

BUDGET 2023-2024

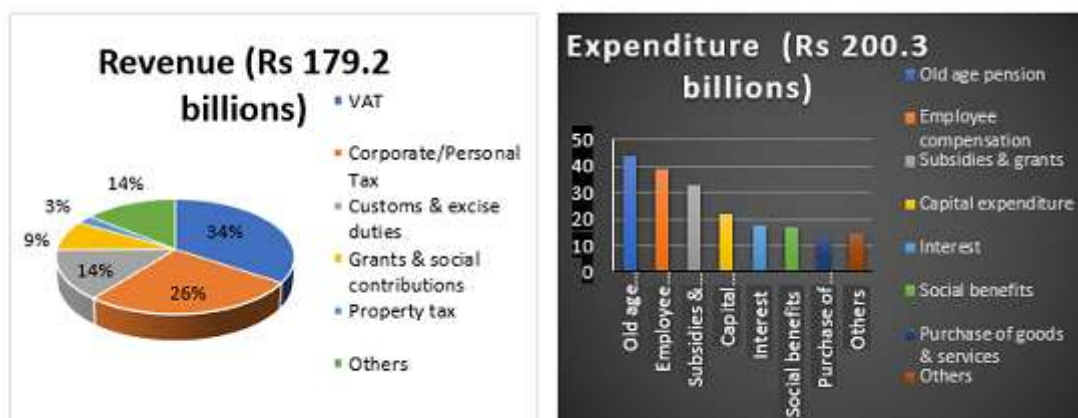
“The measure of a society is found in how they treat their weakest and the most helpless citizen.”-Jimmy Carter

Dear readers,

We are pleased to bring you the highlights of the much anticipated Mauritius Budget 2023, which was presented by the government to address the economic challenges and outline the fiscal roadmap for the upcoming year. The budget, a reflection of the government’s commitment to sustainable growth and development, focuses on key sectors and initiatives to uplift the nation and its people. Here are the key highlights:

One measure that the government has revised in the 2023-2024 budget is the Social Contribution (CSG) Income Allowance: July 2023 to June 2024 which is subject to certain eligibility criteria. Firstly, the allowance of Rs 2000 is payable to those who received less than Rs 25000 as monthly income and those who are self-employed. Besides, the allowance of Rs 1000 is payable to those employees who derive more than Rs 25000 but less than Rs 50000 as monthly income and also to self-employed. There are nevertheless individuals who are not eligible for the CSG Allowance, including individuals who are below 16 years and those above 65 years and also those undergoing a training. By providing an income allowance, the government can support low-income individuals and families, reducing poverty and increasing their purchasing power. This, in turn, can boost consumer spending and stimulate economic activities which reflect social benefits.

The second measure that the government has revised in the 2023-2024 budget is the taxation policy. As we all know Mauritius has a progressive tax system. It is to be highlighted that the PAYE system operates on the pay for the current period at the time the emoluments are received or made available to the employee. Employers are thus required to withhold tax at the appropriate rates applicable on the income brackets. For instance; the first Rs 390000 will subject to a 0% tax, the next Rs 40000 will subject to 2% tax, the next Rs 40000 will subject to 4% tax, the next Rs 60000 will subject to 6% tax, the next Rs 60000 will subject to 8% tax, the next Rs 300000 will subject to 10% tax, the next Rs 300000 will subject to 12% tax, the next Rs 300000 will subject to 14% tax, the next Rs 400000 will subject to 16% tax, the next Rs 500000 will subject to 18% tax and finally on the remainder, a 20% tax will be charged. The tax percentage can be shown as follows:



Source: <https://www.pwc.com/mu/en/events/budget/public-finance.html>

The pie chart above shows the budgeted revenue of the Mauritian government gained from its citizens.

The bar chart above illustrates the budgeted expenditure of the Mauritian government to finance upcoming projects. Overall, the government would make a budget deficit of approximately Rs 21 billion.

By investing Rs 12.5 billion in the education sector, the government hopes to raise educational standards. This investment will be used to upgrade school facilities, recruit more teachers, and implement new programs. Moreover, the government will invest in research and development while funding tertiary students financially. Furthermore, the government has earmarked Rs 16.1 billion for the healthcare sector, an increase of 13.3% from the budget for 2022. The improvement in accessibility and quality of healthcare services will be the main focus. With this investment, hospitals will be upgraded, medical equipment will be provided, and additional healthcare workers will be hired. This information is represented by the capital expenditure from the bar chart.

Being deemed a paradise island with beautiful tropical biodiversity, Mauritius was bound to take appropriate actions towards the conservation of its environment, especially with the danger of climate change looming around. Numerous initiatives are currently being undertaken by the public and private sectors, often collaborating to advance towards the convergence to the green economy. The government of Mauritius reduced duties and taxes on the purchase of hybrid and electric cars which is open-heartedly being accepted by the inhabitants. The country counts as at date approximately 550,000 registered vehicles and it will definitely take time and effort in order to further encourage the shift from petrol to hybrid or fully electric vehicles. Mauritius, using part of the budget of Rs 321 million, is currently implementing Air Quality measuring outlets around the island which will help determine the Air Quality Index (AQI) which is currently in good condition ranging from 9-12 AQI. Furthermore, the island is well on its way to completely phase out the usage of coal in electricity generation by 2030 as per the United Nations. With the landslide and flood management programs and budgets, the economy is investing in the cleaning and restoration of existing drains and the construction of new ones in flash flood prone areas as well as the adequate cutting of dangerous slopes and terrains which are more likely to cause landslides, such as the one on Ferney Road. Being known for our beautiful coastline and marine life, appropriate actions along with the collaboration of different NGOs such as the Reef Conservation Mauritius for the preservation of the marine ecosystem around the island and Association Pour Le Development Durable for the mangrove propagation and reforestation of denuded coastal areas. It is estimated that around 80-100 hectares of areas need to be covered and per year around 5000 seedlings are successfully planted. Youngsters are being encouraged to undertake studies in Marine Science and Marine Biology and embrace a career to become marine scientists. The University of Mauritius also offers a state-funded bachelor's degree in marine science and technology further to the said initiative.

Name of students:

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Charlot Jeysen Hansley (Grade 13A2)

Chinnappa Tareesh (Grade 13A2)