

## AFRICA RISK CONSULTING

### Mauritius Monthly Briefing January 2026

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#### Mauritius Summary 23 January 2026

*The governing coalition, Alliance du Changement, marks one year in power in December after winning the 2024 elections by a landslide. Although there have been some successes, serious challenges, such as the cost of living crisis, threaten to undermine any other achievements. United States (US)-headquartered Moody's 2026 credit rating looms over the Mauritian economy, as the country anticipates whether its status will remain the same or be downgraded. The government officially responds to the recent travel advisories the Canadian and US government's issued regarding increased crime on the island, arguing that crimes against tourists are isolated incidents and are not part of a bigger, structural problem.*

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#### Alliance du Changement celebrates one year

The ruling coalition, the **Alliance du Changement (ADC)**, officially marked one year in power in December after winning the 2024 general elections by a landslide. Most [critical reflections](#) of the ADC's year in power mention citizen's continual disappointment and frustration with the island's economic conditions. During the 2024 elections, the ADC heavily [campaigned](#) on the cost of living crisis by promising Mauritians it would reduce living costs and improve living standards. However, most citizens have been left feeling disappointed by harsh economic policies in an attempt to radically reduce government expenditure.

In the 2025/26 national budget the government announced that it will be restructuring the national **Basic Retirement Pension (BRP)** by raising the eligibility age from 60 to 65 over five years. While the strategy makes economic sense to reduce expenditure, most citizens [perceived](#) the strategy as 'democratic betrayal'. Similarly, trade unions have raised concern, arguing that the lower-middle class and workers are trapped because they earn too much to qualify for the income support grant but too little to absorb the loss of the BRP.

Consumers are also still facing the cumulative cost-of-living pressure since 2022, which was initially triggered by the previous government's strategy to depreciate the rupee, causing the cost of living to increase (see *ARC Briefing Mauritius Dec 2025*). While inflation has [slowed](#) from an average of 10.77% in 2022 to 4% in 2025, consumers still sit with cumulative repercussions as prices are still 27.6% higher than in 2022. As a consequence, voters are feeling widespread disillusionment with the coalition's ability to deliver on its campaign promises and inability to relieve the cost-of-living crisis.

Although citizens remain unsatisfied by the country's economic conditions, the ADC has celebrated some achievements since coming into power, the most prominently including the disbandment of the **Special Striking Team (SST)** in November 2024. The SST became highly controversial during the previous administration's tenure. Citizens' [complained](#) that the SST was used for political purposes to target political opponents under the guise of drug enforcement operations, making its disbandment a welcome decision for those that [viewed](#) the unit as repressive.

Additionally, the ADC has also invested in anti-corruption efforts through the enactment of the **Financial Crimes Commission Act (FCCA)** which combined the efforts of the **Independent Commission Against Corruption (ICAC)**, the **Asset Recovery Investigation Division**, and the **Integrity Reporting Services Agency**. This led to the establishment of the **Financial Crimes Commission (FCC)** and subsequent high profile arrests of former prime minister **Pravind Jugnauth** (2017-present), former **Bank of Mauritius (Bo)** (central bank) governor, **Harvesh Kumar Seegolam**, and former finance minister **Renganaden Padayachy** on corruption charges.

Even though the ADC dismantled repressive institutions and focused on anti-corruption efforts, the continued economic challenges are highly likely to undermine and devalue its other achievements. In turn, posing a likely risk for the ADC's future success. Additionally, internal fractures between prime minister **Navinchandra Ramgoolam** (2024-present), and **Paul Bérenger**, leader of the second largest political party in the ADC coalition - **Mouvement Militant Mauricien (MMM)** - are also likely risk to the coalitions' continued success (*see ARC Briefing Mauritius Nov 2025*).

Therefore, while the ADC celebrated some wins during its first year, the challenges for 2026 remain significant and are highly likely to determine whether their tenure will be seen as a success or a failure.

### Looming Moody's 2026 credit rating

In January 2025, **United States (US)**-headquartered **Moody's** [affirmed](#) Mauritius' Baa3 sovereign credit rating, but [downgraded](#) its outlook from stable to negative. Heading into 2026, Moody's upcoming 2026 credit rating will be critical for Mauritius and help reflect if reforms the new administration has taken have paid off.

The Baa3 is the lowest investment-grade classification on Moody's [scale](#), which ranges from Aaa (highest) to C (lowest). Anything between Ba1 and C is considered to be non-investment grade or 'junk status', placing Mauritius one notch above a non-investment grade Ba1, which is the threshold for being classified as junk status. The rating classification directly influences the country's borrowing costs and determines investor confidence in government bonds and financial instruments.

Mauritius' initial outlook downgrade in 2025 from stable to negative [stemmed](#) from the budget deficit in 2024, which the government revised from 3.9% of GDP to 5.7% of GDP, while projecting a deficit of 7.5% of GDP in 2025. As noted by the **International Monetary Fund's (IMF) Article IV**, Mauritius has significantly high public spending, leading the IMF to call for aggressive consolidation of expenditures (*see ARC Briefing Mauritius Apr 2025*). Although the government has tried to streamline expenditure and increase revenue in the 2025/26 budget, with the newly introduced tourism tax and increased VAT, expenditure control remains inadequate (*see ARC Briefing Mauritius Jul 2025*). The inadequate expenditure control is clearly reflected in the country's debt to GDP ratio; Mauritius' public debt is 82.4% of GDP, significantly [higher](#) than the Baa3-rated median of 58%.

While Mauritius' fiscal stability and economic outlook is highly likely to influence Moody's 2026 credit rating, another element which is bound to heavily determine the rating is the recent turbulence regarding the BoM. The BoM's governance crisis involving Seegolam's corruption allegations and his successor **Rama Sithanen's** resignation, signals deep institutional weakness in the country's central bank. Institutional weakness directly undermines the monetary policy's credibility which Moody tries to evaluate. Furthermore, the absence of a dedicated finance minister concentrates fiscal policy under short-term political consideration rather than sound macroeconomic frameworks (*see ARC Briefing December 2025*).

Considering Mauritius' budget deficit, debt-to-GDP ratio, and institutional economic weaknesses the country is facing a serious risk of being downgraded to a non-investment grade rating of Ba1 and lower. This is even more likely considering the country has been continuously [downgraded](#) since 2020 when it had a Baa1 rating. Government's short term goals should include appointing a dedicated finance minister and ensuring the central bank's independence, while over the medium term, the country must work to further reduce expenditure to restore the country's budget deficit.

### Mauritius responds to US, Canada and Russia travel warnings

After the [governments](#) of Canada, **Russia** and the [US](#) released travel advisories warning their citizens to exercise caution when visiting Mauritius due to increasing crime rates, the Mauritian government has officially [issued](#) a formal acknowledgement, arguing that the increased crime is isolated incidents and there is no evidence pointing towards an organised or systematic threat to visitors.

Although the government has issued this statement defending the country's safety and reputation, it remains important to not only consider the narrative management but also the policy response – the government's statement was not accompanied with a concrete policy response indicating if, or how, it plans to address the increased crime, such as publication of crime statistics, arrest rates or patrol increases. Additionally, [considering](#) the crimes are against foreign nationals, a national safety dashboard could be built to create transparency and accessibility for tourists.

Presenting a comprehensive policy approach to combating crime against tourists is significantly important, not only for economic reasons, but also as a prevention strategy against further reputational risks. If crime is not sufficiently addressed with visible enforcement outcomes, the country runs a high risk of existing advisories escalating their travel warnings. As a consequence, once this reputation is embedded, it becomes increasingly difficult to recover from any reputational damages even though the crime rates may stabilise. Domestically, the number of governments escalating their travel advisories against Mauritius reflects poorly on the ADC and adds to the pressures facing it.

### Chronology

22 Jan 2026 **Port Louis (Mauritius)** *Le Mauricien*. **China's** ambassador to Mauritius, **Shifang Huang**, highlights the growing strength of bilateral relations, urging Mauritius to explore further cooperation under their free trade agreement, the **Belt and Road Initiative**, and China's global development, security, civilization and governance initiatives;

20 Jan 2026 **Port Louis (Mauritius)** *The Guardian*. The **United Kingdom (UK)** government says it will proceed with plans to return the **Chagos Islands** to Mauritius and lease **Diego Garcia** to maintain the joint **United States (US)**-UK military base, despite US President **Donald Trump** condemning the move as a security risk;

20 Jan 2026 **Washington (United States)** *BBC*. **United States** President **Donald Trump** says that the **United Kingdom (UK)** returning the **Chagos Islands** to Mauritius is "*an act of great stupidity*"; the announcement comes after Trump initially voiced his support for the deal;

19 Jan 2026 **Port Louis (Mauritius)** *Le Mauricien*. **Central Electricity Board** confirms an unexpected outage affecting parts of **Rivière du Rempart** are being repaired, and confirms planned power cuts across multiple regions from 20 to 22 January to carry out maintenance and strengthen the electricity network;

17 Jan 2026 **Port Louis (Mauritius)** *Government of India*. The **Indian Coast Guard Ship (ICGS)** Sankalp, an offshore patrol vessel, arrives at Port Louis as a part of India's ongoing diplomatic mission, Overseas Deployment to Friendly Foreign Countries, in the **Indian Ocean Region**;

17 Jan 2026 **Port Louis (Mauritius)** *Ministry of Foreign Affairs*. Foreign affairs minister **Dhananjay Ramful**, announces the official entry of the **Conservation and Sustainable Use of Marine Biological Diversity of Areas Beyond National Jurisdiction Agreement** under the **United Nations Convention of the Law of the Sea (UNCLOS)**;

14 Jan 2026 **Port Louis (Mauritius)** *Bank of Mauritius*. **Bank of Mauritius (BoM)** (central bank) intervenes in the domestic market by selling \$10m at a rate of Rs46.16/USD;

18 Dec 2025 **Port Louis (Mauritius)** *Le Mauricien*. The **Central Electricity Board** announces planned power outages across several localities from 18 to 21 December to carry out network maintenance and reinforce the electrical system;

14 Dec 2025 **Brussels (Belgium)** *Ministry of Foreign Affairs*. Foreign affairs minister **Dhananjay Ramful**, leads the Mauritian delegation to the 120<sup>th</sup> session of the **Organisation of African, Caribbean and Pacific States (OACPS)**;

13 Dec 2025 **Kampala (Uganda) Diplomatic Notes.** Uganda welcomes a travel-trade delegation from **Mauritius** who is visiting the country to investigate ways in which Uganda and Mauritius can strengthen bilateral relations, cooperation and expanding inter-market partnerships;

10 Dec 2025 **Port Louis (Mauritius) Bank of Mauritius. Bank of Mauritius (BoM)** (central bank) intervenes in the domestic market by selling \$15m at a rate of Rs46.25/USD;

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