions has eroded. According to Afrobarometer, in August 2024, a majority of Mauritians expressed "little trust" or "no trust at all" in national institutions, including municipal and district councils (66%), opposition parties (63%), the ruling party (63%) and the National Assembly (61%). The most trusted institutions (with a share of above 50%) were the courts of law and the Ministry of Health and Wellness.

The police force, in particular, has experienced a significant erosion of public trust over the last decade due to scandals involving arbitrary arrests, the detention of political opponents and cases of alleged "drug planting," in which police officers have illegally placed drugs on a suspect's property or person. In the 2024 Afrobarometer survey, only 52% of Mauritians said they trusted the police, compared with 67% in 2012, and 10% said they had no trust in the police whatsoever.

Approval of  
democracy

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AmCham’s 2024 Business Climate Index for Mauritius additionally reported growing dissatisfaction among private companies regarding relations with ministries and local government bodies due to administrative delays, corruption, inconsistent regulations, a lack of transparency and insufficient clarity on procedures.

On the Global Peace Index 2024, Mauritius was ranked as the 22nd most peaceful country in the world, and the most peaceful in sub-Saharan Africa. At the societal level, peace in Mauritius combines low levels of direct conflict with a prevalence of small acts of kindness. A number of factors at the individual, community and societal levels account for this preservation of peace, including the cross-generational transmission, via oral tradition, of values promoting peacefulness; a multiethnic and multireligious background promoting respect for differences; interculturality in the workplace and in society at large; and a non-confrontational culture that privileges peace and interpersonal harmony over discussion of controversial issues. Cross-cutting ties across ethnic groups form networks of social support connecting different communities, another factor that accounts for tolerance and solidarity across ethnic groups. “L’accorité,” meaning mutual aid beyond ethnic divisions, is a vernacular term coined to encapsulate this art of living together. L’accorité is expressed in the way Mauritians, regardless of ethnicity, help each other in difficult situations such as cyclones or flash floods.

Political elites’ discourse often emphasizes a so-called fragility of the social fabric in Mauritius, a divisive framing that may serve political interests. The narrative of a weak social fabric is a political myth, contradicted by the daily realities of cross-ethnic solidarity and calls for peace in heated times. The cross-ethnic solidarity of “l’accorité” in daily life counters this myth of fragility. On the contrary, “l’accorité” has contributed to the creation of a robust social fabric in Mauritius that has helped avert social and political violence. These cross-ethnic social values and solidarity networks undoubtedly helped curb the riots in 1999, and have helped prevent further episodes of rioting throughout post-independence history.

Social capital



## II. Economic Transformation

### 6 | Level of Socioeconomic Development

Mauritius has eradicated extreme poverty and continues to reduce its relative poverty rate, which has fallen from 16.5% in 2020 to an estimated 9% by 2025 (World Bank Group's Poverty and Equity Brief for Mauritius April 2023). Mauritius has become one of Africa's wealthiest countries on a per capita basis, reaching a GDP per capita of \$11,613 in 2023 (World Bank National Accounts data and OECD National Accounts data files).

Mauritius received a score of 0.796 on the 2022 Human Development Index (HDI), and was ranked 72nd globally (2023/2024 UNDP Human Development Report). However, it still faces challenges in addressing structural inequality. This appears largely due to skills gaps associated with the ongoing shift in Mauritius' economy toward services and knowledge-intensive industries.

The wage gap still favors male workers, with Mauritian women earning an average of only 77.6% of what men earn. However, according to the National Wage Consultative Council (NWCC), this gap has been narrowing. While total wages in the private sector increased by 77% in 2023, wages for female workers increased by 91%. The gap is also larger in the formal sector (15.8%) than in the informal sector (4.3%).

The unemployment rate among women is also comparatively high, at 8.7% in 2023, compared with an average of 5.2% among OECD countries. This persistent gender gap in access to the labor market appears structural, as it is largely affected by women's higher burden of household responsibilities and childcare. The share of women aged 16 or older unable to work because of household responsibilities rose from 26.7% in 2021 to 33.4% in 2022. According to Statistics Mauritius' 2017 household survey, 11.0% of women were living below the poverty line, compared with 9.6% of men.

Inequality has decreased in recent years, with the country's Gini coefficient falling from 0.392 in 2017 to 0.304 in 2022, as estimated by Statistics Mauritius. This change has largely been correlated with the 2016 implementation of the Marshall Plan to eradicate poverty in Mauritius. This has included training and placement programs, as well as a crèche scheme and a child school allowance scheme. The various social measures introduced in 2022 and 2023, including additional remunerations, allowances, pensions and an increase in the minimum salary, significantly contributed to improving the country's Gini index score. This is confirmed by the

Question  
Score

Socioeconomic  
barriers

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World Economic Forum's 2024 Global Gender Gap Index (GGI), in which Mauritius was ranked 107th out of 146 countries with a score of 0.683, improving from 110th place in 2021. The Household Budget Survey 2023 shows that average monthly household disposable income in Mauritius increased by 51.1% during the period from 2017 to 2023.

<b>Economic indicators</b>		2021	2022	2023	<b>2024</b>
<b>GDP</b>	\$ M	11484.3	12907.8	14101.2	<b>14952.6</b>
<b>GDP growth</b>	%	3.4	8.7	5.0	<b>4.7</b>
<b>Inflation (CPI)</b>	%	4.0	10.8	7.1	<b>3.6</b>
<b>Unemployment</b>	%	7.7	6.3	5.6	<b>5.5</b>
<b>Foreign direct investment</b>	% of GDP	2.3	4.2	5.4	<b>4.6</b>
<b>Export growth</b>	%	4.3	41.6	-1.4	<b>2.1</b>
<b>Import growth</b>	%	7.3	10.4	4.2	<b>8.9</b>
<b>Current account balance</b>	\$ M	-1496.6	-1436.8	-696.8	<b>-1050.0</b>
<b>Public debt</b>	% of GDP	86.1	81.8	81.5	<b>87.9</b>
<b>External debt</b>	\$ M	14700.3	17652.8	19252.3	-
<b>Total debt service</b>	\$ M	2805.9	905.9	1945.3	-
<b>Net lending/borrowing</b>	% of GDP	-12.5	-5.5	-5.8	<b>-8.1</b>
<b>Tax revenue</b>	% of GDP	18.3	19.1	20.5	<b>20.5</b>
<b>Government consumption</b>	% of GDP	17.2	16.0	14.3	<b>14.7</b>
<b>Public education spending</b>	% of GDP	4.7	4.8	4.6	<b>4.1</b>
<b>Public health spending</b>	% of GDP	3.4	2.7	-	-
<b>R&amp;D expenditure</b>	% of GDP	0.4	0.3	0.2	-
<b>Military expenditure</b>	% of GDP	0.2	0.1	0.2	-

Sources (as of December 2025): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

## 7 | Organization of the Market and Competition

According to the 2024 Heritage Foundation Index of Economic Freedom, Mauritius ranks as the 19th-freest economy in the world and first among sub-Saharan African countries. It is among the members of the Southern African Development Community (SADC) with the lowest statutory barriers to investment. Mauritius has a liberal economic and trade policy, with a well-established institutional and legal framework that allows free and fair competition in market access, investment and ownership of business interests. The Business Facilitation Act of 2017, amended in 2019, aimed to eliminate regulatory and administrative bottlenecks to investment.

However, Mauritius still maintains a restrictive environment for foreign investment in certain informal and sectoral areas. Partial restrictions on foreign direct investment (FDI) are still in place in the broadcasting, air transport and tourism sectors. Key public utility services, such as electricity, water supply and wastewater, remain state monopolies, as do petroleum and essential goods imports. The State Trading Corporation (STC) is the only authorized importer of petroleum products, liquefied petroleum gas, wheat flour and “ration” rice, which are considered essential goods that require a reliable, regular supply. Similarly, the Agricultural Marketing Board (AMB) has a monopoly on importing agricultural products to prevent them from competing with locally grown products.

The size of the informal sector, estimated at only 20.6% of GDP in 2024, remains relatively small. This is confirmed by the high share (82%) of currently registered firms that began operations while formally registered, which is well above the rate across sub-Saharan Africa as a whole (79%). As such, the incidence of informality in the private sector remains moderate in Mauritius, with 41% of firms indicating in 2023 that they faced competition from informal competitors (compared with 63% in all of sub-Saharan Africa), according to the World Bank Enterprise Survey Mauritius Country Profile 2023.

The legislative framework supporting competition policy in Mauritius dates to 2007, when the Competition Act took effect. The cornerstone of the competition regime in Mauritius is the Competition Commission of Mauritius (CCM). It is mandated to open investigations and take action against anti-competitive behavior. Since its creation, the CCM has completed more than 260 pre-investigation cases and 45 investigations involving mergers, monopoly abuses or cartels.

Despite the existence of this regulatory framework, competition policy is severely restricted by the oligopolistic nature of the established sectors of sugar, tourism, financial services and real estate, characterized by vertically integrated conglomerates and high levels of cross-directorships. According to the Amcham Business Climate Index 2024 for Mauritius, micro, small and medium-sized enterprises are most affected by monopoly and unfair competition, as they often lack the resources needed to leverage institutional support to challenge anti-competitive practices.

### Market organization

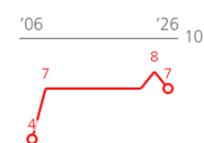
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### Competition policy

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Given its narrow mandate, the Competition Commission cannot impose fines for abuse of a monopoly and does not receive mandatory notification of mergers. It also lacks authority over state-owned enterprises. Importing and pricing of petroleum products and some essential commodities imported by the State Trading Corporation are excluded from the scope of competition law as part of welfare-state policy. Prices are determined by a Petroleum Pricing Mechanism (PPM) with the objective of mitigating the effects of world price movements on the retail prices of petroleum products.

Corruption is another hidden hindrance to competition, creating barriers to market entry. According to the Amcham Business Climate Index 2024 for Mauritius, small and large businesses are exposed to bureaucratic delays and corrupt practices when dealing with national and local government entities, particularly regulatory and licensing bodies. This in turn affects their competitiveness.

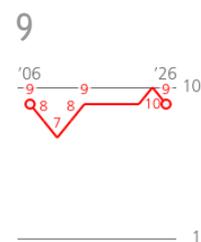
Since the period of trade liberalization in the 1980s, remaining import restrictions have mainly been quantitative restrictions or product-specific requirements, notably on tea to protect domestic production. These are governed by the Consumer Protection (Price and Supplies Control) Act of 2017. Quotas (in the form of a minimum shelf space of 40%) were implemented in 2020 to protect locally manufactured products under the “Made in Mauritius” brand. Mauritius has few export controls and restrictions. Under the Consumer Protection (Export Control) Regulations of 2000, products facing export restrictions are those deemed strategic or sensitive (live animals and meat, cereals, sugar, sand, limestone, textiles and rough diamonds).

Mauritius engages in active trade diplomacy, participating in 11 trade agreements on either a bilateral or multilateral basis. The country has bilateral free-trade agreements with China, Pakistan and Türkiye and a Comprehensive Economic Cooperation and Partnership Agreement (CEPA) with India. In July 2024, Mauritius also signed a CEPA with the United Arab Emirates.

Mauritius benefits from an interim Economic Partnership Agreement (EPA) with the European Union and an EPA with the United Kingdom. Because the African Growth and Opportunity Act (AGOA) with the United States expires in 2025, the Mauritian delegation participated in the July 2024 AGOA Forum in Washington to reassess the trade agreement.

Mauritius offers 100% duty-free access to Common Market for Eastern and Southern Africa (COMESA) members participating in the body’s free-trade agreement (FTA), and extends a 90% tariff reduction on most-favored-nation (MFN) rates to COMESA member states not participating in the FTA. Under the SADC Protocol on Trade, Mauritius extends duty-free and quota-free access to all SADC member states except Angola, the Democratic Republic of the Congo and the Comoros. Under the Indian Ocean Commission (IOC) trade regime, free trade is possible only between Mauritius and Madagascar.

Liberalization of foreign trade



With the oldest banking institution south of the Sahara, Mauritius has one of the more sophisticated financial systems in Africa. The banking system and capital market are differentiated and, in principle, oriented to international standards. Mauritian banks comply with international norms such as Basel III, the International Accounting Standards Board's IFRS 9, the U.S. Foreign Account Tax Compliance Act (FATCA) and the OECD's Common Reporting Standard (CRS). The Mauritius International Financial Center (IFC) comprises 20 banks, of which six are local banks, 10 are foreign-owned subsidiaries, three are branches of foreign banks and one is a private bank.

The Bank of Mauritius (BoM) was established as Mauritius' central bank in 1967 and assumed responsibility for monetary policy in 2004. To ensure that banks' balance sheet growth is driven by a sustainable funding structure, the central bank introduced a guideline on the net stable funding ratio (NSFR) in June 2024, requiring banks to maintain a ratio of at least 70% for all significant currencies on a consolidated basis.

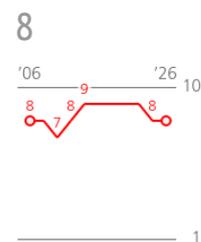
According to the BoM financial stability report for June 2024, capital buffers were consolidated. The capital adequacy ratio (CAR) of the banking sector in Mauritius rose from 21.0% in December 2023 to 21.9% in June 2024, well above the minimum regulatory requirement.

Mauritius' non-performing loan ratio decreased to 4.0% in June 2024, compared with 5.8% in 2021. Non-performing loans were adequately provided for, with the coverage ratio at 46.7% in December 2023.

However, during the period under review, the central bank's independence was seriously compromised by a number of operations, in particular those related to the controversial Mauritius Investment Corporation (MIC). In its Country Report Mauritius 2024, the International Monetary Fund (IMF) recommended phasing the BoM out of the MIC to preserve the central bank's independence. In December 2024, a report titled State of the Economy tabled in parliament by the newly elected government condemned the artificial printing of money by the BoM to fund the creation of the MIC, which the report argued had exposed the central bank to credit risk and losses in its balance sheet. Indeed, the Bank of Mauritius' balance sheet liabilities, which averaged MUR 181,556.91 million from 2003 to 2024, deteriorated sharply, reaching a record high of MUR 504,331.94 million in November 2024. In December 2024, an investigation was launched by the police anti-money-laundering unit regarding the establishment and operation of the MIC, leading to the arrest of the former central bank governor on charges of "conspiracy to defraud," and further arrests were expected.

The BoM's independence was also undermined by measures that allowed non-refundable transfers to the government. Both Moody's and the IMF noted that these measures had undermined the country's institutional framework and anti-inflationary monetary policies. Subsequently, an amendment to the BoM Act in July 2023

#### Banking system



prohibited the BoM from transferring funds directly to the government's budgetary accounts, in an attempt to restore the institutional mandates of fiscal and monetary institutions.

## 8 | Monetary and fiscal stability

Monetary stability is a recognized objective of economic policy in Mauritius. However, it appears that the central bank's institutional independence may have been seriously compromised by a number of operations in 2023 and 2024, under the previous government. The State of the Economy audit report of December 2024 described the monetary policy stance adopted by the Bank of Mauritius under the MSM government as "not in line with the macroeconomic fundamentals and interest rate trends in other countries." It stated that the interest rate policy pursued by the Monetary Policy Committee over the past three years accelerated the rupee's depreciation and stoked domestic inflation.

In January 2023, the central bank implemented a new Monetary Policy Framework, introducing a flexible inflation-targeting regime. A key rate was introduced to replace the key repo rate, initially at the same rate of 4.5%, but then reduced to 4% in September 2024. The annual inflation rate was 3.7% in November 2024, remaining within the inflation target range of 2% to 5% set by the Monetary Policy Framework. The consumer price index (CPI) averaged 88.58 points during the period from 2018 to 2024, but reached an all-time high of 105.68 points in February 2024.

The Mauritian rupee depreciated by 5.3% annually during the period from 2020 to 2024, a loss well above the historical average of 2%.

In 2024, following a 4.9% depreciation of the Mauritian rupee against the U.S. dollar in the first half of the year, the central bank intervened by selling U.S. dollars, seeking to stabilize the domestic foreign exchange market (BoM Financial Stability Report of June 2024).

In its Mauritius Country Report No. 24/139 of 2024, the IMF recommended promptly adopting amendments to the Bank of Mauritius Act to protect central bank independence and reinforce the credibility of the Monetary Policy Framework.

Historically, Mauritius' budgetary policies have generally promoted fiscal stability. Fiscal policies supportive of long-term growth were instrumental in Mauritius' development into an upper-middle-income country with a diverse economy. However, Mauritius has experienced significant short-term fiscal deterioration. In its Country Report No. 24/139 of 2024, the IMF estimated that tax revenue in Mauritius, which amounted to 21% of GDP in 2022/23, was below its potential. The State of the Economy audit report from December 2024 revealed a larger fiscal deficit and a higher debt burden for 2024 than the outgoing government had previously reported.

### Monetary stability

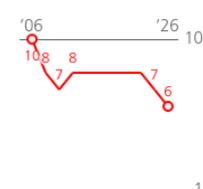
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### Fiscal stability

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Over the past decade, under a fiscal policy designed to sustain demand-led growth, public spending has increased much faster than revenue, resulting in persistent fiscal deficits and mounting public debt. Government expenditures have been geared mainly toward social protection, general public services, education and health, while taxes have remained the main source of revenue. Moreover, as the general elections in November 2024 approached, fiscal policy remained expansionary, with social expenditures rising 12.9% in fiscal year 2023/24, straining fiscal resources. The December 2024 State of the Economy audit report revised the actual fiscal deficit for 2023/24 to 5.7% of GDP, much higher than the 3.9% of GDP provided by the former government's 2024/25 budget estimates. According to the same audit report, the current account showed a yearly deficit of 9.4% of GDP during the period from 2020 to 2023. The overall balance of payments, which had historically shown a surplus, had been in deficit for the past two consecutive years, the report noted.

According to the December 2024 State of the Economy report, the actual level of public sector gross debt at the end of June 2024 was higher than the outgoing government's estimates, totaling MUR 559.1 billion (instead of MUR 538.9 billion). It has thus more than doubled over the past decade, from MUR 238 billion in December 2014. The actual public sector debt-to-GDP ratio was also higher – 83.4% in June 2024, and thus already above the statutory debt ceiling of 80% – compared with the previous adjusted revised estimates of 76.5%.

Debt service made up a significant share of total government expenditures during the period, rising from 41.2% in 2018/19 to 43.7% in fiscal year 2022/23 (National Audit Report 2024). Consequently, on January 30, 2025, Moody's changed the outlook on Mauritius' Baa3 rating from stable to negative, citing uncertainty about Mauritius' ability to address its challenging fiscal situation. The IMF has said that mobilizing additional tax revenue must be a policy priority for Mauritius.

## 9 | Private Property

Private property is a right protected by the Mauritian constitution, and the Civil Code sets out the basic rules for the acquisition, ownership and transfer of property in Mauritius. The Non-Citizens Act regulates property ownership by non-citizens, allowing them to purchase property or land only under specific schemes (the Integrated Resort Scheme (IRS), the Real Estate Scheme (RES), the Property Development Scheme (PDS) and the Ground+2 Scheme) or with special government permission.

The Truth and Justice Commission investigated land dispossession and proposed corrective measures. A Land Research Unit was established under the aegis of the Ministry of Housing and Land Use Planning to investigate cases of alleged land dispossession. The Acquisitive Prescription Act 2018 was implemented to regulate acquisitive prescription. Following the Truth and Justice Commission's recommendation to provide low-cost housing to the needy, the government today

### Property rights

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provides an 80% subsidy for the acquisition of social housing. Since December 2019, 10% of the social housing units delivered by the National Housing Development Corporation (NHDC) have been allocated to vulnerable beneficiaries under the Social Register of Mauritius (SDG).

The intellectual property rights system in Mauritius consists of the 2002 Protection Against Unfair Practices (Industrial Property Rights) Act, the 2014 Copyrights Act and the 2019 Industrial Property Act. Mauritius is a member of the World Intellectual Property Organization (WIPO) and a party to the Universal Copyright Convention, as well as the Paris and Bern conventions. In 2023, the Patent Cooperation Treaty (PCT) with the World Intellectual Property Organization (WIPO), as well as the Hague Agreement and the Madrid Protocol, also entered into force in Mauritius.

Although intellectual property (IP) legislation in Mauritius is consistent with international norms, enforcement remains relatively weak. The institutional landscape for IP rights in Mauritius is fragmented among the Mauritius Rights Management Society, the Mauritius Society of Authors, the Mauritius Patent Office, the Customs Department of the Mauritius Revenue Authority and the Anti-Piracy Unit within the Mauritius Police Force. However, intellectual property protection improved in 2024. According to AnCham's Business Climate Index 2024 for Mauritius, 46% of respondents gave a very positive rating to IP protection in the country (compared to 38% in 2023).

Mauritius offers a favorable business environment for citizens and foreigners who want to establish a private company. The legal framework governing private sector activity includes the Companies Act 2001, the Business Registration Act 2002, the Financial Services Act 2007 and the Business Facilitation (Miscellaneous Provisions) Act 2019.

Despite the country's supportive industrial policy, companies, particularly small and medium-sized enterprises (SMEs), face informal barriers to their operations. AnCham's 2024 Business Climate Index for Mauritius found that 36% of respondents regarded the business climate as unfavorable because of regulatory and bureaucratic hurdles.

Some privatization occurred in Mauritius in the 1980s. In 1988, the state-owned Department of Telecommunications was the first to be privatized; it became Mauritius Telecommunications Services and was renamed Mauritius Telecom (MT) Ltd in 1992. In 2000, amid liberalization of the country's telecommunications sector, the government sold 40% of MT's assets to France Telecom. Three years later, the Postal Services were also privatized as Mauritius Post Ltd.

At one time or another, some parastatals in the water, wastewater, public transportation and public health services sectors have also been scrutinized for privatization. However, because privatizing these public facilities is politically contentious, the prospect regularly draws fierce resistance from trade unions, so state disinvestment projects have never been implemented in these areas.

Private enterprise

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## 10 | Welfare Regime

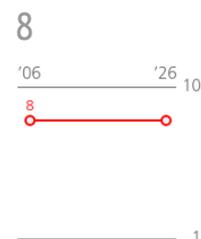
Since independence, Mauritius has maintained a comprehensive welfare-state system that aims to secure social inclusion. It consists of redistributive policies and programs and provides tax-financed benefits (both means-tested and universal). The welfare policies adopted by successive governments provide universal entitlements to social and welfare benefits, namely free universal medical care, education, pensions and food subsidies, with the aim of making them available to all citizens regardless of ethnic background.

Broad-based social benefit schemes, such as universal pensions for the elderly and blanket subsidies for selected goods (gas, fuel, rationed rice, flour) and services (water, wastewater), are not targeted solely at the poor, and thus also benefit the most affluent households. Other measures are targeted by category, such as free public bus transportation for people with disabilities, students and the elderly.

The spearhead of the Mauritius government's efforts to reduce poverty and vulnerability is the Social Register of Mauritius (SRM), a national database designed to direct poverty-reduction programs to the most vulnerable segments of the population. Its programs include assistance to families with special needs, social aid, food aid, cyclone refugee allowance and subsidized housing. In the wake of Cyclone Belal on January 15, 2024, the government disbursed a total of MUR 93.8 million, and food packs were distributed to 3,880 affected families. In the period December 2019 – April 2024, the NHDC delivered 2,470 social housing units, 10% of which were allocated to vulnerable beneficiaries under the Social Register of Mauritius (SRM).

The pre-electoral years 2023 and 2024 were marked by massive investments in welfare-focused social policies, notably the implementation and successive increases to the minimum wage and a number of social measures. In 2023, 29% of total government spending was devoted to social security and welfare, representing 9.8% of GDP, according to *Stratégie Maurice*. The most significant portion of social security expenditures (60.9%) was allocated to raising the basic retirement pension, while other basic pensions (for the elderly, people with disabilities, widows and orphans) accounted for 12.7% of spending. The minimum wage was increased in January 2023, January 2024 and again in August 2024. During the period from 2017 to 2024, the pension for widows, people with disabilities and orphans increased by 65%. A child allowance and a school allowance were also introduced. In December 2024, the newly elected government had no choice but to implement a 14th-month special allowance, which was a leading electoral promise of both contenders in the elections. Together with increased pensions and other electoral promises, this comes at a certain cost for the newly elected government, further accentuating the fiscal burden.

Social safety nets



Mauritius is a signatory to major international and regional treaties and conventions on women’s rights and gender equality and is ranked at 82nd place out of 169 countries on the Human Development Report’s Gender Inequality Index. The constitution of Mauritius guarantees equal legal rights for men and women, including with respect to opportunities and responsibilities in the social, economic, cultural and political spheres. It also guarantees protection against discrimination on the basis of race, place of origin, political opinions, color, creed or sex.

The Equal Opportunities Act (EOA) prohibits discrimination based on victimization or status grounds, adding the following protected categories to those already defined by the constitution: age, caste, ethnic origin, impairment and sexual orientation. However, the U.N. Human Rights Council Working Group on the Universal Periodic Review 2024 noted that the Equal Opportunities Act fails to protect transgender persons from discrimination. According to Human Rights Watch, LGBTQ+ people in Mauritius continue to face pervasive discrimination and high levels of homophobia and transphobia. The Chagossian people who were forcibly displaced to Mauritius before independence also continue to suffer poverty, stigma and discrimination, Human Rights Watch reports.

Mauritius is a signatory to major international and regional treaties and conventions on women’s rights and gender equality. These have contributed to removing formal barriers to gender equality. Welfare-state social policies, including free access to health and education, have contributed to the empowerment of Mauritian women. The literacy and enrollment gaps between women and men have decreased over time. High enrollment ratios (99% at the primary level of education and 90% at the secondary level) indicate widespread access to education for girls. From 2000 to 2011, the literacy rate among women rose from 81.5% to 87.3%, a larger increase than among men (Statistics Mauritius, A gender approach 2022).

According to the World Bank Group’s Women, Business and the Law 2024 report, Mauritius earns a perfect score of 100 in the categories of freedom of movement, the decision to work, support for starting a business, and property and inheritance for women. However, gender-based violence – a remnant of a patriarchal mindset ingrained in institutions – remains a significant barrier to equal opportunity for Mauritian women. The number of cases of domestic violence against women increased sharply from 1,434 in 2021 to 4,420 in 2022 (Statistics Mauritius, A gender approach 2022).

The labor force participation rate among women (43%) remains lower than that for men (69.3%). According to Kantar’s “Situational Diagnostic on Gender Inequality in the Workplace,” published in September 2022, the obstacles that foster unequal opportunity in the workplace for women are largely informal, including moral and sexual harassment, a lack of respect, and unhealthy competition.

Equal opportunity

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Women continue to be under-represented in parliament and in the cabinet. After the November 2024 general elections, women held just 18% of legislative seats – compared with 20% after the 2019 elections – and only two women have been appointed to ministerial roles out of 24 ministries. Women are also under-represented in the civil service, with the exception of the judiciary. Women accounted for a total of 68.7% of the country’s judges and magistrates in 2022, but only 38% of senior-level civil servants and 10.3% of police staffers. In the private sector, women’s representation in decision-making bodies remains low. They represent less than half (47%) of the country’s managers and professionals. They fill only 6% of chair positions and 13% of board seats. In 2022, there were only four female CEOs among the top 100 companies in Mauritius. To ensure greater representation of women on boards of directors, listed companies have been required to have a minimum of 25% women on their boards since 2023.

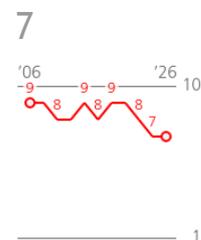
A major policy measure, the “Prime à L’Emploi,” was enacted in 2022 to support women’s participation in the labor force and close the gender gap in the labor market. As of February 2024, about 6,500 women had benefited from the program.

## 11 | Economic Performance

Mauritius’ economy has proven resilient to global economic shocks, including those stemming from the war in Ukraine. Supported by the dynamism of traditional key sectors of the economy – construction, manufacturing, financial services and tourism – domestic economic activity expanded at a real annual rate of 5.1% in 2023, according to the BoM Financial Stability Report of June 2024. According to a May 2024 IMF press release, the external current account deficit narrowed sharply in 2023 to 4.5% of GDP, reflecting a strong rebound in tourism earnings. The 2024 Mo Ibrahim Index of African Governance ranked Mauritius at second place out of 54 countries in Africa, with an overall governance score of 72.8 out of 100.

However, the State of the Economy audit report of December 2024 revised real GDP growth down from 7.0% to 5.6% for 2023, and from 6.5% to 5.1% for 2024. The audit report also recorded a decline in the average annual investment rate (investment as a percentage of GDP) from 21.9% for the period from 2010 to 2014 to 18.5% for 2015 to 2023 (based on updated data). Despite these data revisions, investment as measured by gross fixed capital formation (GFCF) grew by 25% in 2023, from MUR 112,806 million in 2022 to MUR 140,989 million in 2023 (updated data). This was supported by public sector investment growth, which increased from 1.1% of GDP in 2022 to 73.5% in 2023, boosted by government investments in infrastructure and development projects such as Metro Express and the construction of drains. Total foreign direct investment (FDI) inflows reached a record high of MUR 37 billion in 2023, with the real estate sector receiving 55% of all FDI inflows. The unemployment rate fell to 6.1% in December 2023, its lowest point in two decades. However, most sectors face labor shortages due to a skills mismatch in the labor market.

Output strength



Despite the reported decline in the annual inflation rate (standing at 3.7% in November 2024), the population's purchasing power was seriously eroded by increases in the prices of essential commodities (from 10.8% to 114.4%, depending on the goods) between October 2019 and October 2024, as well as by the depreciation of the Mauritian rupee. In the period from 2022 to 2024, cumulative inflation was 23%. Price increases were further fueled by the government's consumption-driven growth model.

## 12 | Sustainability

Mauritius scored 47.3 on the Environmental Performance Index (EPI) for 2024, ranking 77th out of 180 countries. More than 15 years after the introduction of the Maurice Ile Durable (MID) policy strategy, which aimed to make Mauritius a world model for sustainable development, this modest performance indicates that significant work is still needed in order to realize this vision. As the country remains heavily reliant on fossil fuels, which account for 76% of its energy needs, the Mauritian government has acknowledged that a paradigm shift in environmental policy is needed.

With this in mind, the Climate Change Act 2021 provided a legal framework for making Mauritius a climate-resilient, low-emission country. In March 2023, an Action Plan, an institutional mechanism and a Green Charter for the public sector were implemented. The Environment Act of May 2024 established a new policy framework and a mechanism to ensure better management and protection of environmentally sensitive areas, including environmental standards related to pollution control. The Finance (Miscellaneous Provisions) Act 2024 establishes a 2% Corporate Climate Responsibility (CCR) levy on companies to fund climate change initiatives. The 2024/25 budget also introduced a climate and sustainability fund with a MUR 3.2 billion allocation and a Government Support Agreement to unlock over MUR 15 billion in private sector investment in renewable energy projects.

In 2021, as part of its strategy to abate CO<sub>2</sub> emissions in line with the United Nations Sustainable Development Goals, the government implemented the Solar PV Scheme for Domestic Customers. The scheme will help decarbonize the national electricity grid by supporting households' installation of solar panels and solar water heaters, and by democratizing electricity production. The 2024/25 budget also introduced a tax rebate on the purchase of electric cars.

Environmental  
policy

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In January 2024, Mauritius guaranteed three years of free preprimary education for all children, in addition to the free primary and secondary school already guaranteed by law, making the country a global leader in free education, according to Human Rights Watch. Higher education is also free for first-time undergraduate students.

The country spends 4.9% of its GDP on education, which is above the upper-middle-income country average (3.7%) and close to the average of OECD countries (5.0%). However, although total public education spending is in line with Mauritius' GDP per capita, Mauritius allocates more than half of its budget to secondary education. This allocative disparity across education levels weakens educational outcomes, given that dropouts are concentrated at the end of compulsory education. Despite this emphasis on secondary education, only three of 10 students who enter primary school go on to tertiary education, a high dropout rate that wastes resources.

Public higher education in Mauritius lags in quality because of chronic underinvestment in the sector, which is allocated only 7.7% of the education budget. Public tertiary education facilities in Mauritius have limited access to modern laboratories, research centers, grant programs for international research and international scholarships. The country's gross tertiary education enrollment ratio is 48%, ahead of the African average of 10%, but behind that of other upper-middle-income economies.

The legislative framework for higher education is provided by the Higher Education Act of 2017. Two statutory bodies respectively regulate higher education and conduct quality audits: the Higher Education Commission (HEC) and the Quality Assurance Authority. The higher education sector comprises 10 public higher education institutions (HEIs), of which four are universities, and 31 private institutions. Private providers include international institutions from Africa, Asia, Australia and Europe. In 2021, about 50,000 students were enrolled in HEIs, with 57% in public HEIs.

Aiming to make Mauritius a regional knowledge hub, the government provides numerous tax incentives to attract international HEIs, including value-added tax exemptions for the construction of purpose-built buildings. In 2023, 13 projects received Smart City Certificates. Yet the low number of international students (only 5.8% of total enrollment in tertiary education) indicates that Mauritius is far from achieving this ambition.

R&D in the country is spearheaded by the Mauritius Research and Innovation Council. Mauritius slipped in the Global Innovation Index, falling to 55th in 2024 from 52nd in 2021, but it remains the top-ranked country in sub-Saharan Africa. Yet underinvestment in R&D partly explains the gap in innovation performance, with Mauritius spending only 0.4% of GDP on R&D. To lay the foundation for a data-driven economy and accelerate the innovation process, the government has set up a Data Technology Park at Côte d'Or, inaugurated in October 2023. It encompasses 12 specialized centers, ranging from additive manufacturing to deep artificial intelligence.

Education policy /  
R&D

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## Governance

### I. Level of Difficulty

Mauritius faces the structural constraints and climate vulnerabilities associated with being a small island developing state (SIDS) because of its small land area, low-lying coastal regions and heavy reliance on external resources.

In 2023, Mauritius ranked 106th among 193 countries with respect to climate disaster risk vulnerability. The sea level in Mauritius rose by an average of 4.7 mm a year during the period from 1987 to 2022 (compared with the global average of 3.3 mm). Climate change threatens Mauritius' unique biodiversity, including its endemic plant and animal species, through habitat loss, coral bleaching and invasive species. Beach erosion, coral reef degradation and extreme weather events such as cyclones and flash floods negatively affect the tourism sector and the economy.

Water shortages and an unreliable water supply are major impediments to development. Mauritius may become a water-scarce country by 2030, further endangering agriculture and food security. Food insecurity is a serious structural vulnerability, as 77% of food is imported.

Heavy reliance on imported fossil fuels (79% of the country's total primary energy supply) makes Mauritius vulnerable to oil-price shocks. The high cost of fuel imports also raises electricity costs, with the average retail price of electricity in Mauritius exceeding \$0.15 per kilowatt-hour, higher than the sub-Saharan African average.

Structural impediments related to the oligopolistic nature of the key sugar, tourism, financial services and real estate sectors prevent capital from flowing to profitable investment opportunities that could lay the foundation for future growth. According to the World Bank, more than two-thirds of sectors – including ICT, financial services, transport and tourism – are considered highly concentrated.

Civil society has a long history in Mauritius that predates independence. Religion-based organizations, charitable societies, trade unions and other forms of association have historically contributed to the development of civic engagement and the alleviation of poverty.

Today, with around 6,000 registered CSOs, civil society in Mauritius is dynamic, with a strong focus on service provision and charitable activities. The legal basis for these associations is set by the Registration of Association Act of 1982. Given the fragmentation of Mauritian society along ethnic and religious lines, civil society also reflects this fragmentation, and many NGOs have historically been organized around

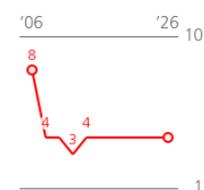
Structural constraints

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Civil society traditions

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ethnic, linguistic or other traditional diversity concerns. For instance, each ethnic group has its own charity associations that cater to widows, the needy and orphans, as well as its own educational facilities. However, a wide array of cross-ethnic NGOs with concerns of general interest has also emerged. These organizations address health-related issues, as in the case of Prévention Information Lutte contre le SIDA (PILS), an AIDS support group; human rights, as in the case of Dis-Moi; the environment and sustainable development, as do Reef Conservation Mauritius and the Mauritian Wildlife Foundation; gender issues and domestic violence, as in the case of Gender Links and Passerelle; and LGBTQ+ issues, as do Collectif Arc-en-ciel and Young Queer Alliance.

However, the porous line between civil society and the state has made it difficult for Mauritian civil society to fully perform its checks-and-balances role. Freedom in the World's Mauritius Country Report 2023 noted that even though civil society associations operate freely, reliance on government funding can compromise their independence. Some NGOs are used by politicians to build consensus or to cultivate patron-client relationships. Some associations officially declared as NGOs are actually the state's spearheads within civil society, such as the Mauritius Family Planning & Welfare Association, which won the Most Outstanding NGO in Mauritius award in 2000 and 2005, but was set up by an act of parliament. State umbrella bodies such as the National Economic and Social Council (NESC) and the Mauritius Council of Social Service (MACOSS), despite their objective of empowering civil society groups, are intended to build bridges between civil society and the state, which may act as a way to curtail or contain social dynamics.

Mauritius has been praised for both its political stability and its enduring democratic model, characterized by a high level of political accommodation despite sporadic violence. According to the 2023 Global Peace Index, Mauritius is the most peaceful country in Africa and ranks 23rd worldwide on this measure.

Overall, successful management of diversity accounts for this success. During decolonization, Mauritius adopted a political system known as consociationalism, or power-sharing among political elites from the various ethnic groups, to ensure majority-minority balance. This proportionality principle was embodied in the Best-Loser System (BLS), a system of corrective seats intended to ensure balanced ethnic representation at the legislative level. The BLS was introduced as a consociational tool to curb social unrest and replace it with ethnic accommodation, reassuring ethnic communities about their political representation, and has thereby contributed to political stability.

On the other hand, the proportionality principle formally installed in parliament is informal in other spheres of the state, particularly in the distribution of ministerial portfolios and senior official positions. The extension of ethnic power-sharing to the civil service, and even to nominations in parastatal bodies, promotes political patronage, clientelism and nepotism, and the price can be quite high in terms of

Conflict intensity  
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'06 '26 10



effectiveness and competence. Ethnic clientelism and the rhetoric of ethnic competition combine in a phenomenon known by the vernacular term “communalism.” This also feeds chronic suspicions about the fairness of the redistribution of state resources and creates potential for conflict over the allocation of state resources. The 1999 riots epitomize the issue, expressing the frustration and resentment of the Afro-Creoles, a group that is not officially recognized and has lagged behind in economic and social standards. In 2022, the shadow of the 1999 riots resurfaced, with cost-of-living protests erupting in several cities across the islands.

## II. Governance Performance

### 14 | Steering Capability

Mauritius is able to articulate policy goals; however, the strategies to achieve these goals often lack a clear identification of structural issues. Rulemaking appears to be governed by pragmatic reactivity and ad hoc approaches – responding to issues as they arise through piecemeal policy design – which at least sometimes suggests the absence of an overarching strategy. The OECD Investment Policy Review for Mauritius 2024 and the Country Private Sector Diagnostic by the World Bank Group of December 2023 both point to a lack of systematic ex ante scrutiny of legislative proposals, with the rulemaking system relying excessively on legislative amendments introduced by the executive. The lack of strategic thinking in prioritization can also be seen in investment policymaking and, more particularly, in strategies to attract FDI. The OECD Investment Policy Review for Mauritius 2024 suggests that many investment incentives are influenced by sectoral lobbying, at times benefiting existing firms in well-established industries. The Economic Development Board (EDB), as the government agency responsible for strategic economic planning and attracting foreign investment, engages in prioritization when selecting sectors to be promoted, but it also offers incentives to other sectors competing with the targeted ones. This scattershot approach may not be effective in attracting the types of investment needed for economic growth.

Project implementation is hampered by a lack of accountability. The National Audit Office’s National Audit Report 2024 highlights inadequate accountability mechanisms at various levels in ministries and government departments as the root cause of delays in the implementation of state projects. The 2024 audit report indicates that ministries do not adequately monitor project implementation after funds have been disbursed to entities under their purview. The inadequacy of the legal framework for control over the disbursement of grants prevents the government from ensuring that funding objectives are achieved; ministries act merely as disbursing agencies. Moreover, 57% of ministries and government departments did not meet key

Question  
Score

Prioritization

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Implementation

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performance indicator targets for the financial year 2022/23. As a result, 96% of planned drain projects at the National Development Unit were not implemented during the fiscal year, and only 4% of the projects were in progress. The slow implementation of these projects jeopardizes the safety of the population on a flood-prone island.

Poor implementation due to underperformance in monitoring and evaluation is also evident in investment promotion. The OECD Investment Policy Review 2024 points to a lack of systematic data collection and key performance indicators related to investment promotion, resulting in the absence of the systematic monitoring that is vital for evaluation and implementation.

The root causes of these systemic deficiencies in implementation, as identified by the National Audit Office, lie in a prevailing culture of impunity and complacency within public institutions; weaknesses in expenditure control; the absence of well-directed sanctions for “dereliction of duty”; the inadequacy of the existing legal framework governing control mechanisms for grants; and insufficient monitoring by ministries and government departments of projects implemented by public bodies under their aegis.

In 1968, Mauritius did not seem destined for a bright future as an independent state. The local economy depended on a single crop, and both population growth and unemployment rates were high, conditions conducive to the development of ethnic tensions. Yet independent Mauritius experienced one of the most rapid and successful development paths in African history.

The Mauritian growth trajectory is one of structural transformation with successive diversification sequences. The “Mauritian miracle,” which enabled the island to move from a low-income country to an upper-middle-income country, epitomized the flexibility and capacity of Mauritius to learn from failures and implement new options. The “Mauritian miracle” started soon after independence, when Mauritius obtained export quotas under the Sugar Protocol to the European Union (EU). It derived from the country’s flexibility and capacity to continuously diversify its production base throughout the various phases of its economic development.

In 2018, the Economic Development Board (EDB) was established to provide strong institutional support for strategic economic planning and to ensure greater coherence and effectiveness in formulating economic policy for Mauritius. However, more recently, the Mauritius miracle seems to be waning, despite attempts to move toward new orientations, such as the green and blue economies. The Mauritius Research and Innovation Council is spearheading research on these two sectors. However, the green and blue economy strategies articulated in the review period’s latest budgets still face gaps and challenges, particularly with respect to Mauritius’ significant challenges in achieving food security. The lack of investment in research and development and the chronic underfunding of public universities cripple innovation and flexibility.

Policy learning

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## 15 | Resource Efficiency

Mauritius' system of governance relies on a solid institutional framework. However, every year the National Audit Office flags chronic deficiencies and mismanagement that result in the waste of public money. The National Audit Report 2024 again spotlights poor planning, cost overruns, project delays, inadequate timing or failures in essential service delivery. As a result, a number of essential service projects are stalled, and the delays translate into ballooning costs as adjustments made along the way inflate project budgets, burdening taxpayers with the costs of financial mismanagement. For instance, a staggering 86% of drainage projects remained unrealized during the financial year 2022/23, exacerbating issues such as flooding and posing grave threats to public safety.

Despite audit reports flagging the same chronic issues year after year, only 33% of identified issues were resolved over the past three financial years. In the 2024 audit report, 67% of issues were unresolved or only partially resolved, including weaknesses in expenditure control, deficiencies in project management and asset management, lapses in procurement management, and non-compliance with applicable laws. The 2024 National Audit Report pinpointed investments totaling MUR 11.8 billion that did not yield any return during 2022/23. The same report also flagged investments totaling MUR 77.5 billion, representing 85% of the total cost of investments, that have not yielded any return since they were made.

Closely linked to these deficiencies, the level of public sector gross debt has more than doubled over a decade, rising from MUR 238 billion in December 2014 to MUR 559.1 billion in June 2024, an average annual increase of MUR 32 billion. As a consequence, bureaucracy is still taking a toll on efficiency. According to Amcham's Business Climate Index 2024 for Mauritius, government bureaucracy has made little progress, with 51% of respondents rating the country's bureaucracy as moderate, 15% as high and 9% as very high.

Mauritius' development success can partly be explained by authorities' responsiveness in addressing problems as they arise, often in an ad hoc way. However, the proliferation of initiatives by different ministries and agencies signals a lack of coordination in policy design and implementation across government bodies. The 2024 OECD Investment Policy Review for Mauritius reports a fragmented approach to governance. Numerous institutions support the private sector in Mauritius, including the Development Bank of Mauritius, the Industrial Finance Corporation of Mauritius, the Mauritius Research and Innovation Council (MRIC), the Economic Development Board (EDB), SME Mauritius Ltd, the SME-Equity Fund and the National Transport Corporation. A 2023 public expenditure review by the World Bank identified at least 105 programs launched in recent years targeting the private sector, offering various support mechanisms including loans, cost

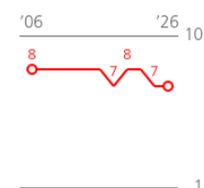
Efficient use of assets

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Policy coordination

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subsidies, grants, leasing and tax breaks. This fragmentation of institutions and government support ultimately undermines policy effectiveness and likely leads to overlaps and inefficiencies, given the similarities in program objectives and targeted sectors.

Mauritius is a signatory to a number of anti-corruption mechanisms, such as the Public-Private Platform Against Corruption (PPPAC), the Private Sector Anti-Corruption Task Force, the Construction Industry Anti-Corruption Committee, and the African Union Convention on Preventing and Combating Corruption. Although the prevalence of corruption in Mauritius may seem low by regional standards, it is a source of public concern. In the latest Afrobarometer survey in 2024, 67% of respondents said they feared retaliation when speaking out about corruption. Access to information for citizens and the media is further hindered by the absence of a freedom of information law.

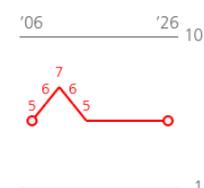
The main piece of legislation governing bribery and corruption in Mauritius dates to 2002, with the Prevention of Corruption Act (POCA) 2002, complemented by other laws, including the Financial Intelligence and Anti-Money-Laundering Act 2002. It was updated by the Financial Crimes Commission Act 2023 (FCC Act), put into effect in March 2024, which repealed the Good Governance and Integrity Reporting Act (2015), the Asset Recovery Act (2011) and the POCA, which was criticized for containing loopholes regarding corruption in the private sector. The FCC Act also includes a series of new fraud offenses, such as abuse of position and electronic fraud. The new legislation additionally introduces mechanisms for protecting whistleblowers.

Integrity mechanisms exist to flag corruption, with the National Audit Office (NAO) serving as the official body responsible for auditing state spending in line with international standards. However, there is no evidence of systematic follow-up by the executive on audit reports, although the NAO has repeatedly flagged the need for accountability in the management of public funds. Moreover, the scope of NAO audits is limited, as some funds disbursed to private entities are not eligible for audits. For instance, during fiscal year 2022/23, private secondary schools were granted MUR 5 billion, but the NAO was not able to confirm whether these public funds were used effectively and efficiently for the specified purpose.

During the review period, several high-profile corruption cases reinforced the perception that corruption exists at the highest political levels. In February 2023, a \$550 million scam was uncovered, allegedly committed by a counterparty of a bank where the Mauritian government had placed public funds. The bank had secured a banking license from the Bank of Mauritius, and, by decision of a Ministry of Finance committee, public funds totaling \$65 million belonging to various public institutions were deposited there. An investigation has been launched to determine accountability and to uncover whether members or close associates of the outgoing government benefited from substantial unpaid loans or received commissions. Also in February

Anti-corruption  
policy

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2023, a suspected drug dealer was arrested on allegations of money-laundering. Press reports surfaced of connections between the suspect and high-profile members of the government. Despite being sentenced to prison by a court in neighboring Reunion Island for drug-trafficking, the suspect ran businesses in Mauritius on government-leased land. Questions were raised about why he had not been extradited to Reunion for so long. In January 2024, the Mauritian courts finally ordered his extradition to Reunion to face his sentence.

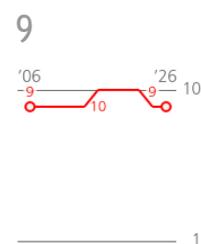
According to AmCham's 2024 Business Climate Index for Mauritius, companies, whether microenterprises or larger organizations, are exposed to corrupt practices when dealing with local or national government agencies, especially in highly regulated industries or when engaging in new business areas requiring government approval. The need to interact with regulatory bodies or local government authorities increases their exposure to corrupt practices, particularly in sectors such as real estate, construction and large-scale procurement.

## 16 | Consensus-Building

A culture of consensus is widely acknowledged to have been an important part of the Mauritian miracle. Consensualism, which is part of Mauritian culture, must be understood as a product of the consociational democracy enforced in Mauritius during the decolonization process. In Mauritius, consociational power-sharing is embodied in a multiparty parliamentary system, which appears to be a variation of the Westminster model. Mauritius has been governed by coalition governments since independence. Because of the electoral system and the parties' ethnic electoral bases, no party can win elections on its own. Alliance partners must agree on the distribution of top state positions within the coalition if victorious, especially the posts of president, deputy prime minister, minister of finance and speaker. Coalition politics in Mauritius, stemming from the electoral system, have thus contributed to establishing a culture of consensus.

The consensus on goals that historically existed at the elite level within the consociational power-sharing arrangement has also extended to relations with the private sector and society at large. Given the plural nature of Mauritian society and the necessity for political accommodation, the great diversity of interests and viewpoints among stakeholders in the governance process obliges leaders and decision-makers to opt for moderate positions and consensual decisions. Decision-making is therefore marked by the constant need to negotiate and broker arrangements to suit all stakeholders. This culture of accommodation and participatory politics has facilitated an ability to find satisfactory compromises to achieve the needed adjustment among different groups. It has thus allowed Mauritius to tackle, without undue disruptions, the distributional issues and policies needed to solve social tensions that arose during and after independence.

Consensus on goals



Some sociocultural associations, such as Voice of Hindu, Kranti or Zamzam, have proclaimed themselves to be watchdogs of morality, peace and order, resorting in some cases to physical intimidation. This was the case, for instance, in the attack on a Pentecost ceremony in March 2010 by a Hindu-based sociocultural group protesting religious conversions. In October 2023, a group of armed Muslim men interrupted a charity concert held at a venue in Port Louis in an attempt to prevent a song written by a prominent Jewish American musician from being played, with the action meant as a protest against Israeli military operations in Gaza. Some of these sociocultural organizations are tolerated by politicians because of their lobbying and influential support, especially at election time. However, these anti-democratic actors only marginally affect governance, given the high level of tolerance and consensus that prevails in Mauritian society.

For historical and political reasons, ethnicity is the most salient cleavage in Mauritius, as it has been instrumentalized in the political sphere since decolonization. It is entrenched in the political system and, by extension, in state institutions due to the Best-Loser System mechanism and the classification of ethnic communities within the constitution. However, internal mechanisms ensure that ethnic cleavages are minimized. In particular, the politics of accommodation and the need for coalition governments provide insurance against acute polarization.

For the most part, coalition-based politics in Mauritius have contributed to political stability by preventing severe ethnic polarization. Most of the time, coalitions are marriages of convenience intended to fight a common enemy and seize power rather than being based on coherent sets of political choices and economic policies. By obliging potential adversaries to enter interethnic alliances, they depolarize cleavage-based conflict and expand consensus across dividing lines.

In this context, the welfarist orientation of social policies since independence has focused on a redistributive logic aimed at preventing ethnic polarization and conflict by ensuring that all groups have access to the welfare state. This universal, comprehensive social policy, inclusive of all citizens, has played a major role in ensuring stability and peace in the country. Governments also seek to avoid major social disputes through negotiation or arbitration. Labor disputes are resolved by the Conciliation and Mediation Section of the Ministry of Labor or by the Commission for Conciliation and Mediation. Disputes related to ethnicity or other discriminatory grounds are settled by the Equal Opportunity Tribunal.

Anti-democratic actors

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Cleavage / conflict management

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Mauritius has a culture of consensus, consultation and collaboration across ministries and agencies, with such contacts often occurring early in the regulatory process. However, the nature of this consultation appears to involve certain stakeholder groups more extensively than others, giving the impression that its goal is to secure political backing.

The government has a long-standing tradition of dialogue with the private sector, which is frequently consulted on new laws and regulations. This public-private dialogue is strengthened by the lobbying capacity and public dialogue capacity of some major organizations representing the private sector, namely the Joint Economic Council (JEC), the Mauritius Chamber of Commerce and Industry, and Business Mauritius. A Public-Private Joint Committee convenes quarterly to deliberate on matters of economic significance, chaired by the minister of finance, economic planning and development. Pre-budget public consultations for the 2024/25 budget also included artists and cultural associations, representatives of insurers, exporters, NGOs and other groups.

The government also consults civil society organizations on the development and implementation of various national plans and programs through its umbrella organization, the National Economic and Social Council (NESC). The most important ministries, trade unions and employers, the Regional Assembly of Rodrigues, and civil society organizations for youth, women and the elderly are represented on the NESC. The government consults the NESC mainly during pre-budget discussions. It plays an important role in promoting dialogue and national consensus on major socioeconomic issues and development programs.

Reconciliation began in Mauritius in 2009 with the establishment of the Truth and Justice Commission (TJC) under the Truth and Justice Commission Act adopted by parliament in 2008. The commission was mandated to conduct an inquiry into the legacy of slavery and indentured labor in Mauritius and to investigate complaints of land dispossession. It was also responsible for determining appropriate measures to extend to descendants of slaves and indentured laborers.

In an important report released in November 2011 and aimed at promoting national reconciliation, the Truth and Justice Commission recommended memorializing slavery; achieving a better understanding and a more inclusive account of Mauritian history; increasing protection of Mauritian heritage; and empowering Mauritians of African and Malagasy origin. It also made other recommendations aimed at enhancing economic and social justice, particularly related to land issues and the more equitable and judicious use of the environment.

Following the TJC's recommendations, Mauritius implemented several measures in a spirit of national reconciliation. The Mauritian parliament adopted the Equal Opportunities Act, establishing an Equal Opportunities Commission. Mauritius also increased its anti-trafficking capacity. The Combating of Trafficking in Persons Act

#### Public consultation

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#### Reconciliation

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2009 was amended in 2023 to formally establish a National Steering Committee on Trafficking in Persons. The Intercontinental Slavery Museum in Port Louis was inaugurated in September 2023.

## 17 | International Cooperation

Mauritius' foreign policy has always focused on maintaining strong economic and political relations with major international powers, including its former colonial rulers, with a view to supporting its economic competitiveness. This is in line with its liberal economic policy, which is pro-trade and pro-investment. Attracting investments, technologies and best practices from abroad is thus a priority in Mauritius' diplomatic engagements.

Mauritius' engagement with international partners relies on a strategy of accumulating partnerships and developing synergies in order to support the country's socioeconomic transformation. Under the government program from 2020 to 2024, this socioeconomic transformation was defined mainly in terms of a more inclusive nation committed to wealth redistribution and improved quality of life for all citizens, together with the development of a knowledge- and technology-driven economy.

Mauritius is a member of the World Trade Organization, the Commonwealth of Nations, the Francophonie and the African Union, as well as many other regional economic groups, including the Southern African Development Community (SADC), the Indian Ocean Commission (IOC), the Common Market for Eastern and Southern Africa (COMESA) and the Indian Ocean Rim Association. It has also signed double taxation avoidance agreements with 46 countries. The Ministry of Foreign Affairs, Regional Integration and International Trade identifies and implements improved trade mechanisms and provides better market access after each round of negotiations on regional and multilateral trade agreements such as the African Continental Free Trade Area (AfCFTA), the U.K.-Eastern and Southern Africa (ESA) Agreement, the EU-ESA 5 and the SADC Trade Facilitation, among others. Likewise, the Ministry of Foreign Affairs, Regional Integration and International Trade is instrumental in securing capacity-building and project-building programs from international organizations such as the Commonwealth and the European Union.

However, despite many signed bilateral and multilateral agreements, there still seems to be no clear long-term political and economic strategy to support the vision of the government program (2020 – 2024). Rather than a roadmap specifying steps to reach defined aims, development policy relies on international grants and funding from international organizations such as the European Union, the African Union and the Commonwealth, as well as loan agreements with international partners such as Saudi Arabia, India and China, in a piecemeal or sectoral manner.

Effective use of support

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Mauritius has established credibility on the global stage with a foreign policy committed to meeting its international obligations. As a successful international financial center, it has consistently built a reputation over the years as a reliable and safe jurisdiction for foreign investment. The various bilateral agreements relating to investment, taxation and trade attest to foreign countries' confidence in Mauritius as a place to conduct business and invest.

Mauritius mainly complies with upholding its international commitments. Mauritius has demonstrated a commitment to combating money laundering and the financing of terrorism and proliferation, with a robust regulatory framework. It is assessed as "Compliant" or "Largely Compliant" with all 40 Financial Action Task Force (FATF) recommendations. It has maintained its status as a compliant country with the Organization for Economic Co-operation and Development (OECD). The country has implemented various measures to ensure transparency and good governance in its financial sector, including the exchange of financial account information, the implementation of the Common Reporting Standard (CRS) and the Foreign Account Tax Compliance Act. Mauritius has also been assigned an overall rating of "Compliant" by the Global Forum on Transparency and Exchange of Information for Tax Purposes.

However, in January 2025, Mauritius faced sanctions from the Southern African Development Community (SADC) due to the government's failure to make successive payments related to the SADC Mutual Defence Pact. The country owes approximately \$11 million, a debt that has accumulated as a result of the outgoing government's commitments that were not honored. Despite the amount being included in the earlier budget, Mauritius failed to fulfill its financial obligations, resulting in its suspension from participating in any decisions made by the SADC. As a result, Mauritius has found itself excluded from participation in the SADC's activities and decisions. The failure to comply with international obligations is unprecedented in the history of Mauritius. The former minister of foreign affairs justified the non-payment by the fact that the government of Mauritius had expressed reservations regarding a peacekeeping mission under the aegis of the SADC and the capacity of Mauritius to be part of it.

Mauritius has consistently worked to broaden and deepen cooperation with its bilateral partners and multilateral organizations. Mauritius held the presidency of the Organization of African, Caribbean and Pacific States (OACPS) during February – July 2023. Mauritius led discussions between OACPS and the European Union on a comprehensive Post-Cotonou OACPS-EU partnership agreement. In the Indian Ocean, Mauritius is strengthening its partnerships with France through the Commission Mixte Maurice-Réunion, as well as with other countries in the region, especially Madagascar, Seychelles and Comoros. At the regional level, collaboration with the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC), the Indian Ocean Commission (IOC) and

### Credibility

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### Regional cooperation

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the Indian Ocean Rim Association (IORA) is being enhanced to ensure regional cooperation in the areas of maritime security and safety, drug-trafficking and drug use and food security, among others. Mauritius hosted the Third Ministerial Conference on Maritime Security in November 2023. It also hosted the First Ministerial Conference on Drug-Trafficking and Substance Abuse in the Western Indian Ocean in April 2024.

## Strategic Outlook

As the new government's term progresses in Mauritius, the key macroeconomic challenge will be to sustain economic growth while controlling inflation and the budget deficit. The fiscal burden on the state budget will remain a major challenge, as electoral competition led the newly elected government to make expensive promises that it must now honor. Among its priorities, the government must demonstrate its commitment to democracy by holding municipal elections, which have not been held since 2015 for municipal councils and since 2020 for village councils (rural areas).

Commitment to political reform remains a critical priority for Mauritius if it is to shed its reputation as one of the world's most rapidly "autocratizing" countries. Sustaining the freedom of expression and civil liberties in the digital age will be another challenge, as Mauritius must move away from a culture of censorship and surveillance. The executive, which has amassed overwhelming power by ruling through regulations and passing bills without consensus, faces the challenge of self-regulation. The electoral reform advocated by Sachs in 2009 can no longer be avoided. Political courage will be needed to design a new constitution and design an electoral reform that matches the population's aspirations for less power-sharing consociationalism and more representative democracy. The Financial Crimes Commission carries significant potential as a new legislative weapon for fighting corruption, financial crimes and drug-trafficking.

The Chagos deal with the U.K. may bring greater sovereignty for Mauritius over the excised archipelago, which is to be returned to the republic, except for the U.S. military base on Diego Garcia. Moreover, the deal may provide a financial windfall for Mauritius that could alleviate the fiscal burden of public debt incurred by welfarist measures. Given the prevailing lack of transparency and trust in institutions, it may be critical to establish transparent mechanisms to redistribute funds. Economic diversification that promotes digitalization and the blue and green economy still needs to be more convincing, as it will require policies to improve digital connectivity and data security.