MAURICE STRATÉGIE

ECONOMIC & SOCIAL IMPACT ANALYSIS

TOMORROW IS OURS

NATIONAL BUDGET 2024/2025

DISCLAIMER

NATIONAL BUDGET 07 JUNE 2024

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EDITORIAL

Maurice Stratégie is pleased to present its analysis of Budget 2024/25 read by Dr. the Hon. Renganaden Padayachy, Minister of Finance, Economic Planning and Development on Friday 7 June 2024.

Titled "Tomorrow is ours", the budget results in a strong effort balancing the act of reconciling revenue generating measures and expenditures to ensure the much-sought triptych of Economic, Environmental and Social progress without one being at the detriment of the other.

This Budget is particularly important for Maurice Stratégie. Our institution was set up in March 2023, under the Economic Development Board, as a private limited company. Since then, we have made good headway, with regular publication of economic reports, outlooks and analyses that have contributed in their own way to the elaboration of policies by Government.

In the Annex to the Budget 2024/25, the introduction of the Maurice Stratégie Bill is announced, setting up Maurice Stratégie as a statutory body for the purpose of being the research and planning bureau of Government.

The impending enactment demonstrates a vote of confidence on the part of Government and is a recognition of the necessity and relevance of the work of Maurice Stratégie to policymakers. At our end, this intent gives us a renewed impetus in our endeavours, and we will spare no effort in repaying this faith in our abilities through, as our motto posits, better research for better policies, and by providing sharper perspectives on the shifting sands in the global and local economic and political landscape.

Our analysis estimates a nominal GDP growth rate of 13.4 percent for 2024/25, and a real growth rate of 7.0 percent. The measures announced in the budget are estimated to contribute up to 3.8 percentage points to nominal GDP, with the total expenditure on social benefits projected to contribute 1 percentage point to GDP on its own.

Other significant contributors include consumption (+2.30 pp), tourism (+1.90 pp), private investment (+1.60 pp), export of services (+1.50 pp), public investment (+0.60 pp) and exports of goods (+0.50 pp).

Growth has been, and is expected to remain, strong over the foreseeable future. The pandemic has been an economic catharsis of sorts, allowing authorities to address structural issues that had been stymieing the potential of Mauritius.

A continuation of the philosophy adopted so far, Maurice Stratégie commends this budget as one that manages to juggle judiciously between fiscal responsibility and the need to finance climate change mitigation and adaptation measures, whilst preserving and uplifting standards of living.

SANROY SEECHURN
DIRECTOR

EXECUTIVE SUMMARY

Maurice Stratégie has conducted a comprehensive analysis of the socio-economic impacts of the budgetary measures 2024/25, with particular emphasis on social welfare measures.

Recurrent revenue for the upcoming fiscal year is projected to increase by 19.3 percent, reaching Rs 206.8 billion, driven by an estimated 18.9 percent rise in tax receipts. Capital revenue is projected at Rs 3.7 billion. Conversely, recurrent expenditure is estimated to reach Rs 210.1 billion in 2024/25 and capital expenditure is estimated at Rs 27.2 billion. As a result, the budget deficit will decrease from 3.9 percent to 3.4 percent of GDP, contributing to a gradual decline of the Budgetary Central Government Debt from 65.4 percent in 2023/24 to 63.0 percent in 2024/25 and further to 60.4 percent in 2025/26.

To evaluate the impact of the budget measures on several macroeconomic indicators, Maurice Stratégie employs a Computable General Equilibrium Model whereby the nominal GDP growth rate is projected to be 13.4 percent, while real GDP is expected to grow by 7 percent. Government expenditure is expected to be the main contributor to growth, to the tune of 3.80 percent. Meanwhile, consumption will add 2.3 pp, tourism 1.9 pp, private investment 1.6 pp, export of services (excluding tourism) 1.5 pp, public investment 0.6 pp and exports of goods 0.5 pp.

Social measures announced, including the increase in basic pensions, CSG child allowance, school allowance, maternity allowance and CSG income allowance, are projected to contribute 1 pp to GDP.

For calendar year 2024, Maurice Stratégie maintains its projection of GDP growth rate of 6.5 percent.

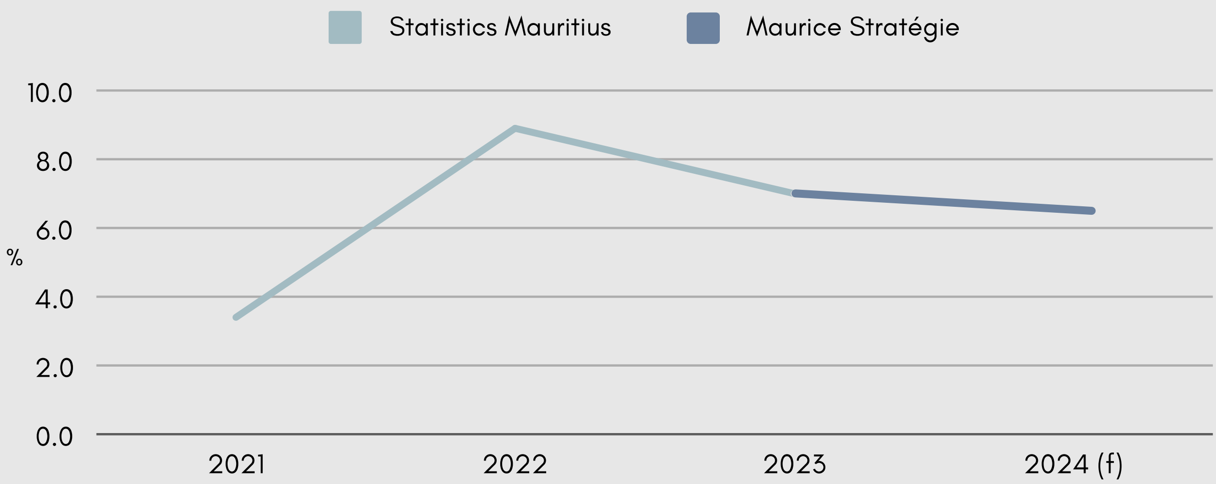
ECONOMIC CONTEXT

GDP GROWTH

The Mauritian economy maintained its growth momentum in 2023, achieving a notable 7.0 percent of GDP growth according to latest National Account Estimates from Statistics Mauritius.

In its report published in February 2024, Maurice Stratégie forecasted a growth rate of 6.5 percent for 2024 for the Mauritian economy.

GDP Growth 2021-2024



Source: Statistics Mauritius and Maurice Stratégie

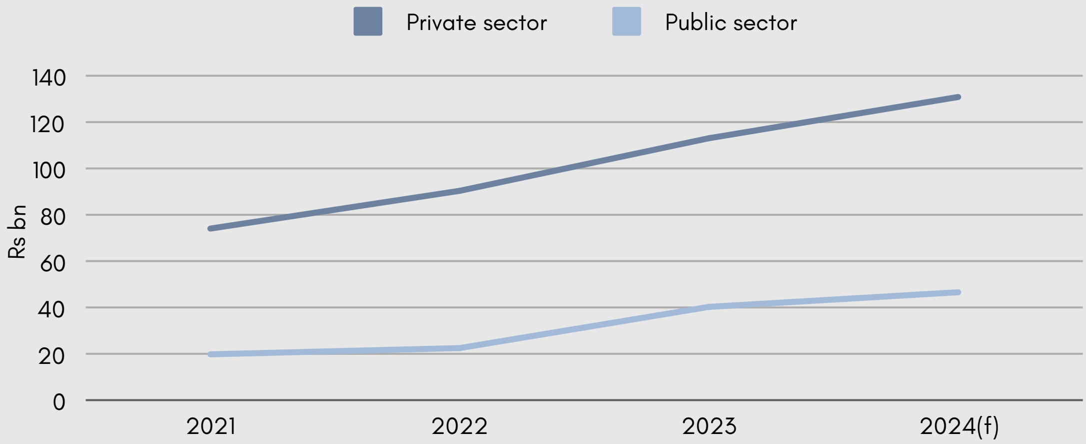
Maurice Stratégie is projecting a growth of

6.5 %
2024
(7.0 % IN 2023)

INVESTMENT

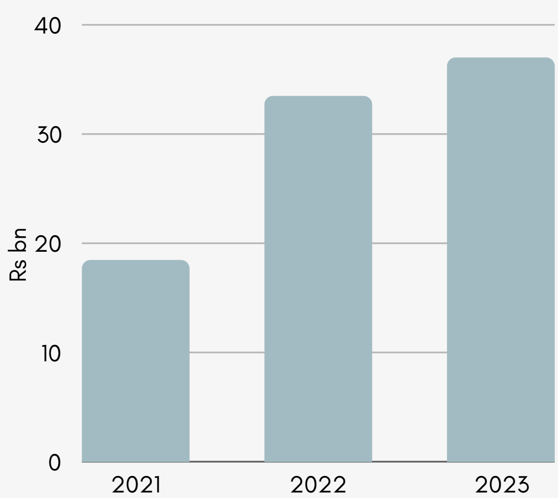
With regards to Gross Fixed Capital Formation (GFCF), the year 2023 witnessed a remarkable increase of 30.9 percent, reflecting heightened investment confidence and robust economic expansion. This surge is particularly pronounced in the private sector, which has steadily increased to Rs 113,038 million in 2023. Public sector investment growth has also increased from 1.1 percent in 2022 to 73.5 percent in 2023, while a 9.5 percent growth is forecasted for 2024, indicating increased government investment in infrastructure and development projects such as Metro Express and construction of drains. For 2024, growth in total investment is forecasted to remain strong at 12.0 percent by Statistics Mauritius.

Gross Fixed Capital Formation 2021-2024



Source: Statistics Mauritius

Foreign Direct Investment 2021-2023



Source: Bank of Mauritius

Foreign Direct Investment (FDI) has shown consistent growth over the years increasing from Rs 18,469 million in 2021 to Rs 33,491 million and Rs 37,011 million in 2022 and 2023 respectively.The primary beneficiary of gross direct investment inflows in Mauritius was the 'Real estate activities' sector. Other sectors which received significant levels of FDI in 2023 were the 'Agriculture, forestry, and fishing' sector, as well as the 'Accommodation and food service activities' sector. France, the United States, and South Africa emerged as the main sources of gross direct investments in Mauritius.

EXTERNAL TRADE

Total export proceeds in 2023 amounted to Rs 104,081 million, a decrease of 1.4 percent compared to the 2022 figure of Rs 105,524 million. This decline can be attributed to reductions in "Manufactured goods classified chiefly by material" by 13.0 percent and "Miscellaneous manufactured articles" by 9.4 percent. Domestic exports decreased from Rs 61,002 million in 2022 to Rs 60,712 million in 2023.

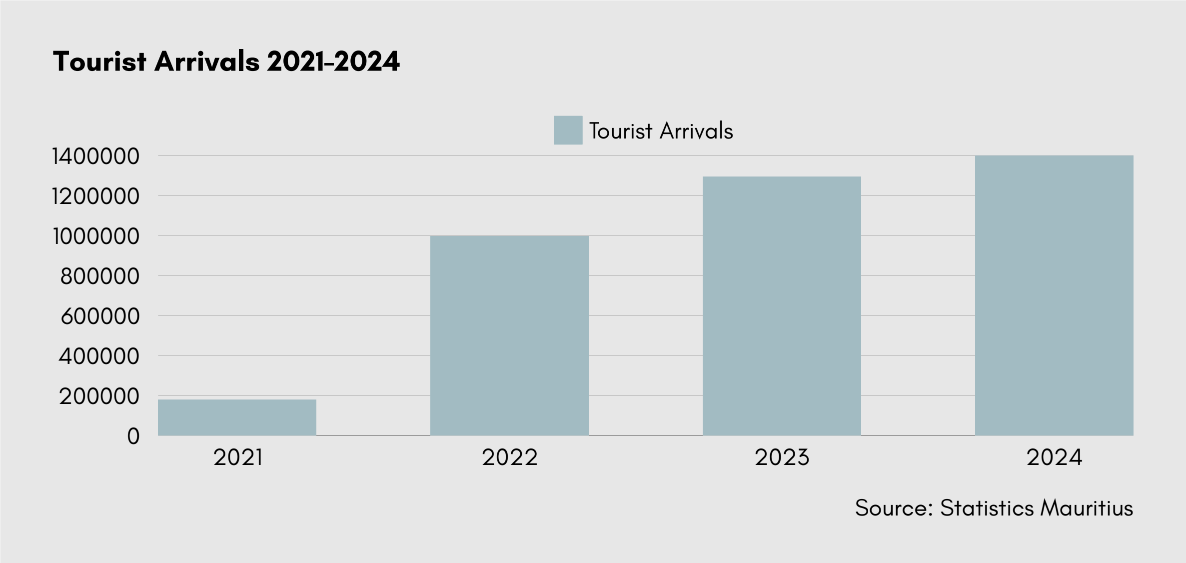
Conversely, re-exports saw a steady rise from Rs 17,728 million in 2021 to Rs 22,108 million in 2022, and further climbed to Rs 23,224 million in 2023. Proceeds from Ship's Stores and Bunkers witnessed fluctuations, starting at Rs 12,112 million in 2021, peaking at Rs 22,414 million in 2022 before decreasing to Rs 20,145 million in 2023.

Total Exports 2021-2023

Source: Statistics Mauritius

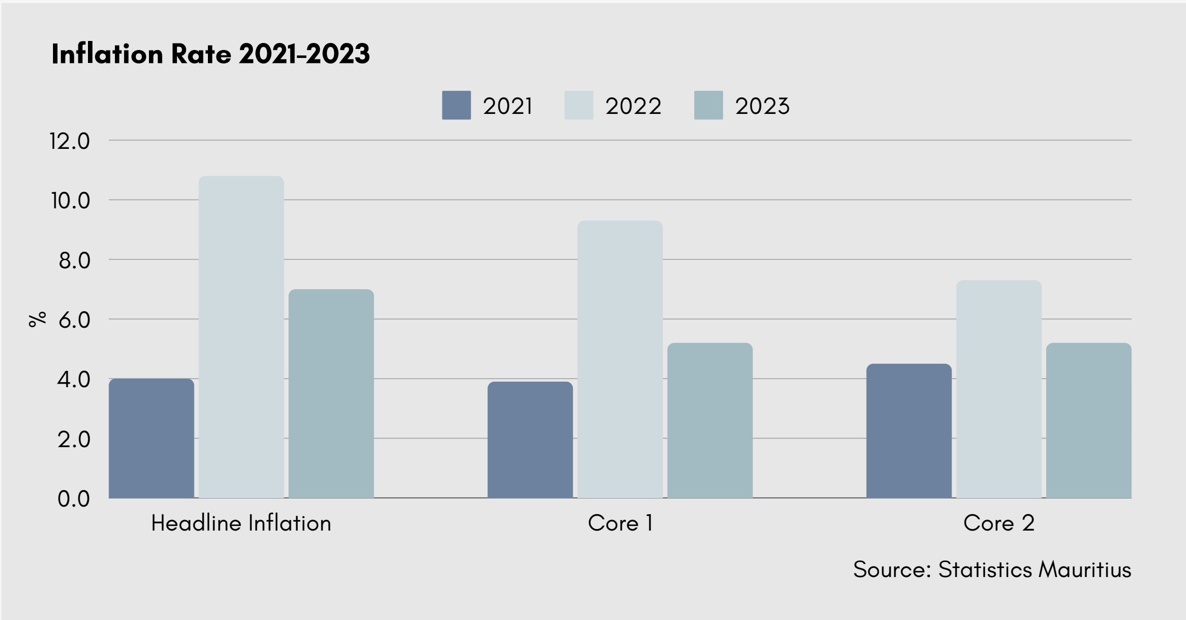
TOURISM

Tourist arrivals increased from 179,780 in 2021 to nearly 1,300,000 in 2023. Tourism earnings for 2023 on the other hand reached Rs 85,993 million, up from Rs 64,845 million in 2022 showing a robust performance of the industry.



INFLATION

Headline inflation for 2023 was estimated at 7.0 percent, decreasing from 10.8 percent in 2022. Core 1 inflation and Core 2 inflation stood at 5.2 percent each, slowing from 9.3 percent and 7.3 percent in 2022 respectively.



UNEMPLOYMENT

The unemployment rate for 2023 is estimated at 6.3 percent compared to 7.7 percent in 2022 and 9.1 percent in 2021. Employment rose by 35,600 from 519,600 in 2022 to 555,200 in 2023.

Unemployment Rate 2021-2023

Source: Statistics Mauritius

Youth employment rose by 11,400 from 46,200 in 2022 and 57,600 in 2023. As a result, labour force in 2023 was 592,800 while activity rate increased to 58.4 percent. Labour force was mainly concentrated in the tertiary sector, followed by the secondary and primary sector respectively.

BUDGET IN FIGURES

MAURITIAN ECONOMY (OUTPUT PRICES)

REAL GDP GROWTH RATE - CONSTANT MARKET PRICES

2023/24 ESTIMATES

7%

2024/25 ESTIMATES

7%

2025/26 ESTIMATES

5%

GROSS DOMESTIC PRODUCT - CURRENT MARKET PRICES (RS BN)

2024/25 ESTIMATES

Rs 798.5 bn

2023/24 ESTIMATES

Rs 704.0 bn

2025/26 ESTIMATES

Rs 880.3 bn

INVESTMENT RATE (%)

2023/24 ESTIMATES

23.0%

2024/25 ESTIMATES

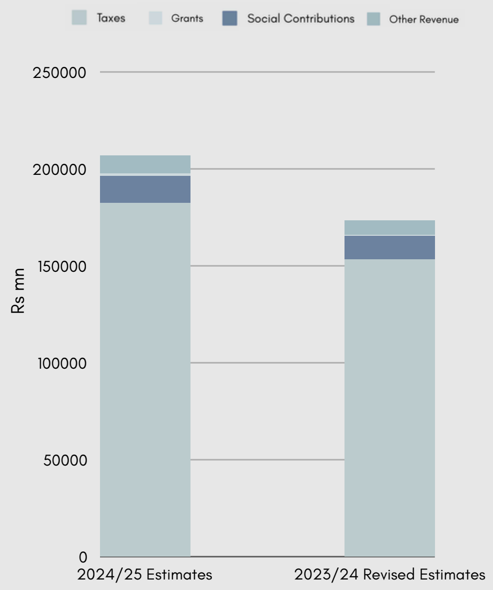
23.5%

2025/26 ESTIMATES

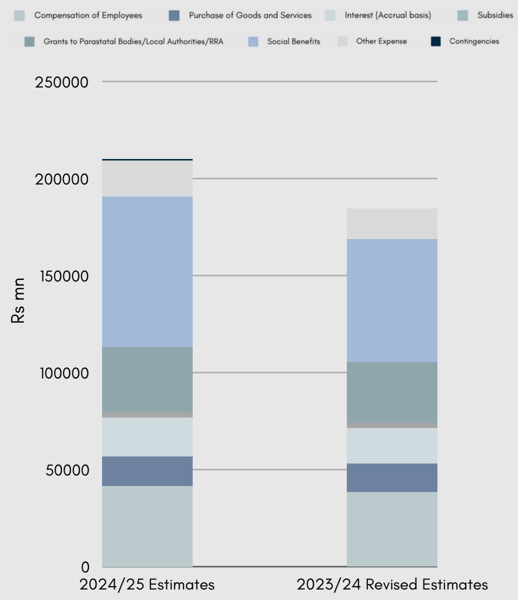
23.7%

RECURRENT BUDGET

RECURRENT REVENUE



RECURRENT EXPENDITURE



CAPITAL BUDGET

CAPITAL REVENUE

2023/24 ESTIMATES	2024/25 ESTIMATES
Rs 1,387 mn	**Rs 2,680 mn**

CAPITAL EXPENDITURE

2023/24 ESTIMATES	2024/25 ESTIMATES
Rs 17,728 mn	**Rs 27,220 mn**

CAPITAL BALANCE AS %OF GDP

2023/24 ESTIMATES	2024/25 ESTIMATES
-2.3 %	**-2.9 %**

BUDGET BALANCE AS %OF GDP

2023/24 ESTIMATES	2024/25 ESTIMATES
-3.9%	**-3.4%**

ECONOMIC IMPACT OF BUDGET MEASURES

In this section, we analyse the economic impact of main fiscal indicators and their subcomponents for 2024/25.

A Computable General Equilibrium (CGE) Model is used to assess the impact of the different expenditures on several macroeconomic indicators.

This exercise simulates how the economy responds to policy changes and external shocks amongst others by using real-world data. It operates within a general equilibrium framework where supply and demand balance across all markets, including goods, services, labor, and capital; and integrates microeconomic behaviour of households, firms, and governments, capturing the interdependencies between different sectors.

Specifically, we measure the potential economic impact of the increase ni recurrent and capital expenditure on GDP growth.

It is to be noted that the impact on the different indicators are estimated in nominal terms.

Analysis of main budget indicators

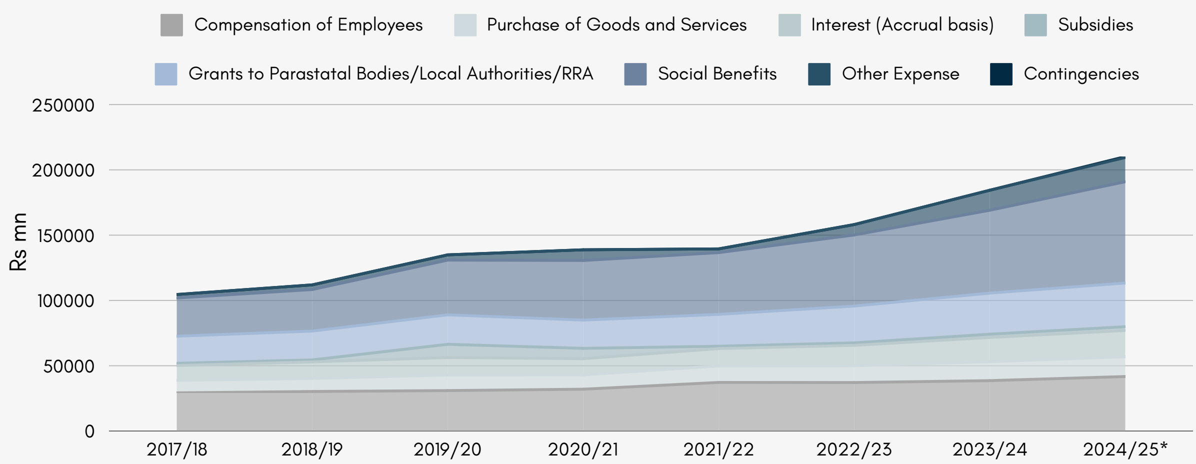
We analyse the evolution of main budget indicators over the last few years, and more specially for Fiscal Year 2024/25 before assessing their impact on the economy. We place a special focus on recurrent and capital expenditure as they are the main channels through which we assess the impact on growth.

RECURRENT AND CAPITAL REVENUE

Recurrent revenue and capital revenue are on a strong upward trajectory. For the fiscal year 2023/24, recurrent revenue is projected to reach Rs 173.4 billion, which is 2.0 percent lower than initial estimates due to lower tax receipts, social contributions and recurrent grants. Looking ahead to 2024/25, recurrent revenue is expected to rise by 19.3 percent, reaching Rs 206.8 billion. This increase is driven by an estimated 19.0 percent rise in tax receipts, a 13.1 percent rise in social contributions, and a 20.2 percent rise in other revenue. Concurrently, capital revenue for 2024/25 is projected at Rs 3.7 billion, up from the estimated Rs 1.4 billion for 2023/24.

RECURRENT EXPENDITURE

Recurrent expenditure is estimated to increase by 13.9 percent, from Rs 184.4 billion in 2023/24 to Rs 210.1 billion in 2024/25, mainly due to increases in social benefits (Rs 14.1 billion), employee compensation (Rs 3.1 billion), and grants (Rs 2 billion).

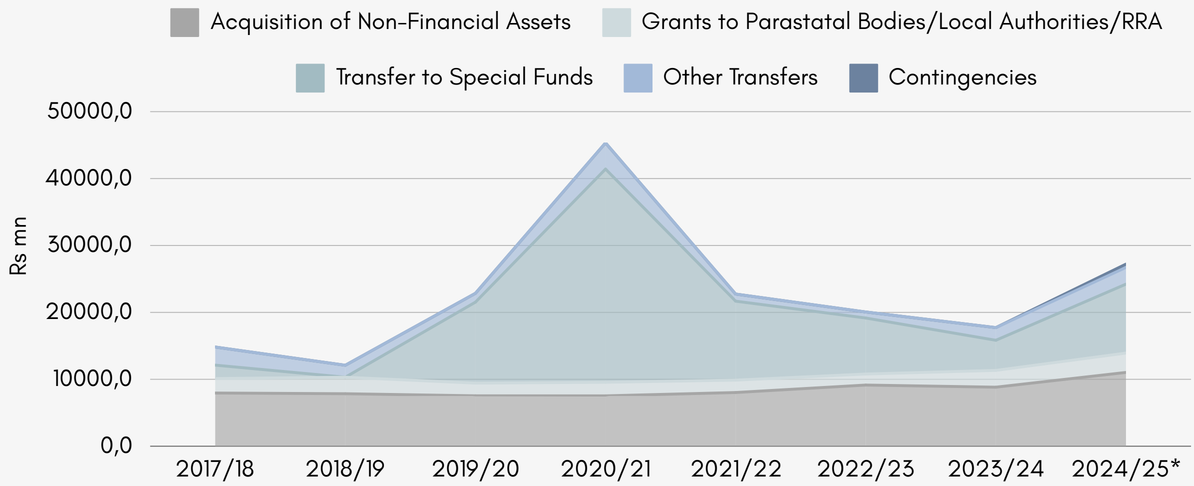


Source: MoFEPD

The increase in social contributions follows the Government's policy of increasing basic pensions and other social aids as a means of reducing inequality, preserving purchasing power of households in the face of rising inflation and of offering additional protection to vulnerable groups.

CAPITAL EXPENDITURE

Capital expenditure is estimated to increase from Rs 17.7 billion in 2023/24 to reach Rs 27.2 billion in 2024/25, mainly due to growth in Acquisition of Non-Financial Assets (+25%), Grants (+16%) and Transfers to Special Funds (+128.9%) which are used mostly to finance infrastructural and other specific government initiatives. This Budget sets up two new funds, namely the Climate and Sustainability Fund, to be managed jointly by the public and private sector to adapt to and mitigate to the impact of climate change and the Poverty Reduction Fund which aims at eliminating poverty and reducing inequalities.



Source: MoFEPD

BUDGET BALANCE

Budget balance as percentage of GDP is forecasted to reach -3.4 percent in the next fiscal year compared to -3.9 percent in 2023/24. The recurrent deficit for 2024/25 is estimated to reach Rs -3.3 billion, marking an improvement from the deficit of Rs -11.0 billion observed previously. Furthermore, recurrent balance as percentage of GDP is projected to be -0.4 percent in 2024/25, contrasting with the 1.6 percent recorded in 2023/24. The capital balance for 2024/25 shows a deficit, with estimates suggesting it will reach Rs -23.5 billion, compared to Rs -16.3 billion in the preceding fiscal year. Additionally, capital balance as % of GDP for 2024/25 is estimated to stand at -2.9 percent, compared to the -2.3 percent recorded in 2023/24.

High levels of growth are contributing to a sustained reduction in public debt as a proportion of GDP. The Budgetary Central Government Debt is estimated to decrease from 65.4 percent in 2023/24 to 63.0 percent in 2024/25 and further to 60.4 percent in 2025/26. On the other hand, Public Sector Gross Debt is expected to decline from 74.5 percent to 71.1 percent in 2024/25, followed by a decrease to 67.7 percent in 2025/26.

Budget to add up to 3.8 percentage points to nominal GDP growth

Our model estimates that the increase in recurrent expenditure and capital expenditure could potentially add up to **3.8 pp to GDP growth** over the next Fiscal Year.

The increase in recurrent expenditure, driven mostly by social benefits through measures such as basic pensions and other income allowances, will stimulate aggregate demand, drive more consumption and investment, create more employment and *in fine* increase GDP.

Our model estimates that the additional Rs 25.7 billion in government recurrent expenditure may potentially add up to 1.8 pp to GDP growth for FY 2024/25.

The increase in the social transfers, mostly targeted towards the income earners in the lower end of the spectrum having a higher marginal propensity to consume, will support businesses in expanding production, invest in capital goods, and innovate to meet rising demand, and thereby driving economic growth and boosting both investment and GDP.

The increase of Rs 9.5 billion in government capital expenditure may on the other hand add up to 2.0 pp to GDP growth for FY 2024/25.

Capital expenditure, which will include public investment in infrastructure enhances the economy's productive capacity, improves efficiency, and facilitates economic activity by reducing transportation costs, increasing connectivity, and attracting private investment, impacting positively in both the short and long term.

Capital expenditure, which will include public investment in infrastructure enhances the economy's productive capacity, improves efficiency, and facilitates economic activity by reducing transportation costs, increasing connectivity, and attracting private investment, leading to long-term economic growth.

It is to be noted that there are second round and subsequent multiplier effects of the increase in capital expenditure which are accounted, which have the capacity to further stimulate demand for goods and services, creating both direct and indirect employment and increasing consumption through increased economic activities in downstream industries.

Together the increase in recurrent and capital expenditure will largely contribute to additional tax revenue, which is expected to claw back up to Rs 210.5 billion through direct and indirect taxes.

GDP growth forecasts 2024 and FY 2024/25

In light of the measures enunciated in the Budget, Maurice Stratégie is providing updated forecasts for GDP for both calendar year 2024 and FY 2024/25.

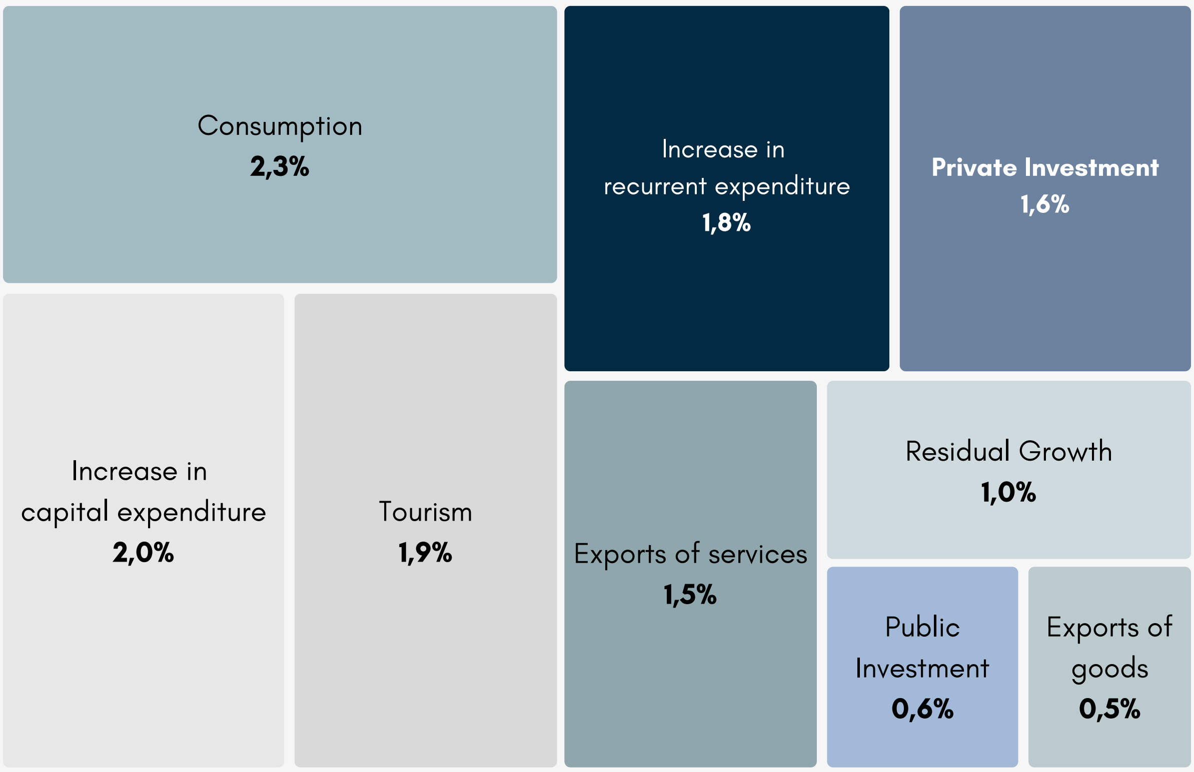
In the February 2024 edition of our Economic Review and Outlook, we estimated a nominal growth of 12.3 percent, which after we adjusted for inflation, led to a projected GDP growth rate of 6.5 percent for calendar year 2024.

We maintain the forecasted growth rate of 6.5 percent for 2024.

We expect exports of goods to grow by a lower proportion than initially forecasted, while inflation is likely to be higher, which would reduce real GDP growth. The measures announced in the budget would increase and offset the magnitude of the shortfall that would have otherwise occurred through increased consumption and private investment.

For FY 2024/25, we estimate that real GDP would grow by 7.0 percent, with a nominal growth rate of 13.4 percent, which can be deconstructed as follows:

Nominal Growth



Total may differ due to rounding

Source: Maurice Stratégie Estimates

Tourism

Anticipating a surge in tourist arrivals exceeding 2023-24 figures, Maurice Stratégie forecasts 1.4 million tourists in 2024-25. This, coupled with an expected 9.0 percent increase in tourism expenditure, is projected to contribute 1.9 percentage points to GDP growth.

Consumption

Consumption expenditure, excluding the impact from recurrent expenditure from the budget is projected to rise by 6.0 percent in 2024-25, providing a significant boost to GDP growth. This increase is estimated to contribute 2.3 percentage points to overall GDP growth.

Exports of goods and services

In 2024-25, exports of goods are estimated to increase by 5.0 percent and will contribute 0.5 percentage points to GDP growth. Exports of services, excluding tourism, is expected to add 1.5 percentage points to GDP growth, with an expected growth rate of around 7.0 percent next year.

Gross Fixed Capital Formation (GFCF)

Both private and public investment are expected to fuel Mauritian economic growth in 2024-25. Private investment, including foreign direct investment (FDI), is forecast to maintain its growth trajectory at 7.0 percent, contributing 1.6 percentage points to GDP growth. Public investment (excluding new investment in the budget) is also anticipated to rise by 8.0 percent, adding another 0.6 percentage points to GDP.

Government Expenditure (Recurrent and Capital Expenditure)

Government spending is also expected to boost GDP growth in Mauritius. A 13.9 percent rise in recurrent expenditure in 2024-25 is projected to add 1.8 percentage points to GDP growth. Furthermore, a significant increase in government capital expenditure for the same period is anticipated to contribute an additional 2.0 percentage points to GDP growth.

Residual growth

Based on our assessment of multifactor productivity growth and the economy's natural expansion rate, we expect residual growth to remain around 1 percent in 2024-25. This takes into account that the main factors impacting key indicators have already been incorporated into the previously mentioned components.

Together these impacts give us a nominal GDP growth rate of 13.4 percent in 2024-25.

Real GDP growth rate

In line with expectations from IMF and other international institutions, Maurice Stratégie anticipate that inflationary pressures to ease further in 2024-25. Thus, inflation in Mauritius is forecasted to be approximately 6.0 percent in 2024-25.

Consequently, the real GDP growth is expected to reach at least 7.0 percent for 2024-25.

ECONOMIC IMPACT OF SOCIAL MEASURES

The budget focuses a significant part of its agenda on improving the welfare of the population, with a special focus on tackling poverty and vulnerability. A Poverty Reduction Fund is being set up to address the issue, with several other measures included to improve the purchasing power of the most vulnerable.

In August 2023, Maurice Stratégie conducted a research on inequality, using a static microsimulation model and using data from the 2017 Household Budget Survey and found that:

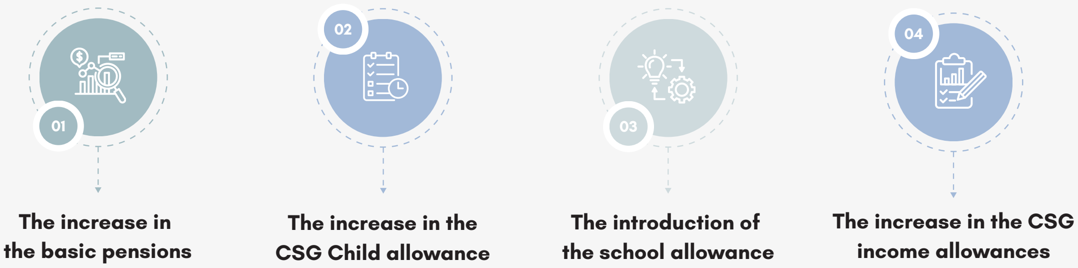
- The Gini coefficient was estimated at 0.304 as at 2022, compared to an estimated Gini index of 0.392 in 2017. It is to be noted that Statistics Mauritius estimated the Gini at 0.400 for the same period.
- The share of cumulative income held by the wealthiest 10 percent compared to the poorest 10 percent has decreased from 15.4 in 2017 to 7.8 in 2022, and the share held by the top 20 percent compared to the poorest has decreased from 8.5 in 2017 to 4.9 in 2022.
- A positive shift in the Lorenz Curve is found, which demonstrates reduced income disparity between households.

The study demonstrated the positive impact of the additional remunerations, CSG allowances, increases in the Basic Retirement Pension and the minimum wage (0.0108) on improving the Gini index.

Since then, a new Household Budget Survey was conducted, and the preliminary results published. HBS 2023 found that The average monthly household disposable income increased by 51.1 percent, from Rs 36,803 in 2017 to Rs 55,600 in 2023. When adjusted for an inflation rate of 31.2 percent and accounting for a decrease in average household size from 3.4 to 3.2, the real increase in disposable income stands at 22.4 percent. Additionally, the median monthly disposable income for households rose by 59.3 percent, going from Rs 28,250 in 2017 to Rs 45,000 in 2023.

In this report, we measure the economic impact of the budget measures, using available information from the latest HBS.

Specifically, we estimate the economic impact of social measures including:



The Increase in the basic pensions

Since 2017, social welfare has emerged as a central pillar of the Mauritian economic policy. The Government has undertaken several reforms and measures to enhance the overall well-being of the population. This commitment is reflected in the substantial growth in social security expenditure, which is projected to reach approximately Rs 77.6 billion in 2024/25, reflecting a 163.1 percent increase from Rs 29.5 billion in 2017/18.

The most significant portion of social security expenditures is dedicated to basic pensions. Basic pensions cater to the elderly, invalids, widows, and orphans irrespective of their economic status. The Basic Retirement Pension (BRP) accounts for 60.9 percent of total expenditures, while other basic pensions such as the Basic Widows Pensions (BWP), Basic Invalid Pension (BIP), and Basic Orphan Pension (BOP) account for 12.7 percent, and the remaining 26.4 percent is allocated to welfare expenses by other Ministries.

Between 2017 and 2024, the BRP, BWP, and BIP rates experienced a significant surge of 65 percent from Rs 5,450 in 2017 to Rs 9,000 in 2020. On the other hand, the BOP rate for orphans under 16 years experienced a significant increase from Rs 2,950 in 2017 to Rs 8,000 in Budget 2021/22. In parallel, the BOP rate for orphans aged between 17 and 23 years increased from Rs 4,450 in 2017 to 8,000 in 2021/22.

Additionally, in Budget 2022/23, all basic pensions were further increased by Rs 1,000 reaching Rs 10,000. Subsequently, in Budget 2023/24, the rates were increased by an additional Rs 1,000 bringing them to Rs 11,000. Recently, in April 2024, they further increased by Rs 2,500 reaching Rs 13,500. According to the 2024/25 Budget, the basic pensions will rise to Rs 14,000 in July 2024 and will see another increment to Rs 15,000 in January 2025.

Year	2017	2018	2019	2020	2021	2022	2023	Budget 2024/25 as from July 2024	Budget 2024/25 as from January 2025
Rate (Rs)	5,450	5,810	9,000	9,000	9,000	10,000	11,000	14,000	15,000

Source: Budget, Ministry of Finance, Economic Planning and Development

The number of people receiving basic pensions in Mauritius has grown significantly in recent years. In 2017, there were 267,040 beneficiaries, representing 21.8 percent of the total population. By April 2024, this number had increased to 311,576, accounting for 25.6 percent of the population. It is noteworthy that in April 2024, 85 percent of basic pension beneficiaries were pensioners.

CSG Child allowance

The CSG Child Allowance, an initial allowance of Rs 2,000 for children aged up to 3 years old introduced from July 2023, which aimed to alleviate financial pressures on families, ensuring better nutrition, healthcare, and overall well-being for infants and toddlers during their crucial early development years has been increased by 25 percent from Rs 2,000 to Rs 2500. This increment not only reflects the government's commitment to enhancing social welfare but also underscores its dedication to fostering a supportive environment for the youngest and most vulnerable members of society.

	Budget 2023/24	**Budget 2024/25**
CSG Child Allowance	Rs 2,000	Rs 2,500

Source: Budget, Ministry of Finance, Economic Planning and Development

Maternity Allowance

In a move that further empowers expectant mothers, the government is also providing an additional maternity allowance of Rs 2,000 monthly for nine months for the mother, as from the third trimester of pregnancy. This commendable measure will benefit approximately 12,000 expectant mothers and will amount to Rs 216 million.

School Allowance

In the 2024/25 budget, the government has introduced a new initiative aimed at supporting families and promoting education: a school allowance for children aged 3 to 10 years. Effective as from 1 July 2024, an allowance of Rs 2,000 will be granted to each child aged 3 to 10 years. This initiative is set to benefit approximately 80,000 households across the country, reflecting the government's commitment to alleviating educational expenses and fostering a supportive learning environment for young students. By easing the financial burden on families, this allowance is expected to enhance access to essential educational resources, thereby contributing to the overall development and well-being of the nation's children.

CSG Income Allowance

The monthly Social Contribution (CSG) Income Allowance was initially introduced in the Budget 2022/23 and was extended accordingly in the last budget whereby both Mauritian and non-citizens individuals who are either employees or self-employed are eligible for the allowance. The CSG Income Allowance has further being extended in the Budget 2024/25 with an increment in the allowance from Rs 2,000 to Rs 3,000 targeting eligible employees and self-employed individuals whose total income/emoluments and any basic retirement or widow's pension do not exceed Rs 20,000 and the introduction of new threshold in the income group of up to Rs 50,000. The breakdown for the CSG Income Allowance by income category is as follows:

CSG Income Allowance	Budget 2022/2023	Budget 2023/24	Budget 2024/25
Income less than Rs 20,000	Rs 1,000	Rs 2,000	Rs 3,000
Income more than Rs 20,000 but less than or equal to Rs25,000	Rs 1,000	Rs 2,000	Rs 2,500
Income more than Rs 25,000 but less than or equal to Rs 30,000	Rs 1,000	Rs 1,000	Rs 2,000
Income above Rs 25,000 but less than or equal to Rs 50,000	Rs 1,000	Rs 1,000	Rs 1,500

Social benefits are expected to increase from Rs 63.45 billion to Rs 77.57 billion, representing an addition of 22.3 percent. The social measures announced in the 2024/25 Budget are anticipated to have a GDP effect of 1 percentage point (out of the 1.8 pp of GDP contribution through recurrent expenditure), generating an additional of Rs 7.06 billion to the economy through its multiplier effect.

MAURICE STRATÉGIE

ECONOMIC & SOCIAL IMPACT ANALYSIS

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