

AFRICA RISK CONSULTING

Mauritius Monthly Briefing December 2025

Mauritius Summary 12 December 2025

Bank of Mauritius (BoM) (central bank) reveals an impairment loss of Rs5.4 billion (\$114m) in the Mauritius Investment Corporation (MIC), indicating that some of the MIC's investments are overstated which is in turn affecting the entity's balance sheets. The United States (US) increases its travel warning to Mauritius from a level 1 to level 2, citing an increase in petty theft and violent crime on the island. Mauritius Telecom presents a strategy to drastically accelerate the country's digital transformation and upgrade network infrastructure to be able to accommodate business and fintech.

Bank of Mauritius and Mauritius Investment Corporation causes new concerns

Bank of Mauritius' (BoM) (central bank) 2025 annual report has revealed an impairment loss of Rs5.4 billion (\$114m) in the **Mauritius Investment Corporation (MIC)**, indicating that some of the MIC's investments are overstated which is in turn affecting the entity's balance sheets. An impairment loss is the amount by which an asset's carrying amount exceeds its recoverable amount, signalling a permanent reduction in the asset's value.

What remains unclear from the audit reports is whether these overstated investments are linked to the corruption allegations against former central bank governor, **Harvesh Kumar Seegolam**, and former finance minister, **Renganaden Padayachy**. Police [arrested](#) Padayachy and Seegolam over alleged embezzlement and theft from the MIC, alleging they manipulated BoM policy to print more money to fund the MIC's investment into Mauritian companies (*see ARC Briefing Mauritius May 2025*). The MIC was established during **Covid-19** to assist companies in dealing with the effects of the pandemic.

The BoM's involvement in supporting the MIC's investments is alarming considering the effects it has on the economy, as can be seen from the [results](#) of prime minister **Navinchandra Ramgoolam's** (2024-present) investigation into the finance ministry which revealed that Padayachy had overstated the 2023 gross domestic product (GDP) figures which lead to the artificial appreciation of the rupee. Under Seegolam's governorship the BoM sold massive amounts of foreign reserves to artificially appreciate the rupee. Since the **Alliance du Changement (AdC)** came into power in 2024, the BoM's intervention on the domestic exchange market has declined as a result of Ramgoolam's economic strategy to counter the effects of Seegolam's monetary policy.

Between the end of 2023 and Ramgoolam's election win, the BoM was intervening on the exchange market at least two to three times a month. Since Ramgoolam became prime minister, it has dropped to about once a month or every second month. However, in October, interventions started increasing again which is likely related to the MIC's overstated investments. Although the BoM intervening on the domestic exchange market is also likely because it is trying to combat inflationary pressures, this is either way an unsustainable monetary policy and a [concerning](#) trend which must be closely observed.

Apart from the economic pressures the BoM's intervention in and support of the MIC might cause; it remains to be seen how the situation will be dealt with. This is because the island's public finances remain in a precarious position due to the finance ministry falling under Ramgoolam's control, as well as the recent turbulence in the BoM's leadership. Since the end of 2024, the BoM has been struggling with consistent leadership as the foregoing governor, Seegolam, was arrested while Ramgoolam

asked Seegolam's successor, **Rama Sithanen**, to resign (*see ARC Briefing Mauritius Sep 2025*). While the BoM did hire a new central bank governor in late September, **Priscilla Muthoor Thakoor**, the BoM remains weakened by the rapid overturn of leadership which creates policy inconsistency.

In addition to weakened leadership at the BoM, the lack of a stand-alone finance minister also puts fiscal policies under strain. Ramgoolam has to balance his prime minister role with finance minister, and there is no indication of how time is being split. Ramgoolam also overseeing the finance ministry was a political decision, driven by his desire to keep the role away from his coalition partners, which could see decisions made to align with political interests over sound longer term economic frameworks.

US raises travel warning to Mauritius

The **United States (US)** state department [raised](#) its travel warning for Mauritius from a level one to level two on 9 December, urging US nationals to exercise increased caution when visiting the island, citing an increase in criminal activities, [such](#) as petty theft and incidents of violent crime, which are affecting tourists on the island.

While US tourists are not in the top tier of international tourists visiting Mauritius, the citing of increased violence and criminal activities is concerning. The US travel advisory is highly likely to have a knock on effect on other **Western** markets such as the **United Kingdom (UK)** and **European Union (EU)**. This could hold far greater impacts as during 2025, most [international](#) tourists registered came from **France**, 30%, followed by **India** (8%), **Reunion** (8%) and **Germany** (8%), **South Africa** (6%) and other international tourists (40%).

Tourism contributes significantly to the island's economy and in 2024, the **Organisation for Economic Co-operation and Development (OECD)** [reported](#) that tourism contributed around 13.5% to Mauritius' gross domestic product (GDP). Annually 1.3 million people [visit](#) the island with Mauritius achieving a record of 129, 206 [arrivals](#) in July 2025, a 3.3% increase year-on-year. However, the surge in tourism to Mauritius is not only beneficial to the island as it has [extended](#) benefits for many other Southern African countries. Tourists who visit Mauritius are highly likely to also visit other African countries such as South Africa, **Egypt**, **Tanzania** and **Kenya**.

Consequently, if the government does not sufficiently address the increase of violent crimes and it continues to escalate, it is highly likely to have a significant negative impact on the sector, both domestically and even regionally. In addition, small business and tour operators, as well as hotels in Mauritius could face increasing insurance premiums. Additionally, it could also increase operational costs for local businesses with the increased hiring of security staff, private protection, and security systems. In turn, this could make it more expensive for tourists.

It is important for the government to determine the cause in the increased violent crime and petty theft to sufficiently address the problem so as to avoid any negative repercussions on the economy and wider region.

Mauritius Telecom presents strategy to accelerate digital transformation

The majority state-owned entity, **Mauritius Telecom**, which the island's leading network service provider, [unveiled](#) a new strategy on 5 December to accelerate digital transformation. CEO **Veemal Gungadin** launched the digital transformation strategy at the **MT Connect** event, specifically outlining that the strategy is set to position Mauritius as a digital hub which is capable of linking Africa and **Asia**.

The digital transformation strategy is [built](#) around four 'corridors':

- The connectivity corridor, focused on expanding fibre networks, and deploying 5G-advanced cables;
- The AI/computer corridor, focused on data centre expansion and sovereign cloud services to support any artificial intelligence initiatives;

- The innovation and scale corridor, focused on providing entrepreneurs with tools to grow across Africa and Asia;
- The financial corridor, focused on enhancing regional integration and cross-border payments.

What is significant about this strategy and the four corridors are that it is not only aimed at increasing or enhancing the consumer experience but also represent an investment into data-heavy services and cloud hosting infrastructure. In other words, the strategy is focused to support business, and business investment but is also a step towards building a foundation for a knowledge-based economy.

If the strategy realises in an efficient manner, there could be significant economic potential for Mauritius to introduce a different sector to the economy, which is still heavily reliant on tourism and the financial sector. The materialisation of such data heavy infrastructure is highly likely to attract foreign direct investment as it would indicate that the island is able to host data heavy operations such as fintech and payment platforms, AI and machine learning companies, and most importantly, business process outsourcing.

Although this is an impressive strategy from Mauritius Telecom, which holds significant opportunities for the island, the partially state-owned enterprise could face some obstacles in realising this strategy. The first likely being a lack of financial access and/or investment to build and expand upon network infrastructure. Coupled with this, the island faces significant 'brain drain' whereby an increasing number of educated and specialised individuals are leaving the country, meaning there could be a shortage of skilled labour to build and implement the strategy. Finally, the island has recently seen an increase in political intervention of state-owned operations and should the AdC dissolve or a new government come into power in the next election that either does not like or prioritise this development, it is highly likely to either falter or take long to implement.

2026 outlook

In 2025, there has already been some turbulence in the ruling AdC coalition, driven by tensions between deputy prime minister **Paul Bérenger** and Ramgoolam. Tensions are likely to remain in 2026, and the coalition's stability may actually rest with Bérenger and whether he believes his **Mouvement Militant Mauricien (MMM)** still benefits from being part of the coalition alongside Ramgoolam's **Parti Travalliste (PTr)** and its third member, **Nouveaux Démocrates**. Alliance du Changement (see ARC Briefing Mauritius November 2025).

Since the Alliance du Changement took office at the end of 2024, various allegations of political and economic mismanagement has come forward which has exposed a significant rise in corruption and political intervention allegations from both the previous and current administration. Some of these high-profile cases, namely Padayachy and Seegolam's, may be heard in 2026. However, it should be noted that there has traditionally been little consequence for political figures facing corruption charges and this could still be the case for these two. This could prompt some unrest as Mauritians could be seeking justice, especially as they have faced economic challenges in recent years.

Economically, the island will remain stable for 2026. The BoM has kept the repo rate at 4.50% and will either hold or cut this further in the new year. The **International Monetary Fund (IMF)** has also projected that while GDP growth will slow in 2025 to 3%, it will increase and stabilise at 3.6% in 2026.

Planner

26 – 29 Jul 2025 Port Louis (Mauritius) United States (US)-Africa Business Summit
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Chronology

9 Dec 2025 **Moka (Mauritius)** *Ministry of Foreign Affairs*. President **Dharam Gokhool** attends a talk at the **Financial Crimes Commission (FCC)** headquarters under the theme 'Fighting corruption and other Financial Crimes';

9 Dec 2025 **Port Louis (Mauritius)** *Government Information Services*. Gender equality and family welfare ministry and the **Mauritius Broadcasting Corporation** sign a memorandum of understanding to improve the visibility and give exposure to the ministry's gender equality awareness campaign;

8 Dec 2025 **Port Louis (Mauritius)** *Reuters*. A **United Nations (UN)** committee urges the **United Kingdom** and Mauritius to not ratify its agreement on the **Chagos Islands**, arguing that it risks perpetuating long-standing violations of Chagossians' rights;

5 Dec 2025 **Port Louis (Mauritius)** *BoM*. **Bank of Mauritius** (central bank) reports annual inflation eased to 4% in November, from 4.1% in October, a fifth consecutive decline;

4 Dec **Port Louis (Mauritius)** *Government Information Services*. **Corporate Council on Africa (CCA)** CEO **Florizelle Liser**, accompanied by the **United States (US)** ambassador to Mauritius, **Henry V. Jardine**, meets with prime minister **Navinchandra Ramgoolam** to discuss the July 2026 **US-Africa Business Summit**;

2 Dec 2025 **Port Louis (Mauritius)** *Visa News*. Prime minister **Navinchandra Ramgoolam** unveils several policy changes to the tourism sector, including the planned introduction of an e-visa system, working to capitalise on a sector that remains key to development;

3 Dec 2025 **Port Louis (Mauritius)** *Ministry of Foreign Affairs*. **Bulgaria's** ambassador to Mauritius, **Maria Tzotzorkova-Kaymaktchieva**, pays a courtesy visit to prime minister **Navinchandra Ramgoolam**;

1 Dec 2025 **Port Louis (Mauritius)** *Government Information Services*. The health ministry signs a memorandum of understanding with **India**-headquartered **Fortis Healthcare Limited**, to strengthen specialised medical services in Mauritius;

29 Nov 2025 **Kampala (Uganda)** *New Vision*. A tour and travel delegation from **Mauritius** concludes a ten-day visit to Uganda aimed at strengthening bilateral tourism cooperation and expanding commercial visibility;

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Please contact us by email info@africariskconsulting.com

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