THE WAVERLEY SERIES

MAURITIUS

An Insight of Investment, Trade and Economy

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For Advisory & Partnership

LORD WAVERLEY

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MAURITIUS — AT A GLANCE

Capital	Port Louis
Population	≈ 1.3 million
Real GDP growth	3.2% (2025), down from 4.9% in 2024, reflecting the completion of major infrastructure projects and a slowdown in new investment; projected to moderate further to around 2.5% in 2026
Unemployment	5.6%, a two-decade low
Inflation	3.7% twelve-month average as of December 2025, driven partly by excise tax increases
Fiscal deficit	Widened to approximately 9.8% of GDP in 2025 from 8.5% in 2024; projected to narrow to the 6-7% range in 2026 and further in 2027 under fiscal consolidation
Public debt	Rose to roughly 88.6-89% of GDP by mid-2025 from 83.4% the previous year; projected to fall below 80% by 2029
Current account deficit	Widened to a range of roughly 6.7-8.2% of GDP depending on the source, reflecting weaker goods and services exports
Currency	Mauritian rupee (MUR); central bank policy rate held at 4.5% as of February 2026
Key sectors	Financial services, tourism, ICT, manufacturing, fisheries and agriculture — a genuinely diversified economy transformed from its historical sugar monocrop base
Governing framework	Prime Minister Navin Ramgoolam returned to power in November 2024; over 32,000 registered offshore entities; Vision 2050 and Ten-Year National Development Plan under preparation

Mauritius remains one of Africa's most structurally sound, diversified and highest-income economies, having briefly attained high-income country status in 2020 and continuing to record strong tourist arrivals alongside expanding financial services and ICT sectors. That underlying strength is being genuinely tested, however, by a significant period of institutional turbulence at the Bank of Mauritius. Since Prime Minister Navin Ramgoolam's November 2024 return to power, his government has pursued an aggressive accountability campaign against alleged financial mismanagement under the previous administration, including the arrest of a former finance minister and a former central bank governor, even as the newly appointed central bank governor himself resigned in September 2025 amid a separate, related controversy. Investors should weigh Mauritius's genuine, longstanding economic and institutional strengths against this specific, ongoing period of turbulence at the institution most central to the country's global financial-services reputation.

1. INVESTMENT & FDI

Mauritius continues actively promoting itself as Africa's investment gateway even as its central bank navigates significant institutional turbulence.

The Economic Development Board continues marketing Mauritius as an ideal business and investment hub for Africa, offering incentives, rebates, exemptions and preferential rates for projects exceeding Rs 500 million, alongside a residence programme allowing foreign nationals to obtain permits through qualifying real estate investment. Mauritius has attracted more than 32,000 offshore entities, many oriented toward commerce with India, South Africa and China, with banking-sector investment alone exceeding $1 billion. Separately, Prime Minister Ramgoolam has publicly detailed approximately Rs 25 billion in bad loans, write-offs and what he described as siphoned funds across four banking institutions, attributing the losses to weak oversight during the previous government's 2014-2024 tenure.

- **An established, large-scale offshore financial centre:** the more than 32,000 registered offshore entities and over $1 billion in banking-sector investment reflect Mauritius's deep, longstanding role as a financial intermediation hub for investment flows into and out of Africa and Asia.
- **A significant quantified banking-sector due-diligence flag:** the Prime Minister's own disclosure of roughly Rs 25 billion in bad loans and write-offs across four institutions represents a material, government-sourced data point that financial-sector investors and counterparties should factor into their own due diligence.
- **A new national development roadmap:** the AfDB's August 2026 Mauritius Country Focus Report and accompanying Productivity Study are directly informing the government's Vision 2050 and Ten-Year National Development Plan, addressing structural transformation and productivity-slowdown challenges.

2. TRADE & BUSINESS

A well-diversified trade base continues supporting Mauritius's economy even as external deficits widen.

Mauritius's successful transformation from a sugar monocrop economy into a diversified upper-middle-income economy remains genuinely intact, with tourism, manufacturing, fisheries and financial services all contributing meaningfully to growth; tourist arrivals reached record levels in 2025 even as overall GDP growth moderated. The current account deficit has nonetheless widened to a range of roughly 6.7-8.2% of GDP depending on the source, reflecting weaker exports of goods and services amid softer external demand.

- **Record tourism performance amid broader moderation:** 2025's record tourist arrivals demonstrate the continued strength of Mauritius's core tourism sector even as headline GDP growth slowed on weaker investment and infrastructure-project completion effects.
- **A widening external deficit warranting monitoring:** the current account deficit's expansion into the high single digits of GDP reflects genuine external-demand softness that investors in export-oriented sectors specifically should track closely.
- **Continued textile-sector access under AGOA:** Mauritius's textile sector continues benefiting from preferential access under the Africa Growth and Opportunity Act, sustaining a manufacturing export channel independent of the broader financial-services and tourism story.

3. MAJOR ECONOMIC DEVELOPMENTS

A new government's aggressive financial-accountability campaign has itself become entangled in fresh controversy at the central bank.

Prime Minister Navin Ramgoolam returned to power in November 2024, defeating the previous government amid a phone-tapping scandal, the so-called Missie Moustass leaks, that had undermined the prior ruling party's support. His administration subsequently pursued arrests of former Finance Minister Renganaden Padayachy and former Bank of Mauritius Governor Harvesh Seegolam over the 'Menlo Park' affair, involving an alleged improper disbursement of roughly Rs 45 million from the Mauritius Investment Corporation to a polling company shortly before the November 2024 election. In a further, related development, Rama Sithanen, appointed Bank of Mauritius Governor in November 2024, himself resigned on 30 September 2025 amid the unfolding Menlo Park-MIC-BOM controversy; a journalist covering the affair was separately arrested on 15 September 2025 following a complaint filed by the resigned governor's son.

- **An active accountability campaign against the prior administration:** the arrests of a former finance minister and former central bank governor over the Menlo Park affair represent a genuine, concrete institutional response, though the case's slow progress through the courts has itself drawn commentary about risks to Mauritius's legal and reputational credibility.
- **Turbulence extending to the current central bank leadership:** the newly appointed governor's own resignation within roughly ten months of taking office, amid a related controversy, indicates the Bank of Mauritius's leadership instability has not been confined to officials from the previous administration alone.
- **A press freedom concern worth noting:** the arrest of a journalist following a complaint from the resigned governor's son, occurring in the midst of active public scrutiny of the underlying financial scandal, is a specific development independent observers of Mauritius's institutional environment should be aware of.
- **Moderating growth amid fiscal and debt pressures:** GDP growth's deceleration to 3.2% in 2025, alongside a fiscal deficit widening to approximately 9.8% of GDP and public debt approaching 89% of GDP, together reflect genuine near-term macroeconomic pressure even as consolidation is projected from 2026.

4. MAJOR PROJECTS & INFRASTRUCTURE

The completion of major infrastructure projects has contributed to a moderation in headline growth, even as a new national development plan takes shape.

- **Infrastructure-project completion effects:** the winding-down of major previously-underway infrastructure projects has been directly cited as a factor in 2025's growth deceleration from 2024, a natural transition point as the country moves toward its next development planning cycle.
- **Vision 2050 and Ten-Year National Development Plan:** informed by the AfDB's Mauritius Productivity Study, this forthcoming planning framework is intended to address the structural transformation and productivity challenges identified as constraints on Mauritius's path toward renewed high-income status.

5. CONFERENCES, FORUMS & EXHIBITIONS

Mauritius continues hosting targeted trade and export-promotion events even amid the broader financial-sector controversy.

- **Export growth digital-transformation workshop:** the Economic Development Board's 18 September workshop, 'Driving Export Growth in Industry through Digital Transformation, E-Marketing and AI,' reflects continued practical, sector-specific investment-promotion activity independent of the central bank controversy.
- **Mauritius-Tunisia economic relations webinar:** a 17 September webinar aimed at consolidating economic ties between Mauritius and Tunisia illustrates continued, if modest, efforts to deepen specific bilateral trade relationships.

6. BUSINESS & INVESTMENT EVENTS

No major standalone business or investment events beyond the Economic Development Board's ongoing workshop and webinar programming, described in Section 5, were identified for this specific period.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

A significant cross-border financial-crime case connects Mauritius's Financial Crimes Commission directly to the recent Madagascar political crisis.

- **A major cross-border money-laundering arrest:** on 24 October 2025, Mauritius's Financial Crimes Commission arrested Mamy Ravatomanga, an aide to ousted Madagascar president Andry Rajoelina, on suspicion of laundering 7.3 billion Mauritian rupees, directly connecting Mauritius's financial-crime enforcement to the political upheaval that subsequently unfolded in Madagascar in October 2025.
- **Active enforcement as both reassurance and exposure signal:** the FCC's pursuit of this case demonstrates genuine enforcement capacity, though the scale of the alleged laundering also underscores Mauritius's exposure, as a significant regional offshore financial centre, to cross-border financial-crime risk originating elsewhere in the region.
- **Continued AfDB engagement:** the Bank's Country Focus Report and Productivity Study, both published in August 2026, represent Mauritius's most substantive recent multilateral development-partner engagement.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

A broad, formalised sectoral incentive framework continues underpinning Mauritius's private-sector investment promotion.

The Economic Development Board organises its investor-facing support around thirteen key sectors: agro industry, the blue economy, education, financial services, freeport and logistics, healthcare and pharmaceuticals, ICT, life sciences, the creative industry, real estate and hospitality, renewable energy, manufacturing, and the sports economy. This broad, formalised structure reflects Mauritius's deliberate strategy of offering targeted incentive pathways across a genuinely wide range of private-sector activity rather than concentrating exclusively on its traditional financial-services and tourism strengths.

- **A deliberately broad sectoral incentive architecture:** spanning thirteen distinct priority sectors, Mauritius's investment-promotion framework is structured to support diversification well beyond the country's historical reliance on sugar, tourism and financial services alone.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

Real estate-linked residency programmes and diversified sectoral incentives continue positioning Mauritius as a broad-based investment destination.

- **Real estate investment and residency pathway:** the programme allowing qualifying real estate investment to secure a residence permit continues offering a structured, well-established route for foreign nationals seeking to live, work or retire in Mauritius while making a property investment.

- **Rs 500 million-plus incentive threshold:** projects meeting this investment level can access incentives, rebates, exemptions and preferential rates, representing the clearest formal channel for larger-scale new capital deployment.
- **Sector-specific opportunities across the EDB framework:** the thirteen priority sectors described in Section 8 each carry their own specific incentive structures, offering investors a genuinely broad menu of formalised entry points depending on their sector of interest.

SUMMARY ASSESSMENT

Mauritius remains one of Africa's most structurally sound, diversified and highest-income economies, with genuine strengths in financial services, tourism and ICT, and continues actively courting investment through the Economic Development Board's broad thirteen-sector incentive framework and its established residency-by-investment programme. Record tourist arrivals and a two-decade-low unemployment rate both reflect continued underlying economic resilience.

This underlying strength is being genuinely tested by a significant period of institutional turbulence at the Bank of Mauritius. The new government's aggressive accountability campaign against alleged prior-administration financial mismanagement, including arrests of a former finance minister and former central bank governor, has itself become entangled in a further controversy that claimed the sitting governor's resignation within roughly ten months of his appointment, alongside a specific press-freedom concern following a journalist's arrest connected to the affair. Separately, the Financial Crimes Commission's arrest of a Madagascar political aide on major money-laundering allegations underscores both Mauritius's active enforcement posture and its exposure to cross-border financial-crime risk given its role as a significant regional offshore financial centre.

For investors, particularly those in or adjacent to financial services, the coming months offer a concrete signal to watch: how quickly and credibly governance stability is restored at the Bank of Mauritius, an institution central not only to domestic monetary policy but to the international credibility underpinning Mauritius's entire offshore financial-services proposition.