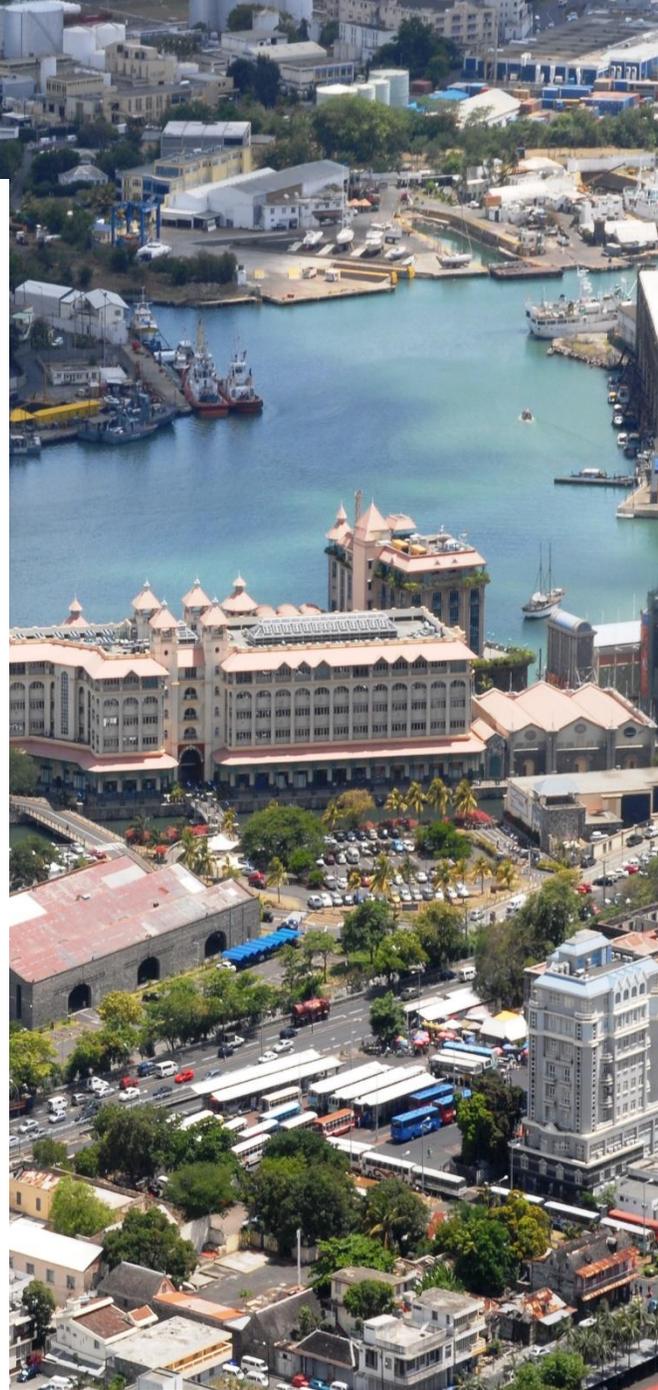




**MINISTRY OF FINANCE
AND
ECONOMIC DEVELOPMENT**

ANNUAL REPORT 2018-19

OCTOBER 2019



ABOUT THIS REPORT

The Annual Report on Performance of the Ministry is prepared in compliance with the statutory requirement of Section 4B of the Finance & Audit Act.

Annual Report 2018-19 provides information on the Ministry's performance, achievements and targets set for the financial year in relation to the resources approved by the National Assembly and its strategic direction for the next three years.

The Annual Report provides information about this Ministry for our stakeholders and the public at large.

PART I ABOUT MOFED
PART II ACHIEVEMENTS
PART III FINANCIAL PERFORMANCE
PART IV WAY FORWARD



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STATEMENT FROM PRIME MINISTER



I am pleased to present the Annual Report of the Ministry of Finance and Economic Development for the Financial Year ending June 2019. As Prime Minister and Minister of Finance and Economic Development, it has been my personal commitment to work towards realising our vision of an Inclusive High Income country where the population can enjoy a high standard of living and quality of life.

I have, therefore, set the country on a Transformative Journey. I have ushered in a new development model centred on the digital economy; innovation and AI technologies across all sectors; a revamped industrialisation policy focused on import-substitution without raising trade barriers whilst giving a fillip to the export sector; a reengineering and modernisation of the agricultural sector; and the expansion of our economic space through our Africa Strategy and the Blue Economy. We are also investing in the infrastructure of the future to modernise our country and society.

We are seeing the early fruits of our endeavour. Last year, our per capita income, as measured by the World Bank, rose to USD 12,050 against the World Bank High Income benchmark of USD 12,375. Our country has thus covered 97.4 percent of the way to a high income economy. Mauritius will very likely become a high income country much earlier than the timeline we have set. Moreover, there is less income inequality, poverty is declining, the unemployment rate is on a falling trend and stands at 6.8 percent- its lowest level in 19 years, inflation is at its lowest level in 48 years and the foreign currency reserves have reached more than 12 months of import cover – a feat never achieved before.

This year, we have also received the good news that Mauritius has jumped 7 places in the World Bank Ease of Doing Business Index, standing now at the 13th place worldwide, first in Africa and second among the upper middle income nations.

All these achievements have contributed to sustain a real GDP growth of 3.8 percent in 2019 which is considered as very resilient in the face of the global economic slowdown and new trade challenges.

Let me here thank the Financial Secretary and staff of the Ministry of Finance and Economic Development and the various institutions under the Ministry for their professional and dedicated support. Mauritius is on the right development path and we must continue our transformative journey with even greater vigour and commitment.

The Hon Pravind Kumar JUGNAUTH
Prime Minister, Minister of Home Affairs, External Communications and National Development Unit,
Minister of Finance and Economic Development

STATEMENT FROM FINANCIAL SECRETARY



I am delighted to be at the head of a Ministry that strives for excellence. We are mindful of our responsibility to support the government to implement effective fiscal strategies, ensure sound financial and economic management, enhance macroeconomic stability while at the same time upholding the principles of transparency and accountability.

In 2019, we are expecting the economy to grow by a resilient 3.8 percent. Last year, Mauritius reached the very threshold of the High Income Country status. Our country is also just one thin notch away from joining the league of Very High Human Development countries. Mauritius is, therefore, poised for an exciting and challenging future that will require even greater ingenuity and commitment on the part of all Ministries and Departments in the country and especially the MOFED.

Mauritius is indeed on a very promising transformative journey and the role and functions of MOFED must evolve and adapt. In fact, in recent years we have been making considerable efforts to constantly innovate and explore opportunities and tools to improve our operations and management.

Since Financial Year 2016-17, the MOFED has been working on an accrual-based accounting and reporting framework consistent with International Public Sector Accounting Standards (IPSAS). As part of that project, a computerised Government Asset Register has been set up so as to have a comprehensive register of all non-financial assets of Government. In fact, this endeavour will be further deepened as the Ministry implements the Sovereign Asset Liability Management Framework that was announced in the 2019-20 Budget Speech.

As regards our commitment to be at the cutting edge of new technologies, the Registrar-General's Department has granted online access to the immovable property database to all public notaries and other relevant stakeholders. In the same vein, the Mauritius Revenue Authority has developed a mobile application 'MRAeasy' for small businesses and also made it possible for the use of direct debit for payments.

In delivering on such priorities, we engaged with and listened to our key stakeholders. We focused on creating a culture where innovation is encouraged, and where leaders are committed to supporting and enabling their staff to achieve their best, for themselves, the organisation, but most importantly, for the population.

I wish to thank all MOFED staff for their outstanding commitment and professionalism in delivering on the priorities and achievements outlined in this report. I also extend my gratitude to the Editing Team at MOFED who has worked on this Annual Report 2018-19.

Dharam Dev Manraj, G.O.S.K
Financial Secretary

PART I

ABOUT MOFED

Part 1 sets out the vision, mission and objectives of the Ministry, its roles and functions as well as its organisational structure and a Gender Statement

VISION, MISSION & OBJECTIVES

VISION

- To be a forward-looking and innovative organisation that promotes strong economic growth and equitable social development while ensuring fiscal sustainability to ultimately transform Mauritius into an inclusive, high-income country.

MISSION

- To promote sustainable economic and social development of the country, and improve the standard of living of the population.
- To ensure optimal revenue mobilisation and allocation of funds while providing the right incentives for economic growth and social development

OBJECTIVES

- Steer the economy to a higher plane of development to achieve the high income country status with greater equality and social justice for one and all
- Maintain macro-economic stability and sound public finances
- Increase investment and employment level in productive sectors
- Enhance productivity and competitiveness in the global market
- Modernise public financial management for enhanced transparency and accountability

ABOUT THE MINISTRY

Roles and Functions of the Ministry of Finance and Economic Development

The Ministry of Finance and Economic Development (MOFED) is responsible for formulating policies for the economic and social development and for the economic management of the affairs of Government of Mauritius.



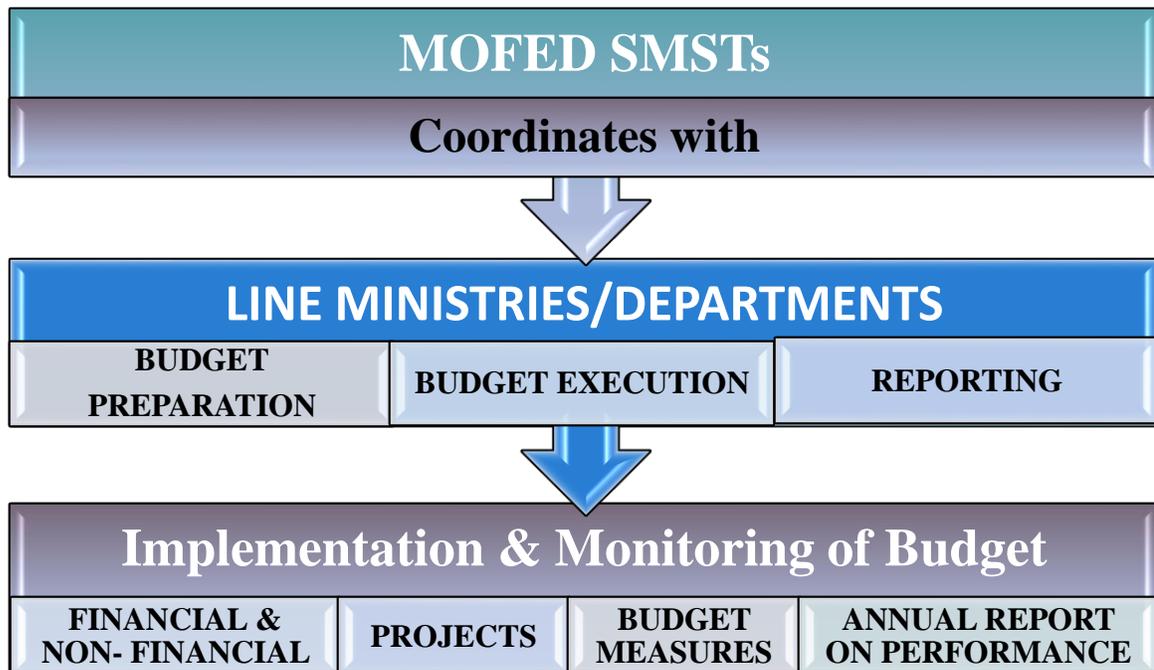
MOFED is also responsible for ensuring financial soundness of Government's socio-economic policies for effective mobilization of revenue and for the proper control of expenditure. The Financial Secretary, as Supervising Officer has the responsibility to ensure that the objectives of MOFED are achieved in the most economical, efficient and effective manner.

The key functions of MOFED are to:

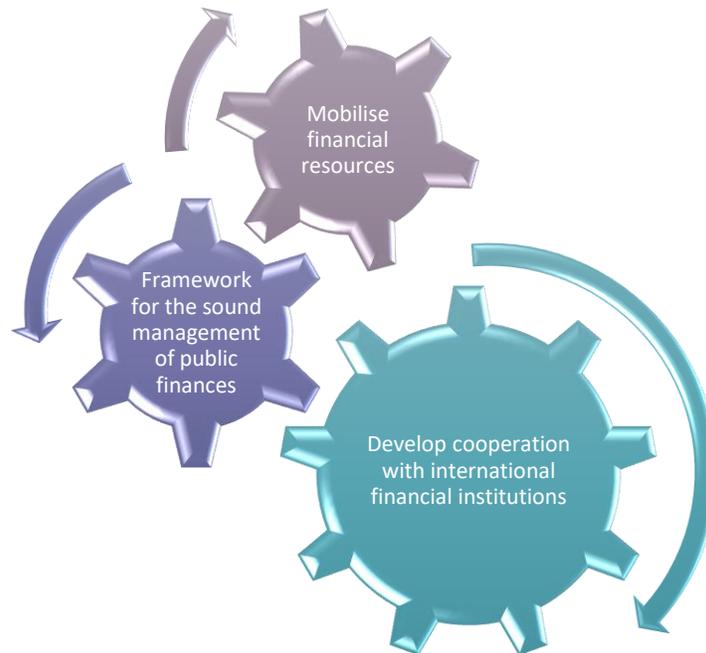
- formulate Government economic reform strategy and coordinate its implementation;
- develop the macro fiscal framework and formulate fiscal policy;
- prepare the annual Budget Estimates in collaboration with Ministries/Departments;



- work out, in consultation with Ministries/Departments, a Public Sector Investment Programme (PSIP);
- provide support, through Sector Ministry Support Teams (SMSTs), to Ministries/Departments in the formulation of their strategic plans and the preparation, execution and monitoring of their budget;



- carry out systematic appraisal of project proposals, make appropriate recommendations and monitor implementation of major projects through the Public Investment Management Unit (PIMU) so as to ensure value for money of capital projects;
- develop active debt management strategies whilst supporting the development of a well-functioning market for Government securities;
- coordinate with the Bank of Mauritius and the Financial Services Commission to ensure the soundness and stability of the financial system;
- develop cooperation with international financial institutions and mobilise financial resources and seek technical assistance;
- extend the frontiers of economic development through regional and international cooperation including the implementation of the Africa Strategy;



- develop the framework for sound public finance management, update Financial Management Kit, issue financial instructions and ensure adherence thereto;
- implement reforms in the public sector accounting with adoption of accrual International Public Sector Accounting Standards (IPSAS);
- ensure the preparation of the Annual Accounts of Government;
- oversee, through the parent Ministry, performance of public bodies and compliance with legal financial reporting requirements;
- monitor the performance of Mauritius Revenue Authority (MRA) and other major revenue collecting Departments;
- provide support to Ministries and Departments for effective and efficient Financial Operations, Procurement & Supply and Internal Audit activities; and
- promote gender-oriented welfare within its own workplace and bring in gender balance in its decision making process and help address any gender gap.

SENIOR MANAGEMENT TEAM

TITLE	CONTACT DETAILS
Financial Secretary	Mr. D. MANRAJ, G.O.S.K Phone: (230) 260 1300 ext. 0601/0602 Fax : (230) 211-0096 Email : fssecretariat@govmu.org
Deputy Financial Secretary	Mr. R. CHELLAPERMAL Phone: (230) 260 1300 ext. 0411 Fax: (230) 201-3842 Email : rchellapermal@govmu.org
Deputy Financial Secretary	Mr. G. BUSSIER Phone: (230) 260 1300 ext. 0701 Fax: (230) 208-7854 Email: gbussier@govmu.org
Permanent Secretary	Mr. M. S. AYOOB SAAB Phone: (230) 260 1300 ext. 5360 Fax: (230) 201-3013 Email : mayoobsaab@govmu.org
Director (Economic & Finance)	Mr. A. KOKIL <i>(Retired as from 29th June 2019)</i>
Director (Economic & Finance)	Dr. D. PALIGADU Phone: (230) 260 1300 ext. 5156 Email: dpaligadu@govmu.org
Director (Economic & Finance)	Mr. V. SOONDRAM Phone: (230) 2601300 ext. 0801 Email: vsoondram@govmu.org
Director (Economic & Finance)	Mr. A. ACHARUZ Phone: (230) 260 1300 ext. 3011 Email: aacharuz@govmu.org
Director (Economic & Finance)	Mr. I. BONOMAULLY Phone: (230) 260 1300 ext. 0301 Email: ibonomaully@govmu.org
Director (Economic & Finance)	Mrs S. RAMA Phone: (230) 260 1300 ext. 0401 Email: srama@govmu.org
Ag. Director (Economic & Finance)	Mr. A. PONNUSAWMY Phone: (230) 260 1300 ext. 0110 Email: aponnusawmy@govmu.org
Ag. Director (Economic & Finance)	Mr. R. SOKAPPADU Phone: (230) 260 1300 ext. 1050 Email: rsokappadu@govmu.org
Director (Strategic Policy & Planning)	Mrs H. BOOLELL <i>(Retired as from 24th January 2019)</i>

Table 1: Senior Management Team

DIRECTORATES AND CORE SECTORS

DIRECTORATES	CORE FUNCTIONS
ENTREPRENEURSHIP & BUSINESS DEVELOPMENT	<ul style="list-style-type: none"> ❖ SME, Manufacturing & Commerce ❖ Agri - Business ❖ Tourism & Film Industry ❖ Blue Economy & Freeport ❖ Private Investments
PUBLIC FINANCIAL MANAGEMENT & BUDGETING	<ul style="list-style-type: none"> ❖ Public Debt Management ❖ Budget Expenditure Management & HR Budgeting ❖ Public Financial Management ❖ Medium Term Macro Fiscal Framework ❖ E-Budgeting
SOCIAL SECTORS	<ul style="list-style-type: none"> ❖ Social Protection ❖ Housing ❖ Health ❖ Regional & Local Government ❖ Family, Youth & Culture
TAXATION POLICIES & MANAGEMENT	<ul style="list-style-type: none"> ❖ Direct Taxation ❖ Indirect Taxation
BANKING & FINANCIAL SERVICES	<ul style="list-style-type: none"> ❖ Financial Services ❖ International Agreement relating to Tax
PUBLIC INFRASTRUCTURE	<ul style="list-style-type: none"> ❖ PSIP ❖ Infrastructure ❖ Environment Protection ❖ Public Utilities ❖ External Communication & Innovative Financing ❖ Monitoring & Evaluation
ECONOMIC CO-OPERATION & INTERNATIONAL AFFAIRS	<ul style="list-style-type: none"> ❖ International Affairs & Trade ❖ Resource Mobilization ❖ Bilateral Agreements and Economic Cooperation
DIGITAL ECONOMY AND SKILLS DEVELOPMENT	<ul style="list-style-type: none"> ❖ Digital Economy ❖ Employment & Training ❖ Education ❖ Business Facilitation ❖ Research, Development and Innovation

Table 2: Directorates & Core Functions

DEPARTMENTS AND OTHER BODIES UNDER THE AEGIS OF MOFED

Ten Departments/Bodies operate under the aegis of the MOFED as follows:

	<i>Departments/ Bodies</i>	<i>Accounting Officer</i>
MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT	Treasury	Accountant-General
	Registrar-General's Department	Registrar-General
	Valuation Department	Permanent Secretary (MOFED)
	Corporates and Business Registration Department	Registrar of Companies
	Statistics Mauritius	Director
	Procurement Policy Office	Director
	Central Procurement Board	Chief Executive
	Independent Review Panel	Financial Secretary
	Assessment Review Committee (Independent Tax Panel)	Financial Secretary
	Office of the Commissioner for the Protection of Borrowers	Financial Secretary

Table 3: Departments and other Bodies under the aegis of MOFED

The Financial Secretary is also responsible for the overall administration of the various Cadres and Divisions as well as for the general supervision of the Departments under the aegis of MOFED.

The key responsibilities of Departments under the aegis of MOFED are illustrated below. Details are as at Annex I.



Figure 1: Departments under the aegis of MOFED

STATUTORY BODIES & COMPANIES UNDER MOFED

MOFED has four (4) Statutory Bodies and nine (9) companies under its jurisdiction as listed below. These Bodies operate as autonomous entities and have their own goals and objectives. They are the Executive arm of the Ministry in supporting and promoting Government’s vision, mission and objectives. Each Statutory Body is managed by a Board of Directors, appointed by the Government, which sets the policies and directions of its operations. The Board appoints the Officer-in-Charge under different types of denomination according to the Act. The Officer-in-Charge is responsible for the day-to-day management of the organisation.

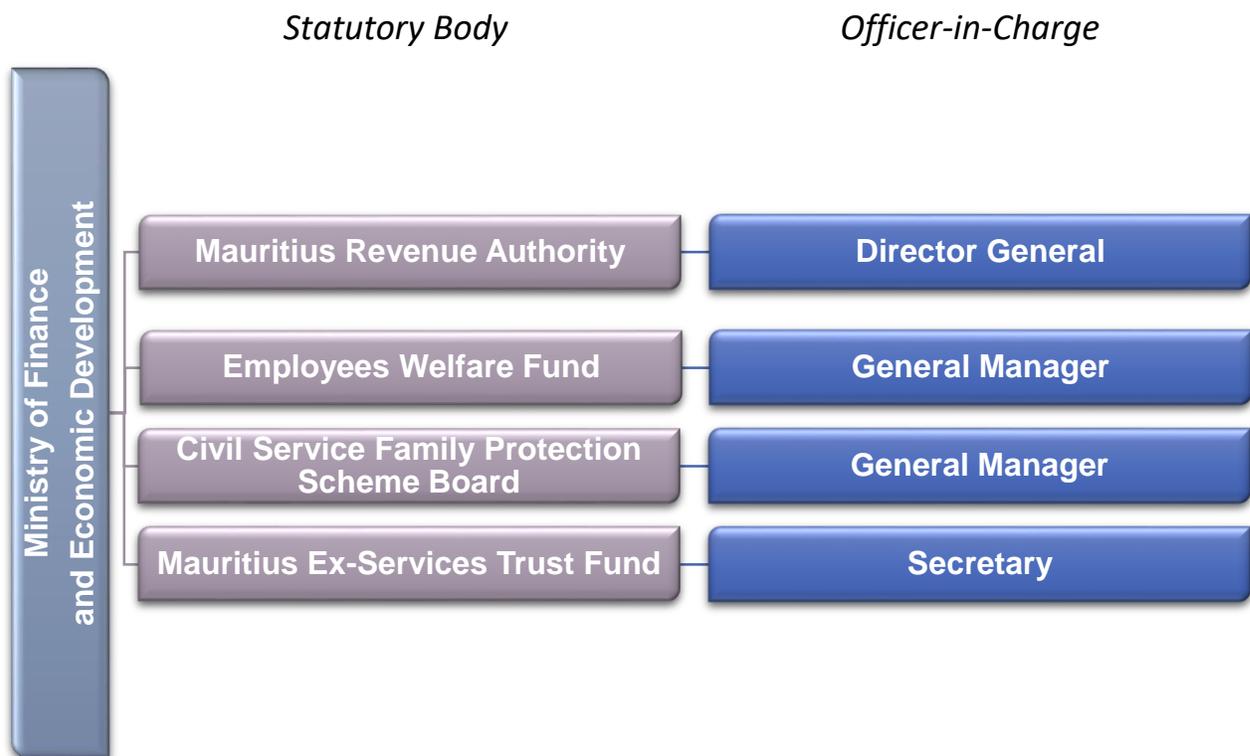


Table 4: Statutory Bodies under the aegis of MOFED

Key Responsibilities of the Statutory Bodies under the aegis of MOFED are described at Annex II.

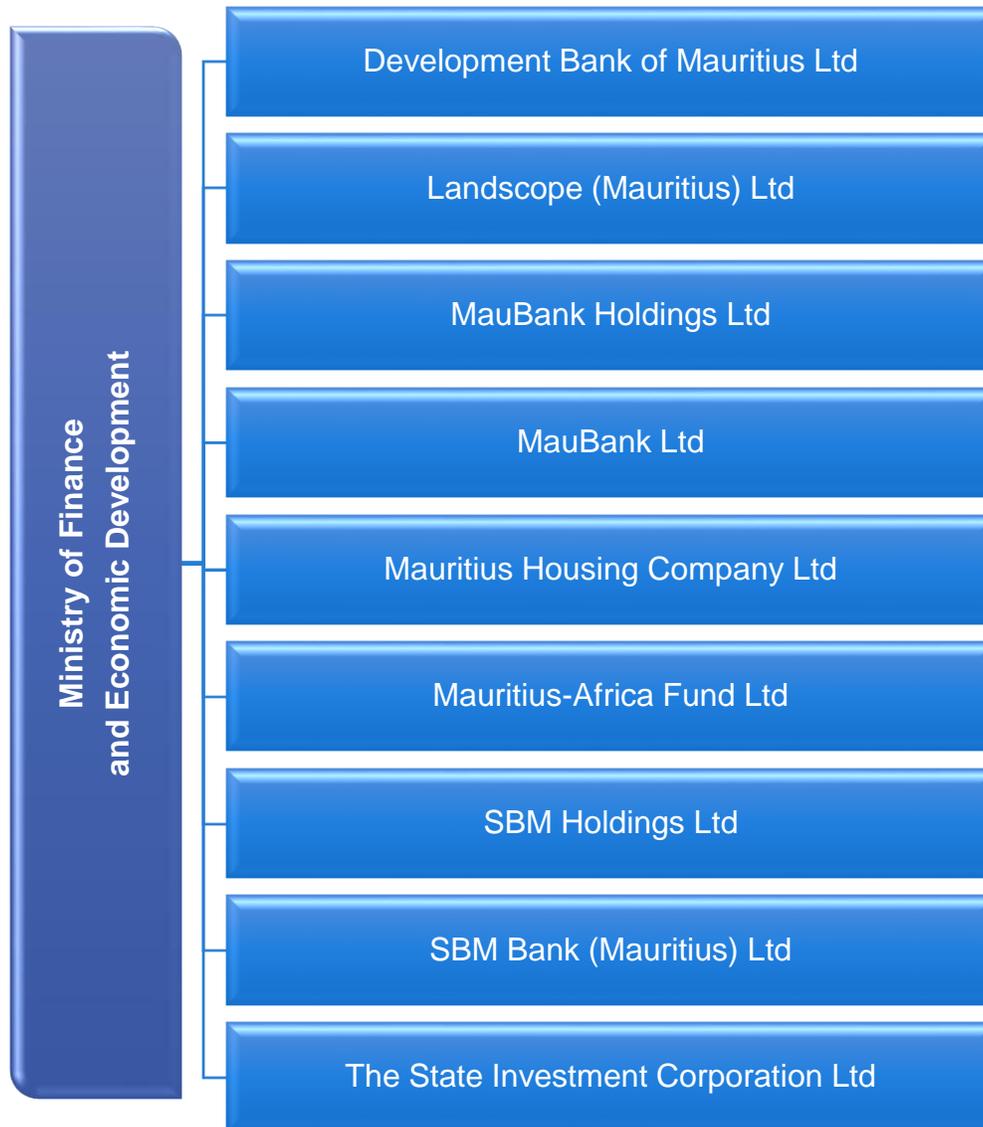


Table 5: Companies under the aegis of MOFED

GENDER POLICY STATEMENT

Introduction

There is growing awareness and acceptance that gender equality is a critical and cross-cutting issue for development. Gender equality is achieved when women and men enjoy the same rights, entitlements and opportunities across all sectors of the society, including economic participation and decision making, and when the different behaviours, aspirations and needs of men and women are equally valued and favoured.

However, Mauritius has made considerable progress on the status and advancement of women. There is a lot more that can be achieved in regard to women's economic empowerment. The widening of economic opportunities for women depends largely on the nature of macroeconomic policy making as well as the engendering of budgets.

Government's aim is to move to a high-income economy, which necessitates accelerating economic development, whereby the whole spectrum of genders of the Mauritian population are taken on board. Consequently, Government ambition is to design frameworks and policies that promote inclusion and empowerment in a sustainable and equitable manner.

The Government of Mauritius is committed to the principles of gender equality. The Beijing Platform for Action (1995) urged Government into action to establish an efficient institutional mechanism aimed at integrating a gender perspective in all policies and programmes.

Rationale

Mauritius by virtue of Section 3 (2) of its Constitution which stipulates that "in Mauritius there have existed and shall continue to exist without discrimination by reason of race, place of origin, political opinions, colour, creed or sex...", and in line with the Sustainable Development Goals - Goal 5 "Achieve Gender Equality and Empower all women and girls" as adopted by the United Nations in September 2015, Mauritius strives to create equal opportunities for both men and women across all spheres of life, including economic and political fronts so that they can both exercise their full rights in the national development process.

Respective development policies and programmes are designed and implemented in ways consistent with gender equality. To achieve this, sound financial management practices and budgetary processes will need to be 'gender responsive' and based on a differentiated approach that will boost economic empowerment of the individuals – men and women, alike.

Thus, a number of flagship measures have been enumerated that consolidate efforts to help eliminate gender gaps, foster the role of women in economic activities and that would ultimately

enable Mauritius to graduate from a middle to high income economy in an inclusive manner. These measures are:

- Gender Mainstreaming as a pillar in the development process
- Implementation of Gender Responsive Budgeting
- Addressing Gender Issues in the three-year Strategic Plan
- Budgetary provision to implement the gender mainstreaming programme in Government ministries and departments.
- Amendment to the Statutory Bodies (Accounts and Audit) Act requiring Statutory Bodies to have at least one woman on their board of directors.
- The restriction to 3 confinements in the public service on maternity leave on full has been removed.

To promote gender-oriented welfare within its own workplace, MOFED has set up a Gender Cell to help address any gender gap and bring in gender balance in its decision making process. The Cell provides a platform for dialogue where views and concerns on gender mainstreaming issues are shared. The gender focal point is responsible to ensure that gender is mainstreamed in all programmes, policies and activities of the Ministry.

As regards staffing structure at MOFED, it would be noted that out of 517 officers, there are 233 males, representing 45.07% whilst 284 are female, representing 54.93% of the Ministry's population as at date. These statistics demonstrate an overall gender balance at the level of MOFED.

Women representation in MOFED top management stood at 15 percent compared to 85 percent for men. However, with regards to middle management women representation is 41 percent. There is therefore need to provide opportunities for an increased number of women to operate at higher management levels.

In view of the above and also to be in line with the National Gender Policy Framework (NGPF) of Mauritius, MOFED proposes to take the following actions: -

- To further integrate gender perspectives in the Budget Speech & Budget Call Circular;
- To allocate to all Ministries and Departments, during each fiscal year, a percentage of the national budget to support activities relating to gender mainstreaming.
- Reinforce performance budgeting by putting emphasis on a more gender equitable allocation of resources;
- Reinforce the 'gender lense' of Monitoring and Evaluation on implementation outcomes of policies and programmes and, through feedback, further reduce gender-biased policies and programmes;

- Address lags in training needs of MOFED staff from a gender perspective;
- Provide training in 'Gender Aware Economics' with particular focus on 'Budgeting with gender lenses' to equip staff of MOFED with appropriate tools and expertise to successfully engender the policies and programmes of the Ministry;
- Ensure an equal opportunity for male and female staff to be represented on Boards and Committees or any other forum; and
- To ensure gender disaggregated data in terms of target groups and amount of money spent on all genders are available for informed decision-making.

To conclude, MOFED will, through the formulation of policies and strategies and budgetary allocation process, give due consideration to the issue of gender in the pursuit of sustainable socio-economic development. The Ministry will also continue to foster a working environment free of any gender discrimination.

ABOUT OUR PEOPLE

The Financial Secretary is the head of the Ministry. He is assisted in his functions and duties by two Deputy Financial Secretaries, the Permanent Secretary and officers from the various cadres namely; Analyst Cadre, Administrative Cadre, Human Resources Management Cadre, Financial Operations Cadre, Procurement and Supply cadre, Internal Control Cadre as well as officers belonging to the general services grades. He is also responsible for the overall administration and general supervision of all Departments and other Bodies falling under the aegis of the Ministry.

The technical arm of the Ministry consists of eight (8) directorates namely: (i) Entrepreneurship and Business Development; (ii) Digital Economy and Skills Development; (iii) Economic Cooperation and International Affairs; (iv) Public Infrastructure; (v) Social Sectors; (vi) Budget Management; (vii) Economic and Fiscal Policies and Legislations; and (viii) Economic Intelligence and Research Unit. The organisational structure of MOFED is presented at Figure 2.

The Corporate Services are responsible for, *inter-alia*, Parliamentary Affairs, Boards and Committees and Budget Proposals; Office Operations and Facilities Management; Human Resources matters and policy issues; Financial Operations, Procurement and Supply and Internal control.

MOFED is also responsible to provide, to all Ministries, human resources in three main areas namely: Financial Operations, Procurement & Supply and Internal Control to facilitate the smooth running of their core businesses.

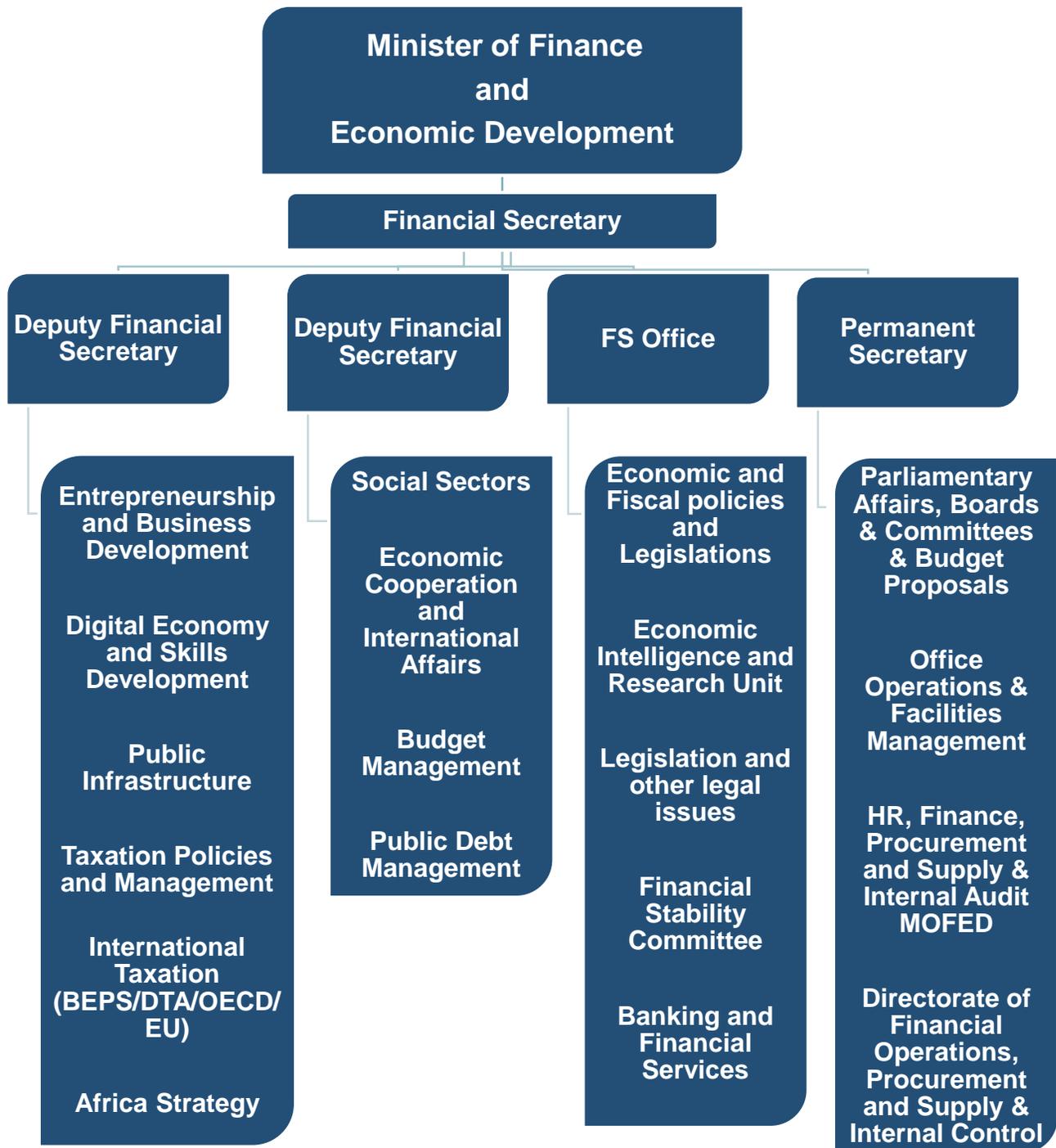


Figure 2: Organisational Structure of MOFED as at 30 June 2019

The human resources of MOFED are shown in Table 6 below:

Staff in post in MOFED as at 30 June 2019

Job Title	Number of Staff
Financial Secretary	1
Deputy Financial Secretary	2
Director (Economic & Finance)	8
Lead Analyst	55
Lead Strategic Policy and Planning Officer	1
Senior Analyst	1
Analyst/Senior Analyst	118
Strategic Policy and Planning Officer/ Senior Strategic Policy and Planning Officer	2
Financial Operations Cadre*	626
Internal Control Cadre*	113
Procurement & Supply Cadre*	505
Administrative Cadre	5
HR Cadre	8
General Services Staff	119
Assessment Review Committee Technical Cadre	15
Procurement Policy Office	1
Central Procurement Cadre	16
Advisers	5
Contractual Officers	26
Service to Mauritius Programme (STM) Interns*	156
PIMU	1
TOTAL	1,784

Table 6: Number of Staff in post in MOFED as at 30 June 2019

**Officers in the Financial Operations, Internal Control, Procurement & Supply Cadres and STM Interns are out-posted in all Ministries and Departments to perform operational duties*

The gender distribution of human resources at MOFED is as follows:

Cadre	No. of Male	No. of Female	Total
Internal Control	12	12	24
ARC	6	9	15
PPO	1		1
CPB	4	13	17
Financial Operations	21	18	39
Procurement and Supply	13	7	20
Analyst	88	87	175
Adviser	5		5
Officers on contract	19	5	24
OA/SOA	13	11	24
Driver	14		14
Store Attendant	1		1
HOA	3		3
General Worker	2	1	3
Receptionist		3	3
Administrative	3	2	5
HR Cadre		8	8
General Service	22	96	118
STM	6	12	18
TOTAL	233	284	517

Table 7: Gender Distribution at MOFED

PART II

ACHIEVEMENTS

Part II highlights the major achievements of MOFED and the status on implementation of budget measures for FY 2018-19.

MAJOR ACHIEVEMENTS FOR FINANCIAL YEAR 2018-19

Sound Macroeconomic Management

- In spite of the challenging international economic environment, sound macroeconomic management by MOFED underpinned by proactive implementation of appropriate policy measures and reform initiatives have enabled the country to improve and consolidate its economic fundamentals. The Mauritian economic growth momentum remained strong on the back of buoyant growth in some sectors and higher domestic demand.
- Real GDP growth is estimated at 3.8% in 2018. The main growth drivers were financial services, construction, retail trade, tourism and ICT.

IMPROVEMENT IN KEY ECONOMIC INDICATORS

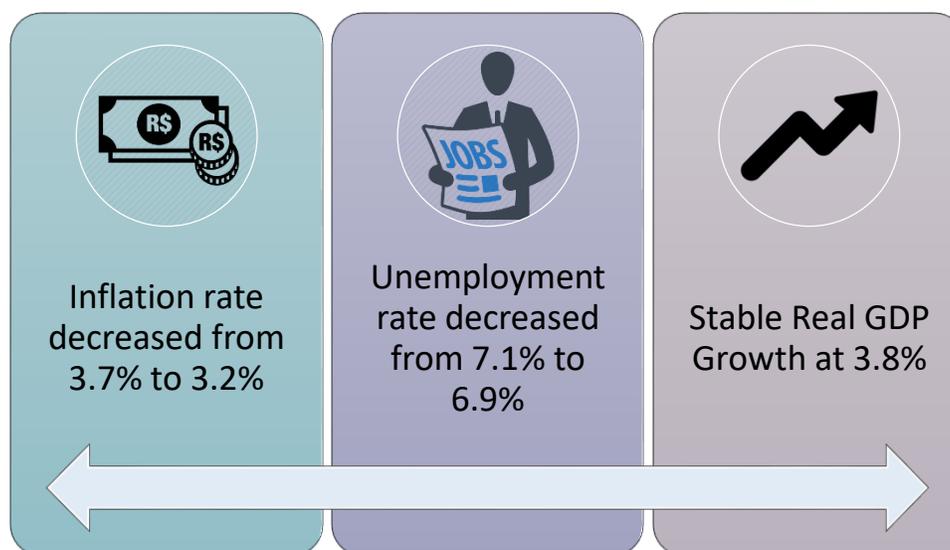


Figure 3: Improvement in key Economic Indicators

- Inflationary pressures receded in 2018 as the headline inflation rate declined from 3.7% in 2017 to 3.2%. The inflation rate declined further to 1% in June 2019.
- Unemployment continued on its declining trend. The unemployment rate went down from 7.1% in 2017 to 6.9% in 2018, the lowest rate in 17 years. Both male and female unemployment rates declined in 2018. In fact, female unemployment rate has decreased more rapidly than male unemployment to reach 10.1% in 2018, which is the lowest since 2001. Youth unemployment rate increased slightly to 25.1% in 2018.
- In 2018, total investment was up by 13.5% in nominal terms compared to 6% in 2017. There was a rise in both public and private investment. The investment rate went up to 18.8% from 17.4% in 2017. FDI inflows, after reaching a record Rs 21.2 billion in 2017, remained at an elevated level of Rs 17.4 billion in 2018.

Enhancing Competitiveness for Growth and Job Creation

- Reform initiatives in the context of business facilitation contributed towards improving the positioning of Mauritius globally. According to the World Bank's 'Doing Business Report 2020', Mauritius through methodical reforms in its business environment over the last decade has joined the group of Top 15 economies (the only Sub-Saharan African economy to do so) this year, thus improving its ranking from 20th to 13th position.
- Mauritius ranked 52nd worldwide and 1st in Sub-Saharan Africa in the Global Competitiveness Report 2019 on the basis of better macroeconomic environment and the transitioning of Mauritius to the innovation-driven stage of development.
- Mauritius ranked 25th as freest economy worldwide in the 2019 Index of Economic Freedom of the Heritage Foundation and 1st out of 47 countries in the Sub-Saharan African region. The good performance of Mauritius is due to (i) its efficient and transparent regulatory environment that supports broad-based economic development, and (ii) competitive tax rates and a fairly flexible labour code. The open trade and investment regime is underpinned by well-protected property rights and a non-discriminatory legal system.
- Mauritius has further improved its score on the 2019 Paying Taxes ranking from 10th to 6th in the 2019 World Bank's Report

World Bank's Doing Business Report 2020

- From 20th to 13th out of 190 countries

Global Competitiveness Report 2019

- Ranked 52nd worldwide and 1st in Sub-Saharan Africa

2019 Index of Economic Freedom of the Heritage Foundation

- Ranked 25th as freest economy worldwide and 1st in Sub-Saharan Africa

Moody's Investors Service

- Confirmed rating of Baa1 with Stable Outlook

Paying Taxes World Bank's Report 2019

- Improved score and ranking from 10th to 6th position

Improving Public Financial Management and Strategic Planning

- In its credit analysis carried out in March 2019, Moody's International Service reaffirmed Government of Mauritius' Baa1 long-term issuer and senior unsecured ratings, and maintained the stable outlook. The affirmation of the Baa1 ratings is supported by Mauritius's strong growth and macroeconomic resiliency to shocks and Moody's expectations for Government debt to stabilise over the medium term.
- Implementation of accrual based accounting in the Public Sector is on track as per roadmap. Various elements in the Financial Statements of Government as well as Local Authorities have been recognised on an accrual basis.
- The computerised Government Asset Register (GAR) project to have a comprehensive register of all assets in Government is underway.
- Ninety percent of Ministries have submitted their Annual Report on Performance and these are posted on their respective websites.
- With a view to further strengthening accountability and transparency in Statutory Bodies, the Statutory Bodies (Accounts & Audit) Act has been amended to require statutory bodies to remit surplus or accumulated revenue reserve into the Consolidated Fund or invest in Treasury Certificates or other Government securities. Furthermore, to avoid duplication in reporting, statutory bodies will henceforth be required to include their performance and strategic direction in only one report.
- To improve management of inventories in Government, an e-Inventory Management System has been set up in 10 sites and will be deployed to other departments.
- Financial Instructions on Capital Project Process Manual have been issued with a view to simplifying the framework of planning, financing and implementation of capital projects. Financial Instructions on borrowing requirements of public entities was also issued with a view to enhancing the monitoring of public sector debt.
- 48 public bodies embarked on e-Procurement system with registration of 1341 suppliers on the system.

Enhanced Revenue Management & Taxation Policies

- Enhanced e-tax strategy of MRA coupled with international benchmarking of its system and processes, to further improve on revenue collection targets and tax compliance.
- Mauritius has consistently improved its ranking to reach the 6th position in the Paying Taxes Index of the World Bank Doing Business Report 2019.
- An Alternative Tax Dispute Resolution mechanism has been put in place at the level of MRA to expedite tax appeal cases exceeding Rs 10 Million.
- MRA has put in place 'Arrears Recovery Schemes' for expeditious recovery of arrears.
- A mobile app 'MRAeasy' for small businesses and extension of direct debit facilities for fast & convenient payment has been developed.
- Payment of Negative Income Tax Allowance and Special Allowance to low income employees is fully operational.
- To ease cashflow of businesses, a fast track system for re-payment of VAT was introduced, and the e-filing system for companies was also fine-tuned.

Development in Business Facilitation

- The streamlining of the property registration process and improvements in the Mauritius e-Registry System (MERS) has helped Mauritius to move from the 99th position in 2017 to the 23rd position in the Registering Property indicator. This performance has contributed to boost the ranking of Mauritius in the World Bank's Ease of Doing Business Report 2020, from 20th to 13th position.
- The Registrar-General's Department (RGD) is continually upgrading its digitalised system to further improve service delivery.
- Online access to the movable property database of the RGD was granted to public notaries and other relevant stakeholders.
- Payment by direct debit has been implemented at the RGD.

Strengthening Regional Integration and International Cooperation

China

- Mauritius and China concluded negotiations on a Free Trade Agreement (FTA) in August 2018, after four rounds of negotiations. A Memorandum of Understanding was signed on 2 September 2018 in Beijing for that purpose.
- A grant of RMB One Hundred and Fifty Million (RMB 150 million) was offered to the Government of Mauritius in July 2018 for the implementation of socio-economic projects.
- Financial assistance to the tune of RMB 344.98 million through a blending of grant and interest free loan has been obtained for the construction of an aquatic centre and football stadium in the Multi Sports Complex at Cote d'Or was utilized to host the 10th Edition of the Island Ocean Islands Games (IOIG) in July 2019.
- A new grant of RMB 100 million was offered by the Government of China in June 2019 for the acquisition of electric buses.
- A partial remittance of interest free loan, totalling to RMB 78 million, was extended by the Government of China in June 2019.

India

- After Seven Rounds of negotiations held on the India-Mauritius Comprehensive Economic Cooperation and Partnership Agreement (CECPA) since 2017. The Joint Study Report was finalized and signed during the last CECPA Round, held in Mauritius in November 2018. MOFED led the negotiations on the Economic Cooperation Chapter.

World Bank

- Government has sought the assistance of the World Bank to provide strategic policy options to make the sugar cane industry sustainable in the medium and long term.

Abu Dhabi Fund

- In February 2019, a Grant Agreement for an amount of USD 21 million, was signed between Government of Mauritius and Abu Dhabi Fund for Development for the construction of a New Eye Hospital in Mauritius.

Kingdom of Saudi Arabia

- A loan agreement for an amount of USD 50 million was signed on concessional terms with the Saudi Fund for Development in July 2018 to co-finance the Flacq Teaching Hospital project
- In October 2018, Mauritius signed three (3) Loan Agreements on concessional terms with the Saudi Fund for Development for the financing of the following projects:

- Cancer Hospital project – USD 25 million
- Multi Sports Complex project – USD 25 million
- Social Housing project – USD 50 million
- In May 2019, a Memorandum of Financial Grant for an amount of USD 10 million was signed between Government of Mauritius and the King Salman Humanitarian Aid and Relief Centre to provide humanitarian support to victims of cyclones, floods and other natural disasters.

Japan International Cooperation Agency (JICA)

- The Doppler Radar of the Meteorological Services Mauritius was launched on 03 April 2019. This project was financed by JICA through a grant of JPY 1.34 billion.

Fonds De Solidarité Africain

- In December 2018, the Fonds de Solidarité Africain signed an agreement with the Development Bank of Mauritius emphasising on cooperation in respect of local small and medium enterprises.

European Union

- Mauritius obtained a grant of Euro 10 million for the implementation of the National E-licensing project under the 11th EDF Regional Indicative Programme for Interim Economic Partnership Agreement (iEPA).
- A Financing Agreement under the 11th EDF National Indicative Programme in January 2019, whereby Mauritius obtained a grant of Euro 7.9 million to support its development and youth employability through post-secondary education, training and innovation.

Global Environment Facility (GEF)

The GEF has approved the project concept for “Implementing Sustainable Low and Non-Chemical Development in SIDS (ISLANDS)” for SIDS. Under this umbrella project meant is to reduce chemical waste in Mauritius, the Indian Ocean SIDS (Comoros, Maldives, Mauritius and Seychelles) is benefitting from a grant of USD 13 M, out of which Mauritius will benefit from a grant of around USD 4 M.

Adaptation Fund Board

- The regional project “Restoring marine ecosystem services by rehabilitating coral reefs to meet a changing climate future for Mauritius and Seychelles” for a grant of USD 10 M has been approved in October 2018.

Common Market for Eastern and Southern Africa (COMESA)

- Mauritius received a budget support of approx. € 1,306,428 (Rs 52 million) under COMESA Adjustment Facility (CAF) in 2018 to implement regional integration indicators.
- Conclusion of eight (8) DTAs with COMESA countries.

- Mauritius also obtained some US\$ 200,000 (Rs. 7.2 million) as merger filling fees from the COMESA Competition Commission and US\$ 45,000 (Rs. 1.6 million) for the formulation of five bankable projects.

Accelerated Program for Economic Integration (APEI)

- Financial assistance to the tune of USD 150,000 (Rs. 5.4 million) was obtained from World Bank to conduct a study on ‘Strengthening Regional Agricultural Imports of Mauritius and Seychelles from APEI countries and Madagascar’.
- Resources have been mobilised from several International Cooperating Partners (ICPs) to develop a Mutual Recognition Agreement (MRA) for Accountants and Auditors.

Status on Implementation of Main Budget Measures for FY 2018-19

Budget para	Budget Measures	Implementation Date	Status
55	Introduce a new harmonised fiscal regime for domestic and Global Business Companies and a specific fiscal regime for banks	31-Jul-18	Amendment made through Finance Act 2018
68	DBM to write off all outstanding loans contracted under the Pig Breeders Relaunching Scheme.	9-Jul-18	303 Loan accounts have been closed. Amount written off is Rs 71.6 M- Capital Rs 49.7 M & Interest Rs 21.8 M
73	Increasing the customs duty on import of sugar from 15 percent to 80 percent to support planters	15-Jun-18	Implemented through Financial Resolution
87	Introduce a 5-year tax holiday for Mauritian companies collaborating with the Mauritius Africa Fund for the development of infrastructure in the Special Economic Zones.	31-Jul-18	Amendment made through Finance Act 2018
104	Extend the VAT Refund Scheme to cover musical instruments purchased by the local artists registered with MASA	15-Jun-18	Amendment made through Finance Act 2018 with effect from 15 June 2018
111	A new package of fiscal and non-fiscal facilities to attract foreign retirees. Besides the right to acquire an apartment, they will be exempted from payment of customs duties on the import of personal effects up to a value of Rs 2 million.	30-Apr-19	Investment Promotion (Property Development Scheme) (Amendment) Regulations 2019 was made under the EDB Act and gazetted in April 2019

Budget para	Budget Measures	Implementation Date	Status
115	DBM will provide non-financial support to mSMEs through a new Hand-holding and Mentoring cell	1-Oct-18	Effective as from 1 Oct 2018 New Cell created
150	Increase in financial incentive given to local manufacturers from Rs 5 to Rs 15 per kilo of used PET bottles	31-Jul-18	Amended through Finance Act 2018
183	Additional income tax deduction in respect of a dependent child who is pursuing tertiary studies is being raised as follows – <ul style="list-style-type: none"> • if abroad, from Rs 135,000 to Rs 200,000; and • if in Mauritius, from Rs 135,000 to a maximum of Rs 175,000. 	1-Jul-18	Amended through Finance Act 2018 with effect from 01 Jul 2018
221	a) Each Ministry and public-sector institution will be required to publish a Gender Policy Statement in its Annual Report b) Training of some 250 government officials across all ministries and departments, to deal with gender issues	Ongoing	a) Guidelines on Annual Report of Ministries have been amended to include a Gender Statement. b) i) UNDP in collaboration with MCSAR conducted a workshop on Gender Mainstreaming in the Civil Service in October 2018 for some 60 participants ii) Training of a second batch of some 100 officers was held in the 1 st week of April 2019 by MOFED & UNDP iii) M/Gender Equality will carry out training for the remaining senior officials
221	Companies that invest in a crèche will benefit from a double deduction under corporate tax	1-Jul-18	Amended through Finance Act 2018 with effect from 1 Jul 2018

Budget para	Budget Measures	Implementation Date	Status
231	The Ombudsperson for Financial Services Bill is being finalised in consultation with relevant stakeholders to better protect consumers of banking and financial services;	27-Nov-18	The Ombudsperson for Financial Services Act was gazetted on 20 Dec 2018 The Ombudsperson for Financial Services is in office since March 2019
272-273	The Finance and Audit Act will be amended for Ministries and Departments to include an implementation plan in their Annual Report for preventing recurrence of shortcomings reported by the Director of Audit.	31-Jul-18	Amended through Finance Act 2018. Guidelines for the preparation of Annual Report have accordingly been amended in August 2018
275	Extension of the Solidarity levy on telephony service providers until June 2020. The requirement for book profit of a company to exceed 5 percent of its turnover to be liable to the levy is being removed.	31-Jul-18	Amended through Finance Act 2018
276	Current formula for Special Levy on Banks which is scheduled to end by June 2018 will be maintained up to June 2019.	31-Jul-18	Amended through Finance Act 2018
287	Increasing the income exemption threshold of all employees by Rs 5,000. Hence, an employee with an annual income of Rs 305,000 will not have to pay any income tax.	1-Jul-18	Amended through Finance Act 2018 with effect from 01 Jul 2018

Budget para	Budget Measures	Implementation Date	Status
289-290	Decreasing the income tax rate from 15 percent to only 10 percent for people earning between Rs 305,000 and Rs 650,000 annually. Income tax payers earning a maximum of Rs 50,000 monthly will hence pay up to Rs 18,000 less in income taxation annually.	1-Jul-18	Amended through Finance Act 2018 with effect from 01 Jul 2018
296	A retired person will be eligible to the enhanced income exemption threshold granted to retirees even if he derives emoluments provided that such income does not exceed Rs 50,000 in an income year.	1-Jul-18	Amended through Finance Act 2018 with effect from 01 Jul 2018

Table 8: Completed 2018-19 Budget Non-Infrastructure Measures

The details of the measures announced by the Ministry of Finance and Economic Development in the budget 2018-19 and its status are provided at Annex III

Status on Implementation of Key Actions – FY 2018-19

Table 9 below shows the status of the Key Actions and the Key Performance Indicators (KPIs) pertaining to MOFED which were included in the Budget 2018-19

Status of Key Actions and KPIs				
Key Action	Key Performance Indicator	Target	Achievement as at 30 June 2019	Remarks
Improving coordination of monetary and fiscal policies	Budget deficit as a percentage of GDP	≤ 3.5%	3.2%	Provisional Actual
Improving Accountability	Percentage of Ministries submitting Annual Report on Performance	100%	90%	27 out of 30 Ministries/Divisions have submitted their Annual Reports for the FY 2017/18
Implementation of Government e-Procurement system (e-PS)	Number of public bodies integrating e-PS	80	54	The 54 public bodies (out of 204 which fall under the Public Procurement Act) represent more than 74% of Total Invitation for Bids and 88% of Total Public Spending
Modernising accounting and reporting framework	Accounting Policies and Format finalised for implementation of accrual IPSAS	Mar-19	Mar-19	
	Preparation of Financial Statement in line with accrual IPSAS in a phased manner	Partial Budgetary Central Government	Partial Budgetary Central Government	
	Percentage of non-financial assets recorded in the Government Asset Register	30%	30%	The methodology adopted is value of Non-Financial Assets (including land value) recorded compared to the total capital outlay as at 30 June 2019.

Table 9: Status of Key Actions and KPIs

Other Internal Key Performance Indicators

Table 10 below provides status for other Key Performance Indicators developed by MOFED for improving service delivery.

Other Internally developed KPI's

KEY ACTION	KEY PERFORMANCE INDICATOR	STATUS
MODERNISING PUBLIC FINANCIAL MANAGEMENT		
Review of Financial Management Manual	Financial Instructions No 1 of 2018	Issued in December 2018
	Financial Instructions No 1 of 2019 –Capital Project Process Manual	Issued in February 2019
Improving Cash Management, Accountability & Transparency	Issue Circular on Surplus Funds for Early Repayment of Public Debt	Issued in May 2019
	Issue of revised guidelines on Annual Report on performance	Issued in August 2018
Improving effectiveness of Internal Audit in Government	Technical Assistance from the US Embassy for the review of Government internal audit.	Technical Assistance received in November 2018
Modernising Accounting & Reporting Framework	Technical Assistance from the IMF to advise Government on accounting framework in line with best practices.	Technical Assistance received in March 2019
STRENGTHENING REGIONAL INTEGRATION & INTERNATIONAL COOPERATION		
Expand network of DTAA's & IPPAs	Conclude at least 4 agreements	<ul style="list-style-type: none"> • The Protocol amending the UK DTAA entered into force in July 2018 • The DTAA with Comoros was signed in September 2018 • The Protocol amending the DTAA with Barbados

KEY ACTION	KEY PERFORMANCE INDICATOR	STATUS
		<p>entered into force in September 2018</p> <ul style="list-style-type: none"> • The DTAA with Jersey entered into force in December 2018 • The DTAA with Ghana entered into force in January 2019 • A DTAA was negotiated and concluded with Estonia in March 2019 • The DTAA with Kenya was signed in April 2019
FINANCIAL OPERATION CADRE		
Induction Course	Designing induction course for 157 Assistant Finance Officers recruited in July, August and October 2018.	A three-day training course were delivered by the Civil Service College in 5 batches to help the newly appointed AFOs understand their regulatory and ethical responsibilities.
Human Resource Management Information System	Defining and clarifying the roles of HR officers and Financial Operations Officers in the HRMIS Payroll process	Payroll Runs - 100% was completed for July 2018 and is ongoing for subsequent months.
Review of the Bonding Policy in the Public Service.	A Joint Technical Committee (JTC) was set up at MOFED to look into the weaknesses in the current bonding policy in the public service.	<p>A new policy has been worked out to provide for more flexibility with regards to sureties and mobility of officers across the public service.</p> <p>Final report of the Joint Committee, duly vetted by the PRB and SLO, has been approved by the Cabinet.</p>

KEY ACTION	KEY PERFORMANCE INDICATOR	STATUS
INTERNAL CONTROL CADRE		
Strengthening internal control mechanisms in Ministries/Departments	Percentage Annual Internal Audit Plans of Ministries/Departments completed	70%
	Percentage agreed recommendations in the Internal Audit Reports implemented	75%
PROCUREMENT AND SUPPLY CADRE		
Introduction of computerised Inventory Management System (e-IMS)	Implementation of Electronic Management Information System covering ten sites at three large Ministries	<p>The e-IMS has already been implemented at the following Ministries-</p> <ul style="list-style-type: none"> • Prime Minister's Office • Ministry of Finance and Economic Development • Ministry of Defence and Rodrigues
Capacity Building for Procurement and Supply Officers	Induction Course for the benefit of 140 Temporary Assistant Procurement and Supply Officers has also been mounted and conducted successfully on procurement and supply procedures in the civil service.	<ul style="list-style-type: none"> • The Induction Course was conducted in May 2019

Table 10: Other Internal KPIs

Risk Management, Citizen Oriented Initiatives & Good Governance

The system of internal control at MOFED is designed to provide reasonable assurance regarding:

- the effectiveness and efficiency of operations in the Department;
- safeguard of assets and data of the Department;
- reliability of financial and non-financial reporting;
- prevention of fraud and irregularities; and
- compliance with applicable laws, regulations and instructions as well as policies and established procedures.

The Financial Secretary is accordingly responsible for –

- exercising care, skill and diligence in identifying, assessing and monitoring risks;
- carrying out, with the assistance of the Officer-in-Charge Internal Control (OIC Internal Control), a risk assessment exercise to identify areas where internal audit has to focus upon; and
- ensuring the preparation of an Internal Audit Operational Plan.

The approach adopted by the Internal Audit Unit of MOFED is to identify areas of significant operational or financial risks. The process to manage those risks is as follows:

- A risk based approach is adopted to identify areas of high risk or problem areas.
- Audit resources are directed to high risk areas.
- Risks are reassessed during the audit assignments and control measures in place are evaluated to assess their effectiveness.
- The attention of management is drawn on material weaknesses observed and recommendations for improvement are made.
- Follow up are made on a regular basis to ascertain status of actions initiated on all agreed recommendations in the action plan.

Internal Audit

For the period July 2018 to June 2019, out of 313 internal audit exercises planned, 223 were completed as shown in Fig 1.1. This represents 71% of Annual Internal Audit Plans. It is to be noted that in addition to the coverage of planned audit, 55 special assignments have been completed at the request of Accounting Officers.



Figure 4: Internal Audit Plan FY 2018-19

Percentage agreed recommendations in the Internal Audit Reports implemented

Follow up exercises have been carried out to ascertain the degree of implementation on 1,234 recommendations made in Internal Audit Reports. As at 30 June 2019, 983 recommendations have already been implemented. This represents 80% of the total recommendations.

Audit Committee

Composition of Committee

- The Audit Committee (AC) set up in MOFED is constituted as follows:

Name	Designation	Position in the AC
Mr. A. Acharuz	Director	Chairperson
Mrs. C. Ramah	Deputy Permanent Secretary	Member
Mr. S. Lalmahomed	Lead Analyst	Member
Mr. A. Mooteea	Analyst/Senior Analyst	Secretary

Table 11: Composition of the Audit Committee

- The Audit Committee (AC) held four meetings during 2018-19. Specific meetings were held with MOFED management and departments falling under MOFED, that is, Corporate and Business Registration Department, Registrar-General's Department and the Mauritius Revenue Authority to discuss issues reported by the Director of Audit. The issues discussed at the level of Audit Committee are as follows:
 - Reconciliation of the Companies and Businesses Registration Integrated System (CBRIS) and Treasury Abstracts to clear differences.
 - Steps to be taken for collection of arrears of revenue instead of having recourse to write off debts.
 - Compounding of cases under Customs laws
 - Review of the Internal Audit Plan for MOFED and the works carried out by the Internal Audit team.

Implementation Plan - Director of Audit Comments

The Director of Audit issued her report on the accounts of the Republic of Mauritius for the FY ending 30 June 2019 in February 2019. Included in her report were shortcomings noted at the level of MOFED (Headquarters), MRA, Corporate and Business Registration Department and the Registrar General's Department. The actions/measures being undertaken to address the shortcomings are shown in the table below.

Issues (Report Ref)	DOA Comments	Proposed Measures	Status of Actions taken/ Implementation Date
MOFED			
6.1.1	Office Accommodation – SICOM Tower : There were payments which were outstanding related to rental charges and Fit out Works.	MOFED to terminate the Lease Agreement signed in 2015 with SICOM Ltd and enter into new lease agreement with each Ministry/Department occupying the premises of SICOM Tower.	Outstanding balance with SICOM has been settled and each Ministry /Department occupying premises at the SICOM Tower has entered into a new lease agreement with SICOM as from 1 July 2019.
Corporate and Business Registration Department			
6.10	Differences found in revenue collected	Differences were mainly due to fluctuations of exchange rate. There was need for using average exchange rate. The System Developer should initiate action so that all identified weaknesses are promptly taken care of, thereby ensuring accuracy, completeness & reliability of the reports generated from CBRIS.	Reconciliation exercises were completed and appropriate adjustments done in TAS. State Informatics Limited (SIL) has been requested to look into the matter.

	Slow recovery of arrears of revenue	Need to strengthen and reinforce measures e.g. use of Compounding of offences.	Compounding has enhanced collection of arrears and the process is on-going.
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Registrar General Department

6.12	Increase in the level of debts	An Arrears Payment Scheme (APS) to motivate long outstanding debtors to settle their claims.	The Arrears Payment Scheme is ongoing.
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	Enhancement of information system	Norway Register Development (NRD) to enhance the system to generate report (R32) which caters for the required information and digitization of the RGD.	Already implemented
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Mauritius Revenue Authority

6.5	Existence of long outstanding debts	Need for better debt management	Frequent update is requested from Regulatory Bodies. Customs Department regularly liaises with Court Managers and returns are submitted periodically.
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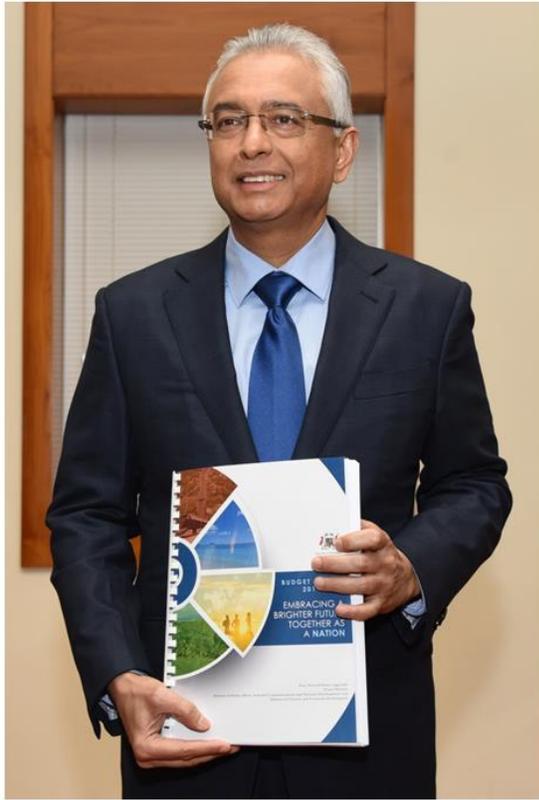
	Expired Products	Need for more Customs controls, and appropriate actions for the destruction of the expired medical products	SOP Manual has been amended to include scanning of containers prior to their release to Freeport Zones. Customs is working closely with the
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			Freeport developer to ensure that these dangerous products are destroyed according to prescribed regulations.
	Overlying items at Mauritius Multipurpose Terminal and Freight Stations	Overlying vehicles, including the detained ones should be transferred to Customs Warehouse;	On-going process. Almost all vehicles, containers and other items have been either, disposed by way of auction or destroyed or re-exported. The process is ongoing.

Table 12: Director of Audit Comments - Implementation Plan

Events Hosted by MOFED in FY 2018-19

- IMF Staff Visit – 25 July to 31 July 2018
- Demo of Electronic-Inventory – 10 July 2018
- Meeting on Incinerators for local authorities – 6 July 2018 and 11 July 2018
- Meeting on National Risk Assessment – 13 July 2018
- Visit of delegation from International Renewable Energy Agency (IRENA) – 3-7 September 2018
- Visit of Delegation from Gambia to IRP – 11 September 2018
- Visit of delegation from Saudi Fund for Development – 9-13 September 2018
- 24th Session of the Inter-Governmental Committee of Experts of Southern Africa Meeting, organised by the United Nations Economic Commission of Africa (UNECA) at Le Meridien – 18-21 September 2018
- Meeting on Single Maritime Window at the Port – 8 October 2018
- Meeting on implementation of budget measures – 25 October 2018
- Technical Assistance in the field of Internal Auditing – 26 to 28 November 2018
- DTAA negotiations with Uganda – 5-6 December 2018
- Workshop on restructuring of internal auditing in government – US Embassy – November 2018
- The GEF National Dialogue was held in 13 and 14 November 2018. The purpose of the dialogue was to conduct a full-fledged national consultation exercise to determine the priority projects which will be funded with GEF-7 resources by aligning GEF and national priorities.
- Tripartite committee on salary compensation – 6 December 2018
- Visit of the Director General of Fonds de Solidarite Africain – 17-21 December 2018
- National Disaster, Risk Reduction and Management Meeting – 18 December 2018
- IMF article IV Mission 2019 – 16-30 January 2019
- Press Conference IMF Article IV Mission – 31 January 2019
- Workshop on Implementation of accrual IPSAS – IMF/AFRITAC South- March 2019
- Workshop on Capacity Building for Gender Mainstreaming in collaboration with UNDP – April 2019
- Budget Speech 2019-20 – 10 June 2019



Budgetary Exercise - FY 2019/2020



Budget Speech Day - FY 2019/2020



Signing of Grant Agreement and Protocol for the partial annulation of debt between China and Mauritius



Signature ceremony between the High Commissioner of India and the Financial Secretary



Africa Solidarity Fund



Meeting with the World Bank Delegation



IMF Article IV Mission 2019



Workshop on Restructuring of Internal Auditing in Government – As part of the Fiscal Transparency Innovation Fund (FTIF) from the US Embassy (November 2018).

Activities organised by the MOFED Staff Welfare Association

- Team Building at Le Maritim Crystal Beach Hotel – September 2018
- End-of-Year Staff Get Together – December 2018
- Vaccination Programme against H1N1 virus – June 2019
- Contribution to farewell parties of staff going on retirement

Participation of MOFED staffs in activities organised by the Public Officers Welfare Council (POWC)

Welfare Council (POWC)

- Annual Civil Service Kermesse – November 2018
- Annual Football Tournament – February 2019



Staff Welfare Association

PART III

Financial Performance

Part III provides the financial highlights for the FY 2018-19 and an analysis of significant changes in financial results. It also includes statements of revenue and expenditure.

Financial Highlights

Revenue collected by MOFED and its Departments and Statutory Bodies can be classified into two broad categories: -

- Taxes (including licence fees); and
- Non Tax Revenue (sales of goods and services, dividends, interest on loan to parastatal bodies and fines)

There are seven Expenditure Votes under MOFED as follows:

- 2-6 Finance and Economic Development (Ministry only)
- 2-7 Central Procurement Board
- 2-8 Treasury
- 2-9 Statistics Mauritius
- 2-10 Valuation Department
- 2-11 Corporate and Business Registration Department
- 2-12 Registrar-General's Department

Appropriation of funds is made by the National Assembly through these Votes.

Revenue

Figure 5 below is an illustration of revenue collected in FY 2018-19 by MOFED, its Departments and Statutory Bodies. Total collection was Rs 97.4 billion¹ out of which revenue collected by the Mauritius Revenue Authority (MRA) represents 91.8 percent.

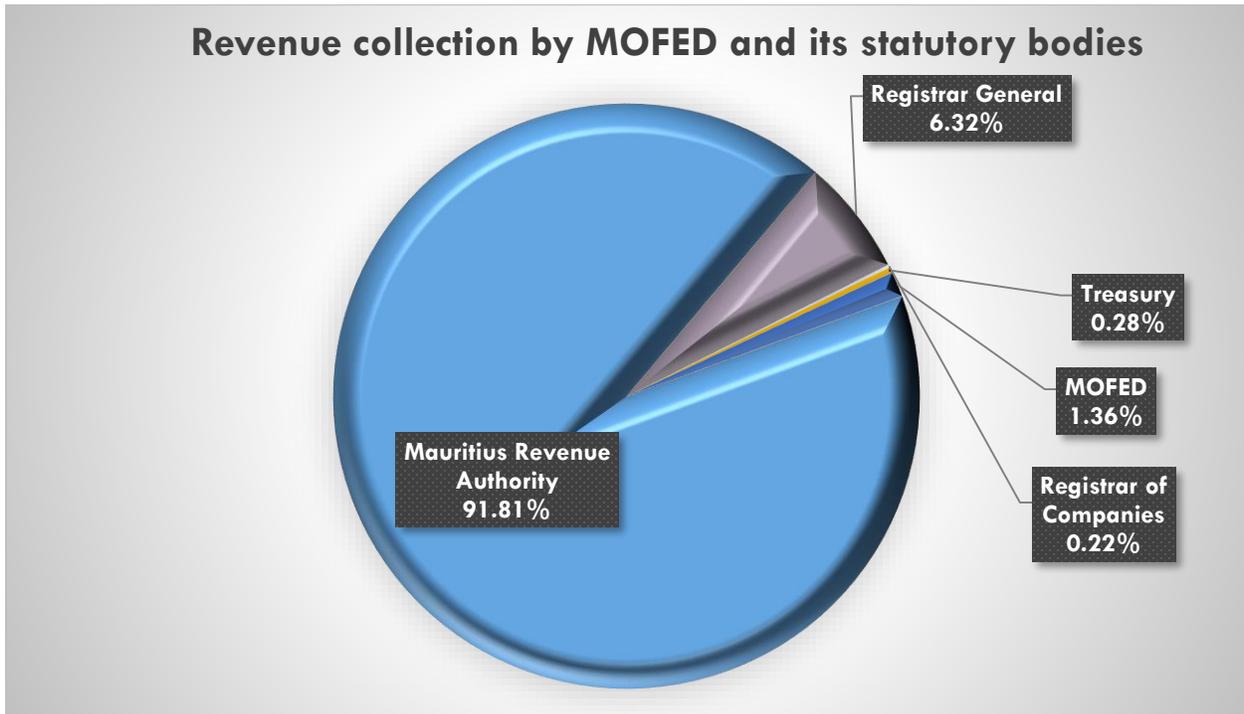


Figure 5: Revenue collection by MOFED and its statutory bodies

¹ Revenue Figures as at 22 October 2019

Expenditure

The pie chart below provides an illustration of expenditure incurred by MOFED in FY 2018-19 under Vote 2-6 by economic classification. Around 83 percent of total expenditure were incurred as grants whereas 13 percent as compensation to employees in terms of personal emoluments, other staff costs and social contributions.

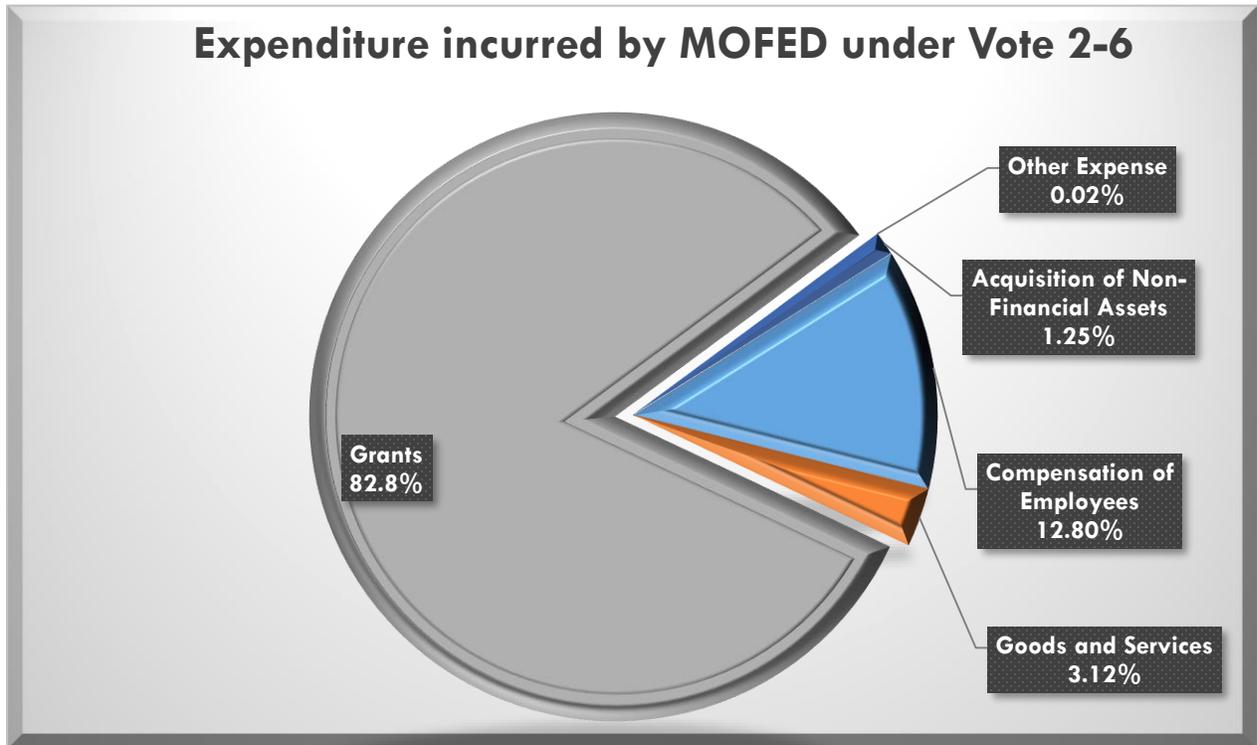


Figure 6: Expenditure incurred by MOFED under Vote 2-6

Analysis of Major Changes

Revenue

Figure 7 shows the breakdown of revenue collected by the Mauritius Revenue Authority in FY 2018-19 as compared to collections for preceding year, that is FY 2017-18.

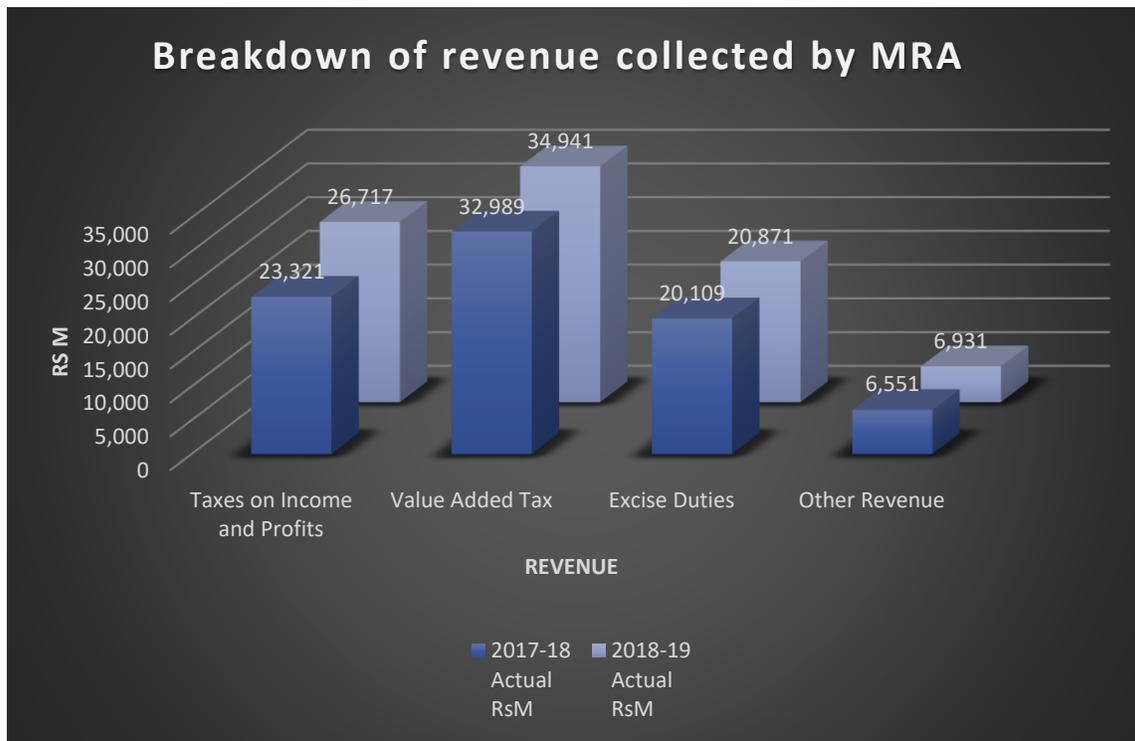


Figure 7: Comparison of revenue collected by MRA in FY 2017-18 and FY 2018-19

Out of a total revenue collection of Rs 89.5 billion by the MRA in FY 2018-19, Value Added Tax, Taxes on Income & profits and Excise duties represent 39%, 30% and 23% respectively. Other revenue representing 8% of total revenue comprises Taxes on Specific Services & Gambling, Taxes on International Trade & Transactions, Other Taxes, License Fees and User Fees & Charges. Compared to 2017-18, there was 8% increase in total revenue by MRA.

Expenditure

Grants are normally provided to Extra-Budgetary Units to meet their operating costs and capital expenditure. In the FY 2018-19, around Eighty-Four percent (83%) of Expenditure under Vote 2-6 was incurred under Grants which are provided as Current and Capital Grants to the Mauritius Revenue Authority and Contribution to International Organisations. Compared to 2017/18 there was an increase of around 8% in total grants paid in 2018-19 for MOFED under Vote 2-6.

An annual comparison of expenditure on grants to the Mauritius Revenue Authority (MRA) and Contribution to Collaborative Africa Budget Reform Initiative (CABRI) is shown in Figure 8 below.

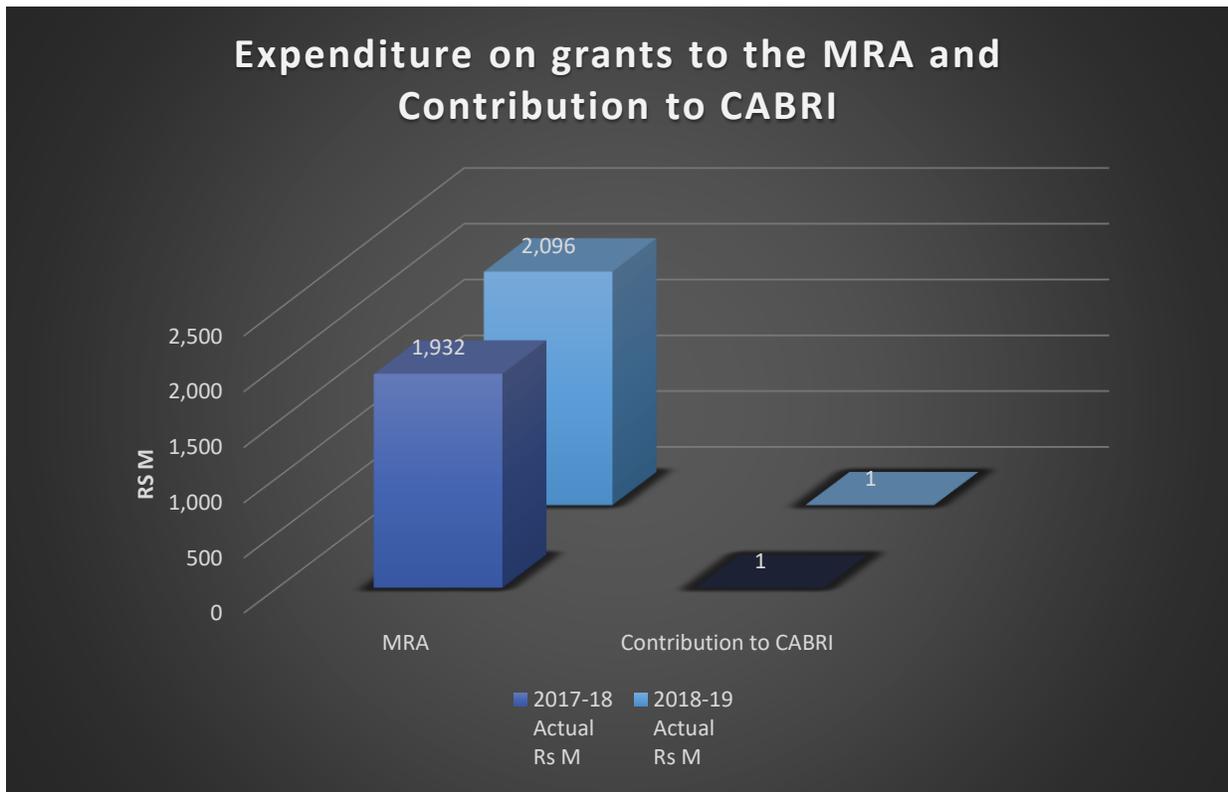


Figure 8: Comparison of Expenditure on grants to MRA and CABRI

Statements of Revenue and Expenditure

The Statements of Revenue have been prepared from data captured from the Treasury Accounting System (TAS).

Table 13 below provides a summary of total revenue from property income, user fees and other sources which were collected by the MOFED and its Departments.

STATEMENT OF REVENUE FROM PROPERTY INCOME, USER FEES AND OTHER SOURCES			
DEPARTMENT / HEAD OF REVENUE	2017-18 Actual Rs'000	2018-19 Estimates Rs'000	2018-19 Prov. Actual Rs'000
Mauritius Revenue Authority			
<i>Taxes on Income and Profits</i>	23,321,473	26,085,000	26,717,112
<i>Taxes on Goods and Services</i>	56,719,371	61,004,000	59,661,623
<i>Value Added Tax</i>	32,988,878	36,125,000	34,941,144
<i>Excise Duties and Environment Taxes</i>	20,108,760	20,932,000	20,870,971
<i>Taxes on Specific Services and Gambling</i>	3,598,925	3,925,000	3,826,641
<i>Licence Fees - Liquor</i>	22,808	22,000	22,867
<i>Taxes on International Trade and Transactions</i>	1,344,068	1,440,000	1,379,403
<i>Other Taxes</i>	1,479,626	1,890,000	1,610,984
User Fees and Charges	105,223	98,000	91,249
Total Revenue from MRA	82,969,761	90,517,000	89,460,371
Registrar General			
<i>Recurrent Taxes on Immovable Property</i>	6,668	5,000	6,297
<i>Taxes on Financial and Capital Transaction</i>	5,665,198	6,480,000	5,936,247
<i>Other Non Recurrent Taxes on Property</i>	64,394	65,000	218,708
Total Revenue from Registrar General	5,736,260	6,550,000	6,161,252
Registrar of Companies			
<i>Licences</i>	199,966	210,000	200,336
<i>Incorporation and Lodging fee, search duty, etc</i>	13,924	14,000	13,108
Total Revenue from Registrar of Companies	213,890	224,000	213,444
Treasury			
<i>Interest</i>	271,168	443,000	244,088
<i>Pension Contribution reimbursements</i>	258	100	265
<i>Compensation iro Government-owned vehicles</i>	800	500	1,440
<i>Sale of store</i>	6,131	5,000	14,397
<i>Miscellaneous</i>	735	200	787
<i>Fines, Penalties and Forfeits</i>	11,673	10,000	15,446
Total Revenue from Treasury	290,765	458,800	276,423

Ministry of Finance and Economic Development			
<i>Dividends</i>	780,029	480,000	185,866
<i>Withdrawals</i>	1,039,236	1,290,000	1,138,126
Total Revenue from MOFED	1,819,265	1,770,000	1,323,992
Total Revenue from Property Income, User Fees and other Sources	91,029,941	99,519,800	97,435,482

Table 13: Statement of Revenue from Property Income, User Fees and Other Sources

Total revenue collected by MOFED and its Departments and statutory Bodies amounted to Rs 97.4 billion in FY 2018-19 compared to Estimates of Rs 99.5 billion, that is, lower by 2.1 billion. This is mainly explained by lower Taxes on Goods and Services, Taxes on Financial and Capital Transaction, and Dividends.

Statements of Expenditure

The Statements of Expenditure² have been prepared from data captured from the Treasury Accounting System (TAS).

Table 14 below provides a summary of total expenditure incurred by MOFED under Vote 2-6 (Headquarters) which comprises Sub-Heads 2-601: General, 2-602: the Procurement Policy Office, 2-603: Independent Review Panel, 2-604: Assessment Review Committee and 2-605: Strategic Policy and Planning.

Vote / Sub-Head of Expenditure	2017-18 Actual Rs'000	2018-19 Estimates Rs'000	2018-19 Actual Rs'000
2-6 FINANCE AND ECONOMIC DEVELOPMENT			
2-601: GENERAL	2,520,184	2,725,000	2,455,096
<i>Compensation of Employees</i>	272,149	327,410	281,337
<i>Goods and Services</i>	55,135	89,040	51,814
<i>Grants</i>	2,181,852	2,264,950	2,095,771
<i>Other Expense</i>	539	600	609
<i>Acquisition of Non-Financial Assets</i>	10,509	43,000	25,565
2-602: Procurement Policy Office	17,987	48,900	30,872
<i>Compensation of Employees</i>	11,301	15,469	12,598
<i>Goods and Services</i>	6,686	26,885	12,585
<i>Acquisition of Non-Financial Assets</i>	-	6,546	5,690
2-603: Independent Review Panel	4,826	15,300	6,142
<i>Compensation of Employees</i>	2,226	3,265	2,303
<i>Goods and Services</i>	2,599	7,035	3,820
<i>Acquisition of Non-Financial Assets</i>	-	5,000	19
2-604: Assessment Review Committee	34,978	57,400	33,494
<i>Compensation of Employees</i>	22,384	31,820	22,383
<i>Goods and Services</i>	9,005	13,280	10,655
<i>Acquisition of Non-Financial Assets</i>	3,588	12,300	456
2-605: Strategic Policy and Planning	7,616	18,400	5,506
<i>Compensation of Employees</i>	7,376	15,910	5,289
<i>Goods and Services</i>	240	2,490	217
TOTAL EXPENDITURE FOR VOTE 2-6	2,585,591	2,865,000	2,531,111

Table 14: Statement of Expenditure under Vote 2-6 (MOFED Headquarters)

² Expenditure figures as at 22 October 2019

Summary of Expenditure incurred by Departments of MOFED

Vote of Expenditure	2017-18 Actual Rs'000	2018-19 Estimates Rs'000	2018-19 Actual Rs'000
2-7 Central Procurement Board	54,264	71,300	54,428
<i>Compensation of Employees</i>	33,697	45,635	32,776
<i>Goods and Services</i>	18,856	23,365	20,125
<i>Social Benefits</i>	1,711	2,300	1,527
2-8 The Treasury	108,533	129,500	118,625
<i>Compensation of Employees</i>	72,063	85,980	75,881
<i>Goods and Services</i>	34,359	40,520	39,742
<i>Grants</i>	810	900	857
<i>Acquisition of Non-Financial Assets</i>	1,302	2,100	2,145
2-9 Statistics Mauritius	173,759	203,300	165,580
<i>Compensation of Employees</i>	102,581	117,570	102,337
<i>Goods and Services</i>	66,726	84,683	62,444
<i>Grants</i>	29	47	27
<i>Acquisition of Non-Financial Assets</i>	4,423	1,000	772
2-10 Valuation Department	104,244	160,200	111,564
<i>Compensation of Employees</i>	81,335	102,702	85,029
<i>Goods and Services</i>	22,025	41,598	23,589
<i>Acquisition of Non-Financial Assets</i>	885	15,900	2,947
2-11 Corporate and Business Registration Department	93,836	121,400	100,099
<i>Compensation of Employees</i>	50,568	61,360	51,809
<i>Goods and Services</i>	35,420	44,950	38,351
<i>Grants</i>	61	90	62
<i>Acquisition of Non-Financial Assets</i>	7,787	15,000	9,876
2-12: Registrar-General's Department	97,661	150,300	93,534
<i>Compensation of Employees</i>	68,778	79,211	73,370
<i>Goods and Services</i>	16,883	21,689	17,776
<i>Acquisition of Non-Financial Assets</i>	12,000	49,400	1,397
TOTAL EXPENDITURE FOR VOTE 2-7 TO 2-12	632,298	836,000	643,839
TOTAL EXPENDITURE FOR VOTE 2-6 TO 2-12	3,217,888	3,701,000	3,173,950

Table 15: Summary of Expenditure incurred by MOFED and its Departments

Total expenditure under the different votes of MOFED amounted to Rs 3.17 billion in FY 2018-19 compared to actual expenditure of Rs 3.22 billion in FY 2017-18, that is around Rs 44 million less. Also, compared to the budgeted amount, there was underspending in FY 2018-19 by around 0.5 billion.

Centralised Services of Government

Vote of Expenditure	2017-18 Actual Rs'000	2018-19 Estimates Rs'000	2018-19 Actual Rs'000
26-1 Centrally Managed Expenses of Government	2,045,839	2,370,000	2,245,100
<i>Compensation of Employees</i>	<i>1,666,446</i>	<i>1,995,000</i>	<i>1,913,954</i>
<i>Goods and Services</i>	<i>124,376</i>	<i>168,000</i>	<i>148,875</i>
<i>Grants</i>	<i>52,300</i>	<i>53,000</i>	<i>45,600</i>
<i>Other Expense</i>	<i>202,716</i>	<i>154,000</i>	<i>136,672</i>
27-1 Centrally Managed Initiatives of Government	7,906,695	9,345,000	8,013,935
<i>Compensation of Employees</i>	<i>41,374</i>	<i>110,000</i>	<i>39,345</i>
<i>Goods and Services</i>	<i>433,784</i>	<i>55,000</i>	<i>17,112</i>
<i>Subsidies</i>	<i>158,341</i>	<i>38,000</i>	<i>23,710</i>
<i>Grants</i>	<i>2,020,716</i>	<i>21,400</i>	<i>20,008</i>
<i>Other Expense</i>	<i>1,439,595</i>	<i>964,600</i>	<i>1,067,869</i>
<i>Acquisition of Non-Financial Assets</i>	<i>293,532</i>	<i>365,000</i>	<i>79,908</i>
<i>Acquisition of Financial Assets</i>	<i>3,519,352</i>	<i>7,791,000</i>	<i>6,765,982</i>

Table 16: Summary of Expenditure incurred under Centralised Services of Government

As per table 16 above there was an underspending in 2018-2019 compared to their budgeted amounts under centralized services of the Government in both Votes 26-1 and 27-1.

PART IV

WAY FORWARD

Part IV provides a situational analysis of the environment in which MOFED operates and which impacts on its service delivery. It also includes the strategic directions to realise the Ministry's vision, objectives and desired outcomes.

Trends and Challenges

The diagram below shows a SWOT Analysis, which takes into account the conditions under which MOFED is operating and trends and challenges it is facing.

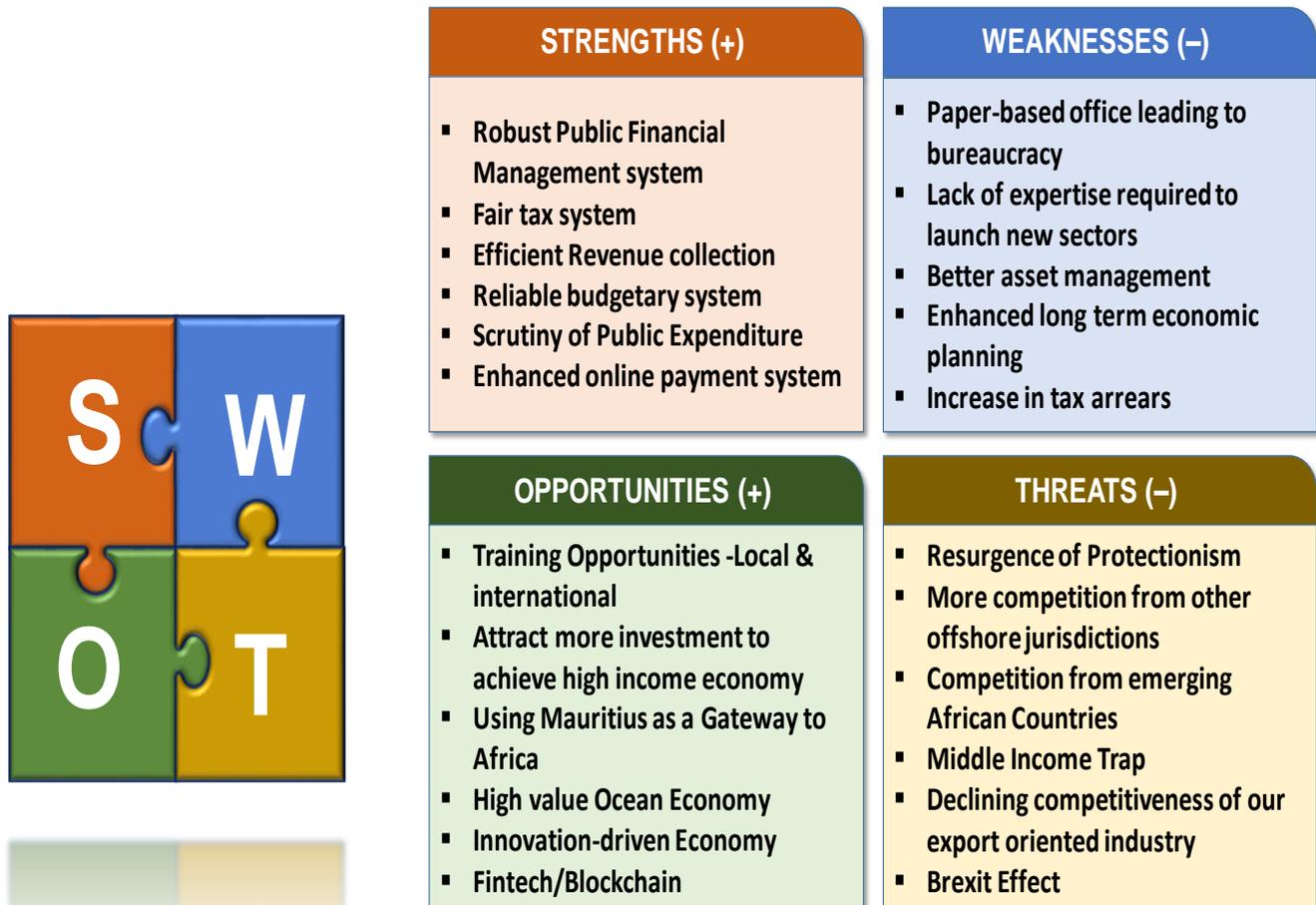


Figure 9: SWOT Analysis of MOFED

Strategic Direction

This part provides the strategic direction of the Ministry for the next three years. To consolidate the economic fundamentals and improve the effectiveness of Government in service delivery, the following strategies will be implemented:

Steer the economy to a higher plane of development

Develop new pillars to achieve an average growth rate in the range of 3.9 to 4.3 percent over the next three years

Maintain macro-economic stability and sound public finances

- Keep public sector debt at sustainable levels.
- Modernise the key infrastructure of the country.
- Further strengthen other debt-related parameters on affordability, solvency and liquidity.

Raise private investment

- Economic Development Board (EDB) to improve investment climate and attract more FDI in productive activities.
- Step up trade facilitation at the level of Mauritius Revenue Authority Customs without compromising on border control and society protection.

Improve tax system

- Ensure a fair, simple and transparent tax system.
- Ease tax payer's compliance through the use of information technology.
- Improve tax payer's services through effective use of social media and e-services.

Modernise public financial management to improve transparency and accountability

- Implement accrual-based accounting framework consistent with International Public Sector Accounting Standards (IPSAS) in the public sector.
- Strengthen public procurement policy and process.
- Scale up internal audit exercise in Ministries/Departments

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Key Responsibilities of the Departments falling under the aegis of MOFED

Treasury

- To prepare of the statutory financial statements of the government and ensure that accounting systems fully respond to government's needs for proper recording and accounting of financial transactions and for the preparation of financial statements;
- To monitor the cash flows of government and to ensure availability of cash for meeting government's payment obligations; and
- To manage the dispensing of public service benefits – civil service pensions, passage benefits and advances for the purchase of motor vehicles – and to ensure payments are effected in a timely manner and according to prescribed rules and regulations.

Registrar-General's Department

- Registering information regarding land ownership and obligations and to provide publicity for the safeguard of interests of creditors and of parties in sales and leases of immovable properties;
- Registration of particulars of deeds and documents presented by members of the legal profession and the public including transfer of vehicles;
- Follow up action after reassessment of values of immovable properties by the Chief Government Valuer, including representation before the Tax Appeal Tribunal; and
- Collection of annual tax payable by campement site owners and campement owners.

Valuation Department

- Tendering professional valuation advice to ministries and all its stakeholders from Government to the general public, government departments and parastatal bodies on matters pertaining to real estate.

Corporates and Business Registration Department

- Incorporation, registration and striking-off of companies
- Registration of documents that must be filed under the Companies Act 2001
- Provision of company information to the public
- Enforcement of compliance with the legal requirements
- Registration of Businesses
- The Insolvency Service
- Registration of Limited Partnerships and Foundations

Statistics Mauritius

- To act as the central depository for all statistics produced in Mauritius; and
- To collect, compile, analysis and disseminate official statistics relating to all aspects of the economic and social activities with a few exceptions like fisheries and health statistics which fall under the responsibility of the respective Ministry, and banking and balance of payment statistics for which the Bank of Mauritius is responsible.

Procurement Policy Office

- Provision of a mechanism for conducting oversight and monitoring of the performance and progress of the procurement system in Mauritius, and to guide and promote its continuing development and improvement.

Central Procurement Board

- Promote economy, efficiency, effectiveness, transparency, fairness and accountability by government ministries and public bodies and prevent any corrupt practice in public procurement and thus achieve best value for money in terms of price, quality and delivery having regard to set specifications; and
- Provide assistance to the public sector through training and other interactions in the field of procurement.

Independent Review Panel

- Upholding and maintaining confidence of suppliers and contractors as well as the general public in the public procurement process;
- Ensuring and promote transparency and good governance in the public procurement process; and
- Hearing and determining appeals against procurement decisions by a Public Body and/or the Central Procurement Board in compliance with the Public Procurement Act 2006 and Regulations as well as other Laws of Mauritius, and in the respect of the principles of best practice.

Assessment Review Committee

- Processing of representations lodged; schedule representations made in terms of Pro Forma, Informal Meetings, Hearings or Argument as the case may be; convene Appellants and other related stakeholders to meetings/cases when scheduled; hear representations made; and determine such representations.

Key Responsibilities of the Departments falling under the aegis of MOFED

Mauritius Revenue Authority

- Management of an effective and efficient revenue-raising system; and
- Administration and collection of taxes due in Mauritius within an integrated organisational structure.

Board of Investment Mauritius

- Promoting and facilitating of investment in Mauritius;
- Assisting investors in the growth, nurturing and diversification of their business; and
- Working in close collaboration with Government bodies, institutions and private sector companies with a view to facilitating the implementation of investment projects and more importantly, to continuously improve the investment and business climate.

Sugar Insurance Fund Board

- Insure, under its General Insurance, the sugar production of planters, metayers and millers, against losses due to the effects of inclement weather such as cyclones, drought and excessive rainfall.

Employees Welfare Fund

- Manage the financial and other resources of the Fund;
- Set up and operate schemes and projects for the welfare of employees and their families; and
- Give loans or financial assistance to employees or their families for such purpose as may be determined by the Board.

Civil Service Family Protection Scheme Board

- Provision of protection to dependents of deceased contributors by way of a monthly surviving spouse's pension and/or children's pension.

Mauritius Ex-Services Trust Fund

- Provision of financial assistance to ex-servicemen, ex-servicemen's associations represented on the Board and to advance and promote the general welfare of ex-servicemen.

Statistics Board

- Offering guidance to Statistics Mauritius and other official producers of statistics on the directions and priorities for official statistics.

Completed Non Infrastructure Measures 2018-19 under MOFED

Budget para	Budget Measures	Implementation Date	Status
34 -36	Double deduction from tax on wage and salary costs of employees under Work@Home for the first two years.	23-Feb-19	Amendment made in Finance Act 2018 Employment Rights (Working from home) Regulations 2019 effective as from 1 March 2019.
55	Introduce a new harmonised fiscal regime for domestic and Global Business Companies and a specific fiscal regime for banks	31-Jul-18	Amendment made through Finance Act 2018
68	DBM to write off all outstanding loans contracted under the Pig Breeders Relaunching Scheme.	9-Jul-18	303 Loan accounts have been closed. Amount written off is Rs 71.6 M- Capital Rs 49.7 M & Interest Rs 21.8 M
73	Increasing the customs duty on import of sugar from 15 percent to 80 percent to support planters	15-Jun-18	Implemented through Financial Resolution
77	A Logistic Park at Riche Terre	Ongoing	As at 18 Mar 2019, 30 plots of a total extent of 135 arpents have been sub-leased. Approval for 15 additional applications (requiring 105 arpents) under process
87	Introduce a 5-year tax holiday for Mauritian companies collaborating with the Mauritius Africa Fund for the development of infrastructure in the Special Economic Zones.	31-Jul-18	Amendment made through Finance Act 2018
104	Extend the VAT Refund Scheme to cover musical instruments purchased by the local artists registered with the Mauritius Society of Authors (MASA).	15-Jun-18	Amendment made through Finance Act 2018 with effect from 15 June 2018

Budget para	Budget Measures	Implementation Date	Status
111	A new package of fiscal and non-fiscal facilities to attract foreign retirees. Besides the right to acquire an apartment, they will be exempted from payment of customs duties on the import of personal effects up to a value of Rs 2 million.	30-Apr-19	Investment Promotion (Property Development Scheme) (Amendment) Regulations 2019 was made under the EDB Act. Regulations were gazetted end April 2019
114	Support to MSMEs through DBM:- Loan facilities for start-ups, young entrepreneurs and women entrepreneurs at an interest rate of 3 percent;	1-Aug-18	Effective as from 01 Aug 2018 DBM financing to MSMEs: Jul 2018 to Mar 2019: 472 cases sanctioned for Rs 205.2 M o/w: i) Micro-Credit (up to Rs 250,000): 177 cases for Rs 24.7 M
114	Loans of up to Rs 3 million to planters engaged in sheltered farming at an interest rate of 3 percent, with a moratorium on capital repayment in the first year;	1-Aug-18	ii) SME Finance (up to Rs3M): 52 cases for Rs 59.9 M iii) Sheltered Farming: 12 cases for Rs 7.0 M iv) Start up: 2 cases for Rs 1.5 M v) Commercial & Other Loans: 227 cases for Rs 111.9 M
114	Loan up to a maximum of Rs 1 million to operators of organic farms with a moratorium of 2 years, on capital repayment, depending on the project;	1-Aug-18	vi) Women Entrepreneur scheme: 2 cases for Rs 253,000 No application received for organic farming
114	To ease the cash flow of businesses, a VAT-registered person will not be required to pay VAT on import of machinery and equipment, if the amount payable is Rs 150,000 or more.	31-Jul-18	Amended through Finance Act 2018
114	DBM to operate an Enterprise Modernisation Scheme aimed at providing finance lease	31-May-19	Consultant was appointed by DBM in January 2019

Budget para	Budget Measures	Implementation Date	Status
	facilities to MSMEs with turnover up to Rs 10 million to modernize their plant and equipment.		License obtained from FSC in Jun 2019; scheme will be operational by July 2019
114	DBM to operate a factoring window aimed at providing quick working capital to MSMEs by discounting their invoices	31-May-19	License obtained from FSC in Jun 2019; Factoring unit exp. on operational by Jul 2019
115	DBM will provide non-financial support to MSMEs through a new Hand-holding and Mentoring cell	1-Oct-18	Effective as from 1 Oct 2018 A new Cell has been created
150	Increase in financial incentive given to local manufacturers from Rs 5 to Rs 15 per kilo of used PET bottles	31-Jul-18	Amended through Finance Act 2018
158	An individual investing in a rainwater harvesting system will be allowed to deduct the total cost of such a system from his taxable income.	1-Jul-18	Amended through Finance Act 2018 with effect from 01 Jul 2018
183	Additional income tax deduction in respect of a dependent child who is pursuing tertiary studies is being raised as follows – • if abroad, from Rs 135,000 to Rs 200,000; and • if in Mauritius, from Rs 135,000 to a maximum of Rs 175,000.	1-Jul-18	Amended through Finance Act 2018 with effect from 01 Jul 2018
193-194	BoM to remove all restrictions on commercial banks with regard to limits applicable on	6-Jul-18	Effective as from 06 Jul 2018

Budget para	Budget Measures	Implementation Date	Status
	loans, be it for residential or business purposes. Consumers & businesses will fully benefit from the loan facilities offered by commercial banks without necessarily having to finance part of the property upfront.		
221	a) Each Ministry and public-sector institution will be required to publish a Gender Policy Statement in its Annual Report b) Training of some 250 government officials across all ministries and departments, to deal with gender issues	Ongoing	a) Guidelines on Annual Report of Ministries amended to include a Gender Statement. b) i) UNDP in collaboration with MCSAR conducted a workshop on Gender Mainstreaming in the Civil Service in October 2018 for some 60 participants ii) Training of a second batch of some 100 officers held in the 1 st week of April 2019 by MOFED & UNDP iii) M/Gender Equality to train remaining senior officials
221	Companies that invest in a crèche will benefit from a double deduction under corporate tax	1-Jul-18	Amended through Finance Act 2018 with effect from 1 Jul 2018
231	The Ombudsperson for Financial Services Bill is being finalised in consultation with relevant stakeholders to better protect consumers of banking and financial services;	27-Nov-18	The Ombudsperson for Financial Services Bill voted on 04 Dec & gazetted on 20 Dec 2018 Ombudsperson for Financial Services operational as from Mar 2019
246	To increase the mobility of disabled persons, provision of full duty exemption on the purchase of a motor car of	15-Jun-18	Effective as from 15 Jun 2018

Budget para	Budget Measures	Implementation Date	Status
	engine capacity of up to 1,600 cc.		
272-273	<i>The Finance and Audit Act will be amended for Ministries and Departments to include an implementation plan in their Annual Report for preventing recurrence of shortcomings reported by the Director of Audit.</i>	31-Jul-18	Amended through Finance Act 2018. Guidelines for the preparation of Annual Report have accordingly been amended in August 2018
275	Extension of the Solidarity levy on telephony service providers until June 2020. The requirement for book profit of a company to exceed 5 percent of its turnover to be liable to the levy is being removed.	31-Jul-18	Amended through Finance Act 2018
276	Current formula for Special Levy on Banks which is scheduled to end by June 2018 will be maintained up to June 2019.	31-Jul-18	Amended through Finance Act 2018
277	A final withholding tax of 10 percent will be introduced on the winning amount exceeding Rs 100,000 obtained from the Mauritius National Lottery - 'Loto' and Government Lotteries - 'Loterie Verte'. The 10 percent tax will also apply to winnings in excess of Rs 100,000 in casinos and gaming houses	31-Jul-18	Amended through Finance Act 2018

Budget para	Budget Measures	Implementation Date	Status
287	Increasing the income exemption threshold of all employees by Rs 5,000. Hence, an employee with an annual income of Rs 305,000 will not have to pay any income tax.	1-Jul-18	Amended through Finance Act 2018 with effect from 01 Jul 2018
289-290	Decreasing the income tax rate from 15 percent to only 10 percent for people earning between Rs 305,000 and Rs 650,000 annually. Income tax payers earning a maximum of Rs 50,000 monthly will hence pay up to Rs 18,000 less in income taxation annually.	1-Jul-18	Amended through Finance Act 2018 with effect from 01 Jul 2018
294	Increase in the exemption threshold from Rs 2 M to Rs 2.5 M for employees who receive a lump sum as severance, pension or retiring allowance	14-Jun-18	Amended through Finance Act 2018 with effect from 14 Jun 2018
296	A retired person will be eligible to the enhanced income exemption threshold granted to retirees even if he derives emoluments provided that such income does not exceed Rs 50,000 in an income year.	1-Jul-18	Amended through Finance Act 2018 with effect from 01 Jul 2018