THE MAURITIUS CHAMBER OF COMMERCE AND INDUSTRY

BUDGET HIGHLIGHTS

2022-23

With the People, For the People

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FOREWORD

On 7 June 2022, the Honourable Minister of Finance, Economic Planning and Development delivered his third National Budget Speech. The Budget has been formulated against a challenging economic backdrop created by the Russo-Ukrainian crisis and the continuing COVID-19 pandemic. Fraught with uncertainties on both local and international front, the Minister has set out a new strategy to accelerate the pace of recovery and build resilience to sustain a long-term growth path. In line with the theme “With the People, For the People”, the National Budget 2022/23 has highlighted focus on food security and green economy. Measures regarding SMEs, sea and air connectivity, structural reforms and capacity building are encouraging to the business community and will help to better position the country internationally.

The Budget 2022/23 advocates for a strong economic recovery with focus on:

(i) Strengthening our Economic Growth and Resilience to Future Shocks;

(ii) Accelerating our Transition to a Sustainable and Inclusive Development Model; and

(iii) Investing in Our People.

Throughout its Budgetary consultations, the Mauritius Chamber of Commerce and Industry (MCCI) advocated for “A Resilient, Sustainable and Responsible Economic Recovery” with focus on a set of measures aimed at ensuring business continuity, consolidating the industrial base and addressing structural reforms across major economic sectors. The MCCI has also made recommendations for the implementation of targeted measures to cushion the adverse impacts of the rising inflation on businesses and the most vulnerable households, and is pleased to note that the Budget has considered the above, and provided a particular focus on supporting vulnerable businesses and addressing the cost of living pressures. Overall, several key budgetary proposals made by the MCCI have been positively acknowledged.

FOREWORD *(Cont'd)*

With renewed and improved business confidence, the Mauritian economy is estimated to have grown by 6.9% in FY 2021/22. Supported by the measures unveiled in the Budget 2022/23, the Minister of Finance expects a 8.5% growth in GDP in FY 2022/23. For FY 2023/24, it is expected that GDP growth would stand around 5.0%, barring any further disruption that could be caused by any external shock.

In view of the Government's fiscal strategy, the overall budget deficit is forecasted to be 4.0% of GDP in FY2022/23 and is projected to decline to 3.5% in FY2023/24. The country's public debt, which rose significantly amid the pandemic, accounts for 78% of GDP. Consistent with the Macroeconomic Framework, public sector debt is planned to be brought down to around 75% by end of June 2024. With a view to strengthening economic growth and resilience to future shocks, the setting up of the *'Maurice Stratégie'* to formulate socio-economic policies is critical to consolidate the economic recovery and accelerate the transition of Mauritius into a sustainable and inclusive economy while maintaining fiscal stability.

Our country is currently experiencing a hard time in the fight against the pandemic as well as the enormous challenges presented in the face of inflationary pressures in the form of high costs of living and food security issue. Such concerns have significant implications for the economic and social stability in the long run, and cannot be resolved at one stroke. Our objective is to propel economic revival and accelerate medium to long term development.

To this end, this Budget will enable us to strive to overcome setbacks and achieve a long-term economic success. The MCCI is of the view that through the concerted efforts of both the public and private sector, cooperation and involvement of all stakeholders is crucial in ensuring the smooth and swift implementation of the measures proposed in the National Budget 2022/23.

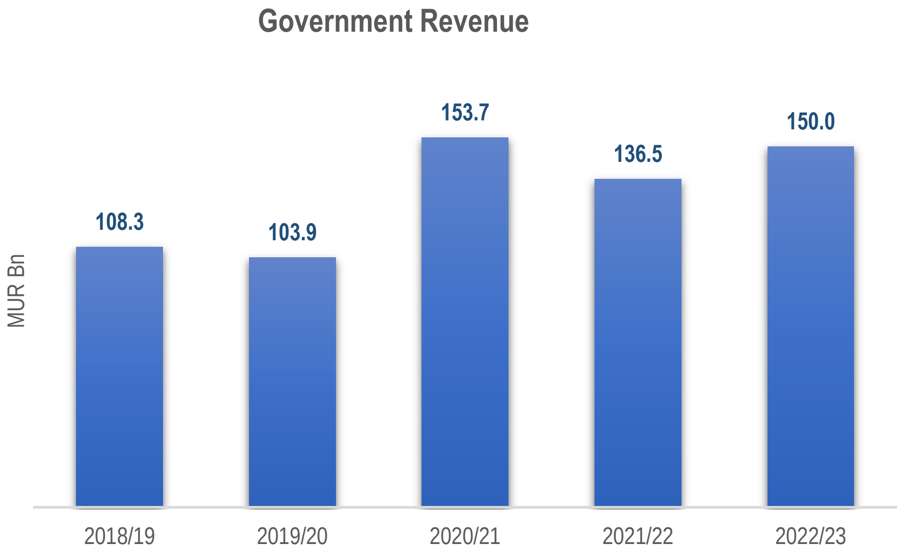
BUDGET FINANCIALS & ECONOMIC OUTLOOK

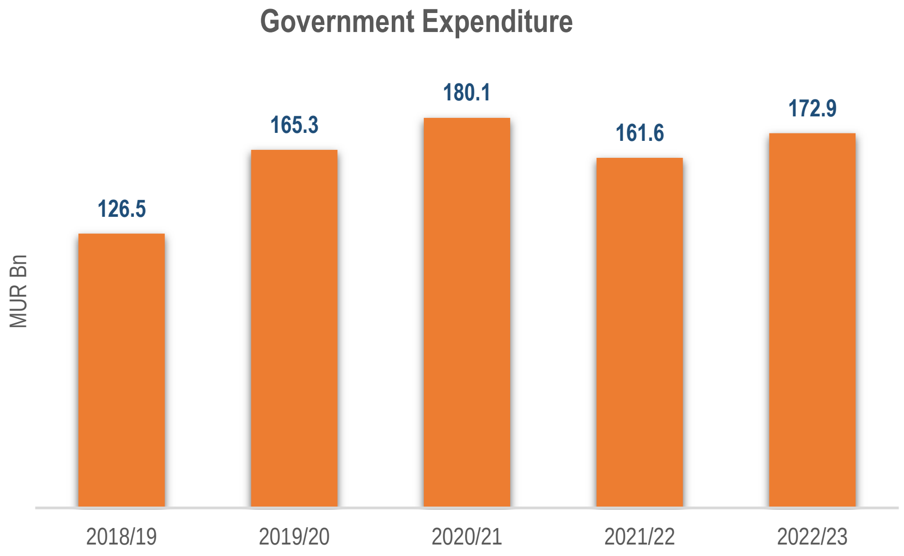
ECONOMIC INDICATORS

IMF	2021	2022
GDP	MUR 465 billion	MUR 520 billion
Unemployment	9.1%	7.8%
Exports of goods and services	MUR 141 billion	MUR 169 billion
Investment Rate	19.2%	21.2%
FDI	MUR 15.4 billion	> MUR 20.0 billion
Tourist Arrivals	179,780	1,000,000
Public Sector Debt (June)	96.1%	87.4%
Government Debt (June)	87.1%	77.3%

Wage Assistance Scheme and Self-Employed Assistance Scheme	Benefitted 542,000 workers and self-employed – MUR 27.3 billion
Pensions	MUR 9,000 to 302,000 beneficiaries to preserve the purchasing power of the elderly and the vulnerable
Subsidy on essential products	MUR 5.2 billion
Minimum Wage	Increased from MUR 10,200 to MUR 11,075
Business Support	MUR 100 billion

BUDGET FINANCIALS





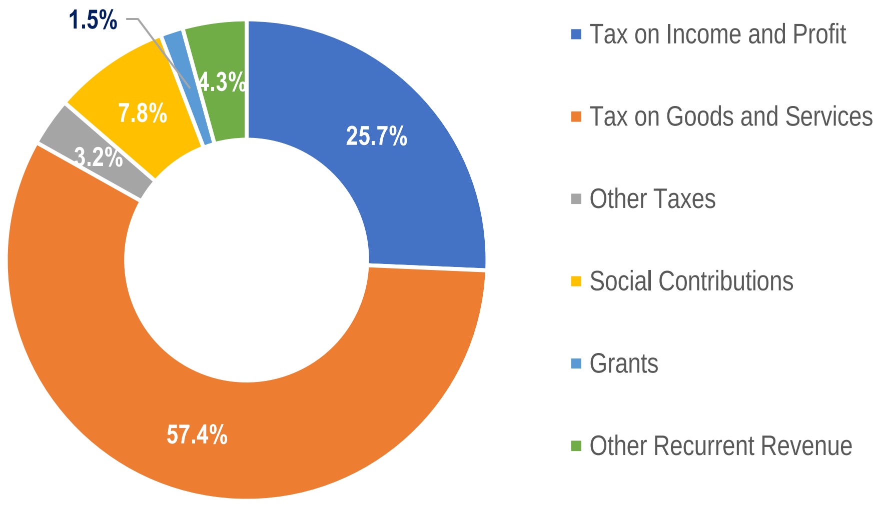
Total revenue of Government for FY 2021/22 is estimated at MUR 136.5 billion. Lower tax revenue are estimated to be partly offset by higher social contributions and remittances from public bodies.

Total expenditure is estimated at MUR 161.6 billion, close to the budgeted amount. Higher recurrent expenditure would be offset by lower capital outlays. The budget deficit would amount to MUR 25.1 billion, representing 5% of GDP.

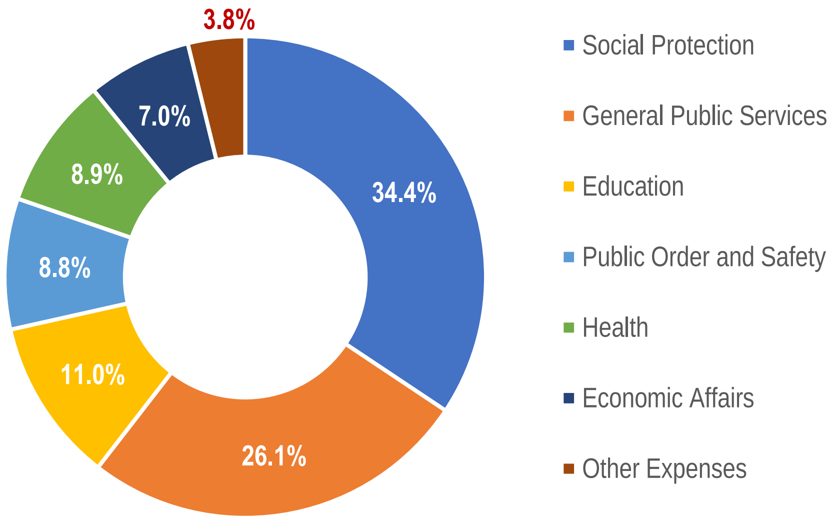
For FY 2022/23, total revenue and total expenditure are projected at MUR 150.0 billion and MUR 172.9 billion, respectively – 9.9% and 10.7%, higher compared to FY 2021/22.

BUDGET FINANCIALS *(Cont'd)*

Government Revenue (Jul 22 - Jun 23)



Government Expenditure (Jul 22 - Jun 23)



For FY 2021/22, tax revenues accounted for 79% of government revenue. For 2022/23, contribution of tax revenues is expected to increase to 86% of total revenue. The increase in tax revenues would be mainly driven by a 21% increase in revenue from VAT and another 21% increase in revenue from 'Taxes on Income and Profits'. Notable increases are also expected in social contributions from MUR 10.1 billion to MUR 11.8 billion (16% increase).

Government Expenditure is estimated at MUR 172.9 billion for FY 2022/23. Expenditure on general public services and health are estimated to decline while notable increase in expenditure on social protection, economic affairs, environmental protection, housing and community amenities have been estimated.

ECONOMIC OUTLOOK

Budget Estimates	Unit	2021/22	2022/23	2023/24	2024/25
Real GDP Growth Rate - constant market prices	%	6.9	8.5	5.0	5.0
Investment Rate (GFCF as a % of GDP)	%	20.9	21.3	21.6	21.8
Budget Balance (Deficit) (% of GDP)	%	-5.0	-4.0	-3.5	-3.0
Public Sector Gross Debt (% of GDP)	%	87.4	78.0	75.4	71.8
Current Account Deficit (% of GDP)	%	-12.0	-9.7	-6.4	-4.1

The Mauritian economy is expected to continue on its recovery path. All sectors of the economy have exceeded their pre-pandemic output levels and closed the output gap. The outlook has improved significantly with recent developments in the tourism and financial services sectors.

Measures announced in the Budget Speech are expected to give a further boost to investment as well as consumption expenditure. On the basis of the expected performance of the different sectors of the economy, real GDP growth is projected at 8.5% in FY 2022-2023 and 5% in FY 2023-2024 and FY 2024-2025.

According to the Bank of Mauritius, inflation is anticipated to be 8.6% in 2022. With a view to facing higher risks to inflation while continuing to support the economic recovery, the policy rate was raised to 2% in March 2022 and to 2.25% on 03 June 2022.

The outlook could see an uptick if the Russia-Ukraine war is resolved sooner than anticipated, prices return to their lower levels, and production and trade flows are restored. Downside risks may come from the spread of new variants of the virus, an escalation of the Russia-Ukraine war, further disruption in the supply chain and sharper increase in fuel and food prices.

ECONOMIC OUTLOOK

The recovery is expected to be mainly driven by the tourism sector. The average expenditure per tourist has increased from MUR 45,000 during the pre-COVID period to around MUR 79,000 during the first quarter of 2022. It is expected that some 1 million tourists would visit Mauritius in 2022 and some 1.4 million in FY 2022-2023. Other related sectors, such as recreation and entertainment, are also expected to grow and contribute positively to overall GDP growth. It is estimated that every additional 100,000 tourists would raise the GDP growth rate by 0.6 percentage points.

The **construction sector** is expected to give a significant boost to the economic recovery. The implementation of major projects such as the National Flood Management Programme, construction of social housing units, expansion of the road network and the construction/upgrading of hospitals and schools will be accelerated. Furthermore, private sector investment in smart city and other major projects is also expected to expand further.

The removal of Mauritius from the Financial Action Task Force (FATF) list of jurisdictions under increased monitoring and the EU list of High-Risk jurisdictions for AML-CFT purposes is expected to give a further boost to the **financial services sector**.

Another major source of growth would be from the development of the **renewable energy sector** in view of the objectives set out in the Renewable Energy Roadmap 2030.

ECONOMIC OUTLOOK

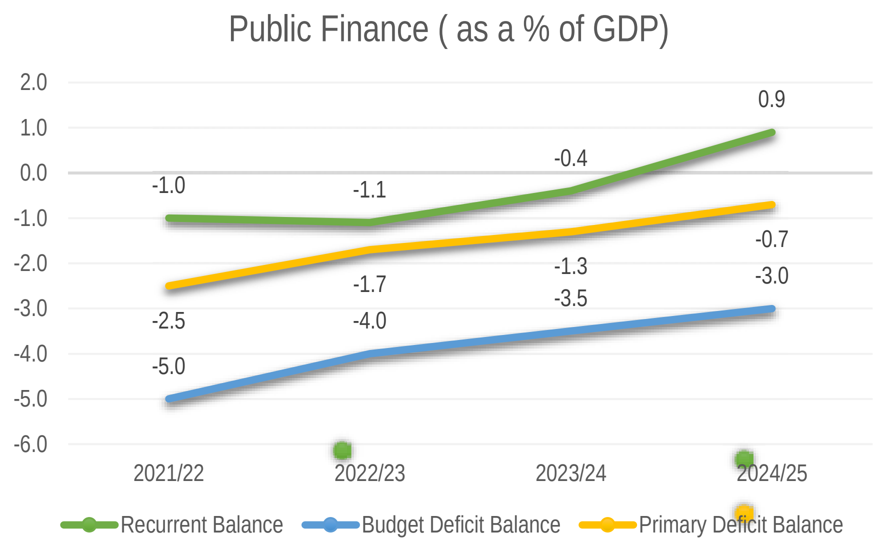
FISCAL BALANCES AND DEBT TARGETS

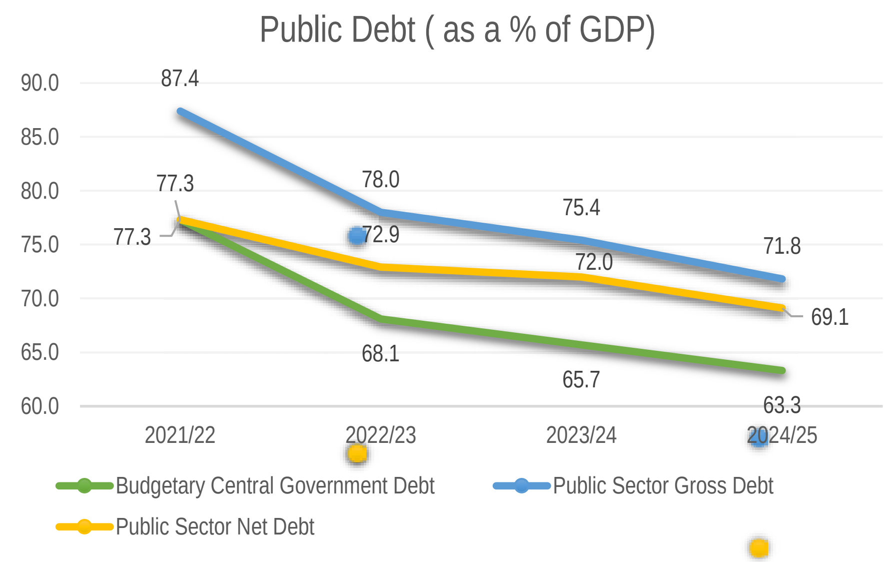
- The fiscal strategy aims at further reducing the debt to GDP ratio to a more prudent level while at the same time ensuring that adequate resources are provided to priority projects and programmes to consolidate the economic recovery and protect the vulnerable and poor. In addition, the strategy aims at minimising fiscal risks as well as increasing the resilience of the economy against future shocks.

- In line with the objective of Government to put the debt to GDP ratio on a downward path, the overall budget deficit would be lowered to 4% of GDP in FY 2022-2023 and further down to 3.5% in FY 2023-2024 and 3% in FY 2024-2025.

- Budgetary Central Government (BCG) debt is estimated at MUR 392.1 billion as at end June 2023. As a percentage of GDP, BCG debt would decline from 77.3% as at end June 2022 to 68.1% as at end June 2023.

- Public enterprise debt as a percentage of GDP would decline to 9.9% as at end June 2023 and to 8.5% by end June 2025. Public sector gross debt would amount to Rs 449.6 billion as at end June 2023. The public sector gross debt to GDP ratio would drop from 87.4% as at end June 2022 to 78% as at end June 2023.





TAX MEASURES

- *Corporate Tax*
- *Income Tax*
- *Excise Duty*
- *Value Added Tax*
- *Tax Administration*

CORPORATE TAX

Income Tax Holiday for Freeport Companies

Newly incorporated freeport operators or developers making an investment of at least MUR 50 million will benefit from an 8-year tax holiday if it starts operations on or after 1 July 2022 and conforms with the substance requirements set by the Economic Co-operation and Development (OECD).

Financial assistance to enterprises in the tourism sector

Effective as from 01 January 2022, salary compensation paid by an enterprise in the tourism sector to its employees for the period January 2022 to June 2022, will be refunded as follows:

- MUR 500 monthly per employee deriving a basic wage not exceeding MUR 13,500; and
- MUR 400 monthly per employee deriving a basic wage exceeding MUR 13,500 up to MUR 50,775.

Premium Visa Scheme

It will be clarified that the foreign employer of the Premium Visa holder will not be liable to corporate tax under the Income Tax Act and social contributions under the Social Contribution and Social Benefits Act.

Introduction of a Global Minimum Tax

The Income Tax will be amended to introduce a domestic minimum top up tax to ensure that resident companies forming part of large multinationals, having a revenue of EUR 750 million, are taxed at a minimum rate of 15%.

SMEs

- Additional Deduction - Procurement from Small Enterprises

Currently, a large manufacturer (having annual turnover exceeding Rs 100 million) is granted an additional deduction of 10% on the amount incurred to purchase locally manufactured products from a small enterprise. **The rate of additional deduction will be increased from 10% to 25%.**

- Waiver of Income Tax Penalties from SMEs

  The Income Tax Act will be amended to implement the decision of Government to waive penalties imposed on Small and Medium Enterprises (SMEs), remaining outstanding as at 25 March 2022, for late submission of income tax returns and late payment of income tax during the years 2020 and 2021.

- Financial Assistance to SMEs – Salary Compensation

  The Income Tax Act will be amended to implement the decision of Government to refund to an SME, in addition to the salary compensation 2021, the salary compensation 2022 paid to its employees up to 30 June 2022. The amendment will be effective as from 1 January 2022.

  Thus, the Mauritius Revenue Authority (MRA) is, in relation to salary compensation for year 2022, paying to a non export-oriented SME an amount of:

  i. MUR 500 monthly per employee deriving a basic wage not exceeding MUR 13,500; and
  ii. MUR 400 monthly per employee deriving a basic wage exceeding MUR 13,500 up to MUR 50,775.

INCOME TAX

Introduction of New Tax Rate

Current Annual Income (MUR'000)	Current Tax Rate	New Annual Revenue (MUR'000)	New Tax Rate
0 – 700	10%	0 – 700	10%
> 700	15%	700 – 975	12.5%
		> 975	15% (Solidarity levy if applicable)

Exemptions and Reliefs

- Increase in the maximum tax exemption in respect of a child pursuing tertiary education from Rs 225,000 to Rs 500,000
- Increase in the maximum deduction for medical insurance premiums from:
  i. MUR 20,000 to MUR 25,000 for an individual and his first dependent;
  ii. MUR 15,000 to MUR 20,000 for every other dependent.
- Increase in the exemption in respect of donations made to an approved religious body or charitable NGO from MUR 30,000 to MUR 50,000
- Increase in the exemption in respect of an individual pension scheme from MUR 30,000 to MUR 50,000
- Tax deduction in respect of bedridden next of kin also applicable to spouses, irrespective of any financial assistance received by the bedridden spouses.
- Tax exemption for petrol or travelling allowance increased from MUR 11,500 to MUR 20,000.

Social Contributions

- The Social Contribution and Social Benefits Act will be amended to:
  i. give a self-employed individual the option, at any point in time, to pay the social contribution for a full year in advance or on a monthly basis;
  ii. give a private household employer the option to pay on a yearly or monthly basis; and
  iii. provide that a self-employed individual who opts to make an annual return will not be required to submit a quarterly statement.

Income Allowance

A direct monthly income allowance of MUR 1,000 will be provided to those earning a gross income of up to MUR 50,000.

This CSG income allowance will provide within weeks a support of MUR 1,000 every month to some 350,000 employees and registered self-employed individuals.

EXCISE DUTY

Alcoholic & Tobacco Products

Duty rates increase by 10% as from 8 June 2022 for alcoholic and tobacco products

Motor Vehicles

The current excise duty rebate scheme on motor vehicles will be extended for a further period of one year up to 30 June 2023. The rebate scheme is applicable as follows:

Type	Rebate
Motor car up to 1000 cc	40%
Motor car above 1000 cc, double/single space cabin vehicle, van and an electric vehicle	30%

Provision will be made to grant customs duty, excise duty and Value Added Tax (VAT) exemption on cars (and spare parts) and automobilia imported for the purpose of exhibition in a motor museum.

Beverages in Can

The excise tax on cans will be applicable on all beverages in cans.

Excise Duty on Sugar Sweetened Products

The implementation of the excise duty of 6 cents per gramme of sugar on locally manufactured and imported non-staple sweetened products will be effective on 1 July 2025.

VALUE ADDED TAX (VAT)

VAT Refund

Events attended by at least 50 participants now eligible for VAT refund under the Meetings, Incentives, Conferences and Exhibitions (MICE) scheme

VAT Return

MRA now empowered to publish electronically the name and address of a VAT registered person including the directors who fails to submit VAT return within 3 months after its due date. MRA to notify VAT registered person prior to publication.

Input VAT

- Government bodies empowered to remit directly to MRA a percentage of VAT on procurement contracts exceeding a specified threshold.
- VAT registered contractors to make adjustment in respect of input tax and output tax in their VAT returns

TAX ADMINISTRATION

Declaration of Assets

The Independent Commission Against Corruption will now be allowed to disclose a copy of the declaration of assets of the employees to the MRA.

Tax Arrears Settlement Scheme (TASS)

The TASS will be re-introduced to the effect that a full waiver of penalties and interest where tax arrears under the Income Tax Act, Gambling Regulatory Authority Act and Value Added Tax Act are paid in full by March 2023 and the taxpayer is registered under the Scheme by 31 December 2022. The Scheme is also eligible to taxpayers having cases pending before the Assessment Review Committee (ARC).

International Arrangements

The Income Tax Act will be amended to allow Mauritius to enter into international arrangements for the resolution of cross border tax disputes through alternative dispute resolutions mechanisms and to implement internationally agreed standards to prevent base erosion and profit shifting.

Rate of Tax Deduction at Source

The rate of tax deduction at source (TDS) on -

i. services provided by professionals will be increased from 3% to 5%; and

ii. rent paid to a resident will be increased from 5% to 7.5%.

Extension of the scope of Tax Deduction at Source

The Income Tax Act will be amended to broaden the scope of TDS to cover:

Services	Rate of TDS
Consultancy Fees	3%
Security Services and Cleaning Services	3%
Pest Management Services	3%
Payment of fees made by insurance companies to motor surveyors and mechanics for repairs of motor vehicles of policy holders	3%

Solidarity Levy - PAYE

An individual liable to the Solidarity Levy and deriving pension or director’s fees will be given the option to request the person responsible for the payment to deduct the Pay As You Earn (PAYE) for the Solidarity Levy at the rate of 10%.

EASE OF DOING BUSINESS

MCCI
THE MAURITIUS CHAMBER OF COMMERCE AND INDUSTRY

DOING BUSINESS

It will henceforth not cost a single rupee to start a business and incorporate a company in Mauritius.

The Bank of Mauritius will ensure that a bank account can be opened within 1 week, be it for an individual or a business.

An Inter-Ministerial Committee chaired by the Prime Minister will oversee the streamlining of licenses and permits in the construction, tourism, healthcare, and logistics sectors.

A Business Regulatory Reform Bill will be introduced as an apex legislation on business facilitation.

Business support enabling them to recruit talents under the young professional occupation permit.

Enable entrepreneurs and students completing their studies to benefit from the premium visa.

Holders of Residence Permits will be given the opportunity, upon applications, to acquire a residential property of a minimum of USD 350 000 outside the existing schemes, subject to a 10% contribution made to the Solidarity Fund.

A Committee chaired by the Prime Minister will examine the applications on a monthly basis.

To continue building on the silver economy strategy to attract more foreign retirees in Mauritius, the EDB will organise the first edition of the Mauritius International Silver Economy Festival.

Support to businesses as they invest in the training and skilling of 3,000 of our youths, men and women through an increased monthly stipend of: -

- MUR 8,000 for those under the National Apprenticeship Programme and the National Skills Development Programme; and
- MUR 10,000 for the Graduate Training for Employment Scheme.

Encourage women getting back into the job market by doubling the period of placement to two years.

An e-register of skills for workers in the manufacturing and construction sectors will be launched to facilitate job search and recruitment of these registered workers.

Angel investors providing seed equity financing to SMEs will benefit from a tax allowance on their investment.

The Consumer Protection (Control of Imports) Regulations 2017 will be amended to extend the validity period of the Pre-Shipment Inspection Certificate from 2 to 4 months. This measure will be applicable for the period 1 July 2022 to 30 June 2023.

The Mauritius Ports Authority will maintain the current Quay Fees for all laden import containers up to 30 June 2023.

The road tax applicable on trailers will be reduced by 50%.

In line with international best practices, the clearance process in respect of imports requiring testing certificates will be simplified.

MANUFACTURING SECTOR & SMEs

MANUFACTURING SECTOR

Largest contributor to GDP

Manufacturing Sector Recovery
11% in 2021

Exports of Manufactured goods
+ 17%

Promote Locally Manufactured Products and Encourage "a buy local culture

- A Virtual Exhibition Platform for locally manufactured goods at the EDB will be operational as from October 2022
- A "Semaine de l'Industrie Locale" will be organised to promote the know how of Mauritian enterprises
- The EDB will identify products to obtain geographical indication and its label

Maintain Momentum in Exports

- Extension of the Freight Rebate Scheme (FRS) and the Trade Promotion and Marketing Scheme (TPMS) up to June 2023
- Exporting agents of locally manufactured products will also be eligible to the TPMS
- The 50% reduction in port charges on exports is maintained.
- Two regional feeder vessels to support industries exporting to the South Asian region (from Sept 2022) and Eastern African region (from Nov 2022)
- The SME International Fairs Refund Scheme will be opened to freeport operators

SMES

Revised Turnover Thresholds

Enterprise	Current	Revised
Micro	< MUR 2M	MUR 2M to MUR 10M
Small	> MUR 2M to MUR 10M	> MUR 10M to MUR 30M
Medium	> MUR 10M to MUR 50M	> MUR 30M to MUR 100M
Mid-Market (New)		>MUR 100M to MUR 250M

> 142,000 enterprises to benefit from improved access to government support programmes, and financing

Financial Assistance to SMEs

- SMEs will benefit from the Freight Rebate Scheme on the South African market.
- Extension of the SME interest free loan scheme and the COVID-19 Special Support Scheme up to June 2023.
- Allocation of MUR 5 billion by DBM to support SMEs, Mid-Market Enterprises and entrepreneurs.
- Setting up of a Venture Capital Fund of MUR 5 billion targeting SMEs and Mid-Market Enterprises.
- Provision of a 50% grant of up to MUR 500,000 to co-operatives for the purchase of recycling equipment and transportation vehicle from local suppliers.

SUSTAINABLE DEVELOPMENT & GREEN ECONOMY

SUSTAINABLE DEVELOPMENT

Need to accelerate the country's transition into a model of sustainable and inclusive development.

Target of 60% energy from renewable sources by 2030

Achieve carbon neutrality in the industrial sector by 2030

Carbon Neutral Industrial Sector

- Implementation of a renewable energy transition framework through:
  - The generation of up to 150 percent of existing usage by industrial users;
  - The provision of an agreed feed-in tariff of Rs 4.20 for industrial users by the CEB;
  - Allowing the setting up of both on-site and off-site PV installations by industries; and
  - The introduction of a Carbon Neutral Loan Scheme by the IFCM over 7 years at a preferential rate of 3%
- A Committee will be chaired by the Prime Minister to fast-track the implementation of Renewable Energy projects to attain this objective.

Accelerating the Land Transport Electric Vehicles Transition

- To further promote the electrification of the public transport system, the IFCM will provide leasing facilities of 3 percent per annum over 10 years to transport operators to acquire electric vehicles and charging infrastructure.
- IFCM will provide concessionary leasing at 3.5% per annum to companies renewing their company fleet to electric only.
- As from 1st July 2022, all hybrid and electric vehicles will be duty-free.
- The introduction of a negative excise duty scheme of 10% for the purchase of electric vehicles by individuals up to a maximum of MUR 200,000.

Adopting an Effective Demand Management Strategy

The Energy Efficiency Management Office will: -

- Introduce mandatory Minimum Energy Performance Standards for air conditioners; and
- Extend the mandatory energy labelling to television sets and tumble dryers.

To promote locally manufactured products from recycled materials: -

- A tipping fee will be paid to local recyclers per tonne of waste, excluding used tyres and PET bottles; and
- A margin of preference will be provided for products manufactured from recycled materials.

To improve resource recovery for recyclers:

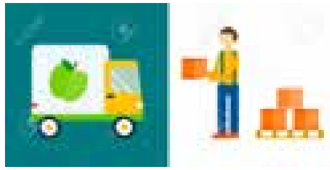
- An additional déchetterie will be set up for disposal of waste oils, construction and demolition wastes amongst others;
- A pilot Composting Unit and a Sorting Unit will be developed for the separation of dry and wet waste resources for sale to registered recyclers on a PPP basis;
- A framework will be introduced to encourage composting of Green Wastes from Households, Markets, Parks and Gardens; and
- A Scrapyard for vehicles declared total loss and beyond their economic life will be created on a PPP basis.

SELF-SUFFICIENCY & FOOD SECURITY:

MITIGATING HIGH COST OF LIVING

SELF-SUFFICIENCY

COVID-19 and the Russo-Ukrainian conflict are powerful reminders that self-sufficiency is important.



Rely on Imports for more than 75% of food requirements

Market worth MUR 37 billion – 8% of GDP

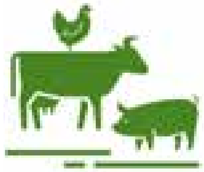
Measures to Develop Agro-Industry


Fruits & Vegetables


Tea Sector


Sugar Sector


Apiculture


Livestock Sector


Fisheries

- Investment of MUR 400 million by the DBM for the setup of 2 food security clusters
- Increase of subsidies on fertilisers, animal feed and seeds.
- Introduction of a “Crop Replantation Fund” at the Development Bank of Mauritius at a preferential rate of 2.5% per year is available to motivate planters to consider growing fruits & vegetables on deserted land.
- Planters involved in sustainable agricultural exercises enlisted with the EDB shall be provided with an 8-year income tax holiday.
- The grant under the Cane Replantation Scheme has been increased.
- Introduction of the Cane Replantation Revolving Fund by the DBM in order to ensure an equal distribution of revenues.
- Introduction of Planters’ Protection Scheme for protection against natural calamities
- The Industrial Finance Corporation of Mauritius Ltd will offer (i) a preferential lease of 2.5% to cooperatives for the purchase of mini-tractors and (ii) leasing facilities of up to MUR 25 million with an annual interest rate of 3.5%
- Introduction of an Integrated Modern Agricultural Morcellement Scheme on a plot of land exceeding 2 arpents to encourage innovative agricultural practices with the following incentives:
  - 8-year tax holiday on income
  - exemption from payment of Registration
  - Duty exemption from land conversion tax for developers converting up to 15% of the land for residential/ commercial purposes

Some MUR 3 billion will be mobilised for farmers, planters, breeders and fishers to achieve food security.

FOOD SECURITY MEASURES

Products will have to be sold at a discount of at least 50% of the original price after their best before date but prior to their expiry date

To be in line with international standards on "**best before" and "use by date**", strengthen compliance and harmonise food control activities, the following measures will be implemented :

a) "The **Food Regulations 1999 and the First Schedule of the Consumer Protection (Price and Supplies Control) Act** will be amended to provide for the sale of an eligible food product up to 7 days after its "best before" date has lapsed and the price of that product will be at least 50% lower than its retail-selling price. A moratorium period of 3 months, as from 1 July 2022, will be given to importers to cater for the publication of the best before date and use by date on the eligible food product".

b) new Food Regulations will be made to also replace the existing Food Regulations 1999 in order to, amongst others -

i. regulate the levels of trans-fat, salt and other adverse constituents in selected food;

ii. align food safety and nutritional standards with CODEX, an international standard established by the Food and Agriculture Organisation of the United Nations (FAO);

iii. limit the range of food requiring a pre-market approval permit to only novel food, irradiated food and food produced using gene technology; and

iv. ensure mandatory Hazard Analysis Critical Control Points (HACCP) certification of selected category of food processing activities, such as milk processing, meat processing, fish processing and water bottling;

The **Mauritius Food Standards Agency Bill** will be introduced to allow for the setting up of the Mauritius Food Standards Agency (MFSA) to harmonise food control activities along the food supply chain. The MFSA is expected to become operational in January 2023

Making Essential Products Available

- Provision of MUR 1.4 billion for a subsidy of MUR 591.25 on a pack of 25 kg of flour to bakers. Objective is to maintain the price of "pain maison" at MUR 2.60.
- Bakers will therefore continue to pay the bag of 25 kg of flour at Rs 108.75 instead of Rs 700.
- Provision of MUR 2 billion to keep the price of a 12 kg cylinder of cooking gas at MUR 240 instead of MUR 680.
- Allocation of MUR 370 million to maintain the price of rice at MUR 10.80 which is 60% lower than the actual price of MUR 26.20.
- Earmarking Rs 500 million to the STC for it to supply essential products such as milk, edible oil and pulses at a subsidised rate.
- Introduction of price control on pasta, wheat cereal, infant food, as well as baby and adult diapers.
- The margin for pharmaceutical products is being reduced through a regressive mark-up regime.

PRODUCTIVITY & COMPETITIVENESS

EMPLOYMENT

Prime a l'Emploi

Government will provide a monthly Prime à l'Emploi of Rs 15,000 for the first year of employment of 10,000 youths between 18 and 35 years and women up to 50 years.

Work Permits

To expedite the issuance of work permits, a Work Permit Committee to be chaired by the Prime Minister will be set up.

E-register of Skills

An e-register of skills for workers in the manufacturing and construction sectors will be launched to facilitate job search and recruitment of these registered workers.

Workers' Rights Act ("WRA")

The amendments to WRA will see the introduction of a new provision regarding leave afforded to a worker for the purposes of caring for a sick child The worker may avail himself to up to 5 days from his paid leave entitlement for such purposes.

The ceiling set at 90 days for the accumulation of untaken sick leaves will be abolished.

Travel and petrol allowance

Travel allowance shall now encompass travel by light rail and shall be refunded to any eligible worker. Petrol allowance shall be increased by 10% up to a maximum of Rs 2 000 in a month, irrespective of the salary earned by a worker.

Training

- A framework for pre-registration training for medical students will be introduced both in the public and private sectors to allow for 24/7 training.
- To address the immediate needs of the ICT industry, the Human Resource Development Council will refund 50% of the cost incurred to train trainers in new fields such as Artificial Intelligence (AI), blockchain and new technologies.

Government will provide support businesses as they invest in the training and skilling of 3,000 of youths, men and women through an increased monthly stipend of: -

i. Rs 8,000 for those under the National Apprenticeship Programme and the National Skills Development Programme; and

ii. Rs 10,000 for the Graduate Training for Employment Scheme.

OTHER BUDGETARY MEASURES

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Companies Act:

The Companies Act will be amended to:

a) remove temporary time extension provided because of Covid-19 and reinstate the requirements for registered companies to –
   i. call annual meeting of shareholders not later than 6 months after the balance sheet date;
   ii. prepare financial statements within 6 months after balance sheet date; and
   iii. filing of financial statements with the Registrar of Companies within 28 days from the date such financial statements have been signed, or such other period as may be determined by the Registrar of Companies;

b) reinstate the application of Section 162 of the Act relating to duty of directors on insolvency subject to such conditions as may be prescribed;

c) provide for the disclosure of the following information with respect to subsidiaries in annual reports –
   i. particulars of interest;
   ii. donations made by the subsidiaries;
   iii. details of present and past directors;
   iv. fees payable to auditors; and
   v. details of major transactions;

d) prevent companies from being both registered in Mauritius and in another jurisdiction at the same time;

e) allow the Registrar of Companies to remove a company from the Register of companies where there is no other reason for the company to continue its existence; and

f) ease restoration of a company to the Register in case it was still carrying on business at the time of removal by the Registrar of Companies.

Freeport Act:

The Freeport Act will be amended to make it mandatory for freeport developers to install CCTV system within the freeport zone and provide online access to MRA Customs.

Industrial Property Act:

Provision will be made to empower a Court to order the destruction of goods imported in infringement of the rights of a holder of Intellectual Property Rights under the Industrial Property Act.

The Industrial Property Act has made provision for the protection of the Intellectual Property Rights of an owner of a utility model, layout design, breeder's right, trade name and geographical indication. Consequential amendment will be made to the Customs Act for the protection of these rights at the border and in the local market.

OTHER BUDGETARY MEASURES

Public Procurement Act

The Public Procurement Act will be amended to –

a) clarify that –
   i. "goods" does not include immovable property such as land and building;
   ii. a "major contract" also includes a contract where the value of the lowest evaluated substantially responsive bid exceeds the prescribed amount; and
   iii. Part III of the Public Procurement Act, relating to CPB, will not apply to procurement of goods, works and services specified in the Second Schedule (exempt procurement);

b) provide for a definition of "directive";

c) allow the PPO to prescribe procedures for the opening of bids submitted electronically;

d) allow for the cancellation of a bidding process on ground that the mistakes found in the bidding documents, uploaded on the e-Procurement system, cannot be corrected after the publication of an invitation;

e) ensure that every procurement contract has to provide that workers employed by subcontractors are remunerated in accordance with prevailing rules and legislations; and

f) exempt a public body from the application of the Public Procurement Act where substantial investment has been received from a foreign State or an entity designated by a foreign State to implement a project, scheme or programme.