

AFRICA RISK CONSULTING

Mauritius Monthly Briefing July 2025

Mauritius Summary 25 July 2025

World Health Organisation African Regional Office hosts a workshop to discuss challenges facing Mauritius' healthcare sector. While the country has developed the healthcare sector over the past decade, lingering challenges such as the over reliance on imports remain. The International Monetary Fund (IMF) and Organisation for Economic Co-operation and Development (OECD) issues commentary on Mauritius' budget speech delivered in June, acknowledging the importance of Mauritius practicing fiscal sustainability by increasing revenue and decreasing costs to prevent increasing public debt. United Arab Emirates' (UAE) national carrier Emirates announces a third daily flight to Mauritius, increasing accessibility to the island, which is critical not only to the tourism industry, but to further bolster economic development.

World Health Organisation (WHO) helps develop new healthcare policy

World Health Organisation's (WHO) African Regional Office launched an initiative on 2 July to assist Mauritius in developing a **National Medicine Policy** aimed at guaranteeing access to safe, effective, and affordable medicines in conjunction with country's goal of achieving universal health coverage.¹ The development of the new policy aims to increase transparency, accountability, and system resilience, targeting a pharmaceutical supply chain largely dependent on imports.

While healthcare in Mauritius has improved over the last decade with the government increasing their investments into the sector, an **Afrobarometer** survey released in December 2024 reported that four in ten Mauritians report going without medicine once in the past year due to varying factors such as long waiting queues, poor facilities, lack of medicines and an absence of medical personnel, all of which proves the island's remaining healthcare challenges.² The survey captured that 41% of respondents who were sick either went once, several times or always without medicine while 59% of respondents said they never go without medicine while being sick.

Together with these technical challenges, there are other longer term challenges facing Mauritius' healthcare sector such as an overreliance on imported medicine, regulatory weaknesses including drug quality assurance and regulatory oversight, and high public health costs.^{3 4}

In a bid to efficiently combat these challenges, the workshop hosted a variety of guests to deliver input. Some prominent guests included WHO experts, Professor **Fatima Suleman** and Dr. **Andy Gray** who works as experts at the **WHO Collaborating Centre for Pharmaceutical Policy** in South Africa,. They both emphasised the importance of a strong policy healthcare foundation to address the remaining challenges the healthcare sector faces.⁵

While the workshop is a critical first step to addressing the remaining challenges, developing a healthcare policy to decrease reliance on imported medicines might face some implementation challenges. The biggest challenge the policy will face is ensuring that the country has the necessary resources and infrastructure to implement the recommendations. The government is facing

¹ WHO, 2 Jul 2025

² Afrobarometer, 9 Dec 2024

³ Mauritius Health Sector Strategic Plan 2020-2024

⁴ International Trade Administration, 2024

⁵ WHO, 2 Jul 2025

increasing fiscal pressures and needs to cut back on expenditure, which could impact government allocations for healthcare.

In the 2025/26 budget, the government did emphasise its commitment to improving the quality of healthcare and supporting the modernisation and innovation of the healthcare industry. The government allocated Rs18.5 billion (\$400m) to the health sector, a slight increase from 2024/25 financial year Rs18 billion (\$389m).⁶ However, the question remains whether the government can continuously support the healthcare industry over the coming years with increasing public debt.

The government is making continuous inroads to address and improve healthcare challenges on the island and succeeding to an extent considering that Mauritius is one of the few African countries with enough doctors and healthcare facilities to service its population.⁷ However, fiscal challenges will be a dealbreaker of whether the government can continue the improvements in the healthcare sector.

IMF and OECD weigh in on Mauritius' fiscal policy

The **International Monetary Fund (IMF)** issued a response on 15 July to Mauritius' budget speech, which was delivered on 5 June, stressing that the government needs to focus on fiscal sustainability to preserve inclusive economic prosperity.⁸ The IMF confirmed that the government's fiscal policy direction is broadly aligned with the IMF's proposition of increasing revenue and decreasing spending to reduce the country's high public debt, which reached 87.3% of GDP in March. However, the government needs to be more aggressive in its attempts.

The **Organisation for Economic Co-operation and Development's (OECD)** analysis on the budget supported this, noting that the government's 2025/26 fiscal policy remains expansionary.⁹ Although the government is trying to increase revenue by introducing new taxes such as the tourism tax and increasing value added tax (VAT) for businesses, it has not been successful in cutting down expenditure. The government emphasised fiscal priorities such as salary adjustments, travel allowances schemes and increasing basic retirement packages for government officials.¹⁰

Together with the new expenditure priorities, pensions are posing to be a long term risk for the country's fiscal sustainability. Mauritius has an aging population and is expected to double their dependency ratio over the next thirty years, meaning Mauritius will start to have more older people dependent on the state pension, the **Basic Retirement Program (BRP)**, while the country has less younger people to pay tax to fund the programme. This led government to raise the retirement age from 60 to 65, in an attempt to make the pension system more sustainable. Although both the IMF and OECD's analysis agree with the broad direction of the country's fiscal policies; it does highlight these problems which it sees as potential barriers to fiscal consolidation.

While the IMF and OECD's critiques are important to keep in mind when considering the budget, it is also important to remember that Mauritius has been facing a cost of living crisis which has been placing financial pressure on Mauritians. Measures such as increasing the BRP fund and giving personal tax breaks are important ways for the current administration to fulfil its campaign promises of decreasing the cost of living and supporting Mauritians. However, to remain fiscally sustainable it is critical for the government to continue consolidating fiscal expenditure so as to not lose its inclusive economic prosperity.

Emirates increase daily flights to Mauritius

United Arab Emirates' national carrier **Emirates** airline announced on 21 July that it will introduce a third daily flight to Mauritius from 1 December, to improve accessibility to the island and convenience

⁶ Platform Africa, 5 Jun 2025

⁷ WHO, 22 Jun 2022

⁸ IMF, 15 Jul 2025

⁹ OECD, 30 Jun 2025

¹⁰ OECD, 30 Jun 2025

for tourists and other individuals in the **Middle East, Europe** and the **Americas**.¹¹ Emirates is a key player in Mauritius' aviation – and tourism - sector, having carried more than 8.8 million passengers and 126,000 tonnes of cargo to the island since 2002 and supported the job creation of 3,600 individuals.¹² The government will welcome the announcement as it will bolster these numbers, which will increase national revenue – according to Emirates deputy president and chief commercial officer, **Adnan Kazim**, the airline has contributed \$264m in tourism receipts and \$530m to the economy through tourism-related spending.¹³

Increased flight availability to Mauritius makes the island more accessible to tourists but further bolsters the island's goal of being the gateway to Africa.¹⁴ Most African countries on the continent are not easily accessible, either because there are limited direct flights or traveling costs are very high.¹⁵ The **International Air Transport Association (IATA)**, estimated that in 2023, Africa accounted for less than 2% of global air travel.¹⁶ This is concerning as difficult access and high costs are barriers to economic development. Increased air transportation holds enormous opportunities to boost any country, economically, especially Africa, through job creation, tourism, but increased access also increases broader economic development as goods can flow into and out of the country easier.¹⁷

The continuous increase of flights to and from Mauritius not only has the opportunity to increase the country's revenue through tourism but also gives increased access to its financial institutions, which it markets as easy platforms to invest into other African countries.¹⁸

Planner

13 Aug 2025 **Port Louis (Mauritius) Bank of Mauritius (central bank) Monetary Policy Committee meeting**

Chronology

22 Jul 2025 **Port Louis (Mauritius) Le Mauricien**. Leading global financial markets magazine **Euromoney's Awards for Excellence 2025** names **Mauritius Commercial Bank** as Mauritius' leading bank and awards five national awards to other Mauritian banks, highlighting their strong performance and diverse banking strategies;

21 Jul 2025 **Port Louis (Mauritius) Le Mauricien**. **Statistics Mauritius** reports headline inflation for the 12 months ending June 2025 slowed to 2.9%, compared to 4.5% for the corresponding period in 2024;

20 Jul 2025 **Port Louis (Mauritius) Le Mauricien**. Mauritius and **India** strengthen their cooperation following the fifth meeting of the **Executive Council of the World Hindi Secretariat**, attended by arts and culture minister, **Mahendra Gondeea**, and a high-level Indian delegation led by **Neena Malhotra**;

18 Jul 2025 **Port Louis (Mauritius) International VAT Association**. Government announces that it will introduce a 15% VAT on digital services provided by foreign providers to local consumers, effective 1 January 2026;

18 Jul 2025 **Port Louis (Mauritius) Bank of Mauritius**. The **Bank of Mauritius (central bank)** intervenes in the domestic foreign exchange market by selling \$20m at a rate of Rs45.70/USD;

¹¹ MSN, 21 Jul 2025

¹² MSN, 21 Jul 2025

¹³ Informa Markets, 21 Jul 2025

¹⁴ Unikklik, 29 May 2025

¹⁵ OkayAfrica, 28 May 2024

¹⁶ BBC, 11 Jul 2023

¹⁷ BBC, 11 Jul 2023

¹⁸ Unikklik, 29 May 2025

- 15 Jul 2025 **Port Louis (Mauritius)** *Ministry of Foreign Affairs of Japan*. Foreign affairs minister **Dhananjay Ramful** meets with **Japan's** foreign affairs minister, **Iwaya Takeshi**, to discuss regional integration and international trade;
- 15 July 2025 **Moka (Mauritius)** *Government Information Services*. **France's** ambassador extraordinary, **Frédéric Bontems**, states at the annual **French National Day** reception that Mauritius and France must continue to foster their relationship and bilateral relations;
- 14 Jul 2025 **Port Louis (Mauritius)** *Le Mauricien*. Opposition leader **Joe Lesjongard** will raise a private notice question in the **National Assembly** on 15 July, focusing on the sharp decline of the Mauritian rupee and its impact on rising inflation;
- 10 Jul 2025 **Port Louis (Mauritius)** *Ministry of Foreign Affairs*. **Austria's** ambassador **Romana Königsbrun**, pays a courtesy call to foreign affairs minister **Dhananjay Ramful**;
- 10 Jul 2025 **Port Louis (Mauritius)** *Le Mauricien*. Social security minister, **Ashok Subron**, introduces a new legal aid and assistance bill aimed at improving Mauritians access to legal aid, especially low-income individuals and women;
- 10 Jul 2025 **Port Louis (Mauritius)** *Government Information Services*. The **United States (US)** and Mauritius re-enforce their relationship with US ambassador to Mauritius, **Henry Jardine**, stating that looks forward to deepening the two countries bilateral relations during his upcoming term;
- 9 Jul 2025 **Port Louis (Mauritius)** *Le Mauricien*. **Statistics Mauritius** indicates that annual inflation increased sharply from 4.2% in May to 5.4% in June;
- 3 Jul 2025 **Port Louis (Mauritius)** *Le Mauricien*. Cabinet is set to decide on revisions to the basic retirement pension payment formula for those aged 65, with the prime minister and finance minister, **Navin Ramgoolam**, expected to address the issue in the **National Assembly**;
- 2 Jul 2025 **Port Louis (Mauritius)** *OECD*. Mauritius, together with **Indonesia** and **Ukraine**, request accession to the **Organisation for Economic Co-operation and Development's (OECD) Anti-Bribery Convention**;
- 1 Jul 2025 **Port Louis (Mauritius)** *Le Mauricien*. **Mauritius Telecom** reports a record turnover of MUR 13 billion (\$280m) for 2024, reflecting 2.3% growth, despite a decline in net profit to MUR 1.09 billion (\$23.5m) due to rising operational costs;
- 1 Jul 2025 **Port Louis (Mauritius)** *Ministry of Foreign Affairs*. **India's** foreign secretary **Vikram Misri**, meets with foreign affairs minister **Dhananjay Ramful**, on his one day visit to Mauritius, also officiating the ceremony of India's donation of anti-drug equipment to Mauritius' police force;
- 26 Jun 2025 **Copenhagen (Norway)** *Blue Justice*. President **Dharam Gokhool** meets with **Norway's** fisheries and ocean policy minister, **Marianne Sivertsen Næs**, to discuss the **Blue Justice Secretariat** and **United Nations Development Programme's (UNDP) Blue Resilience Project**;

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