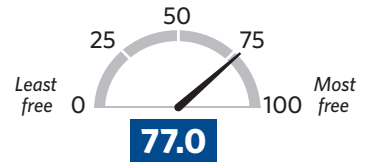


# MAURITIUS

## Economic Freedom Score



World Rank: **8**

Regional Rank: **1**

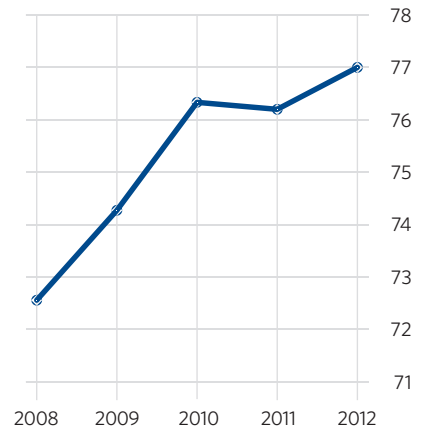
**M**auritius's economic freedom score is 77.0, making its economy the 8th freest in the 2012 *Index*. Its overall score is 0.8 point higher than last year, with improvements in property rights, monetary freedom, and the management of government spending. Mauritius is ranked 1st out of 46 countries in the Sub-Saharan African region, and its overall score is well above the world average.

The Mauritius government's continued commitment to structural reforms and policies that promote integration into the global marketplace has positioned the island economy as a world leader in economic freedom. In the 2012 *Index*, Mauritius becomes the first Sub-Saharan African country ever to advance into the top 10 in the rankings.

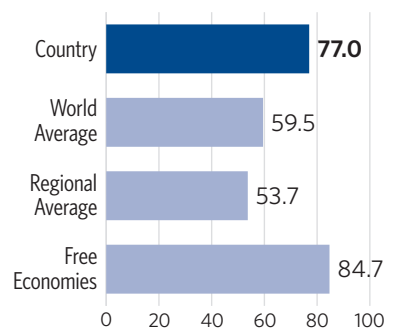
The economy's impressive progress is underpinned by a sound and transparent legal framework that strongly upholds the rule of law. A competitive tax regime and an efficient regulatory environment have encouraged broad-based and diversified economic development. Open-market policies that support dynamic trade and investment have bolstered productivity and competitiveness. With only a modest natural resource base, economic prosperity has been achieved through policies that encourage flexibility and empower individuals.

**BACKGROUND:** With a well-developed legal and commercial infrastructure and a tradition of entrepreneurship and representative government, Mauritius is one of the developing world's most successful democracies and one of Sub-Saharan Africa's strongest economies. The Alliance of the Future Coalition controls 45 of the parliament's 70 seats. Mauritius has one of the region's highest per capita incomes. The government is trying to modernize the sugar and textile industries while promoting diversification into such areas as information and communications technology, financial and business services, seafood processing and exports, and free trade zones. Agriculture and industry have become less important, and services, especially tourism, are now the economic mainstay. The government still owns utilities and controls imports of rice, flour, petroleum products, and cement.

## Freedom Trend



## Country Comparisons



## Quick Facts

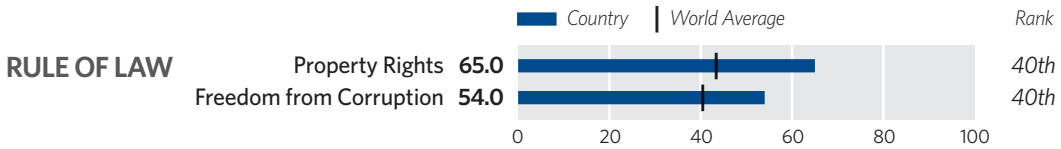
**Population:** 1.3 million  
**GDP (PPP):** \$18.1 billion  
 4.0% growth in 2010  
 5-year compound annual growth 4.6%  
 \$14,097 per capita  
**Unemployment:** 7.5%  
**Inflation (CPI):** 2.9%  
**FDI Inflow:** \$430.0 million  
**Public Debt:** 50.5% GDP

2010 data unless otherwise noted.  
 Data compiled as of September 2011.

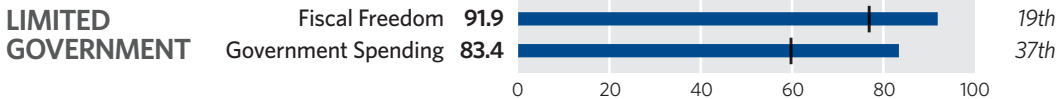
### How Do We Measure Economic Freedom?

See page 455 for an explanation of the methodology or visit the *Index* Web site at [heritage.org/index](http://heritage.org/index).

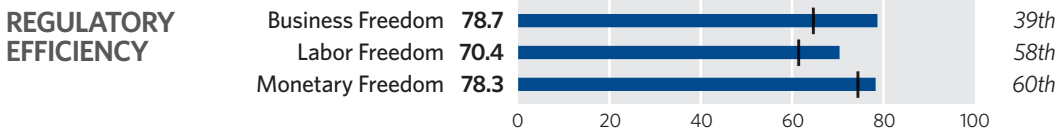
**THE TEN ECONOMIC FREEDOMS**



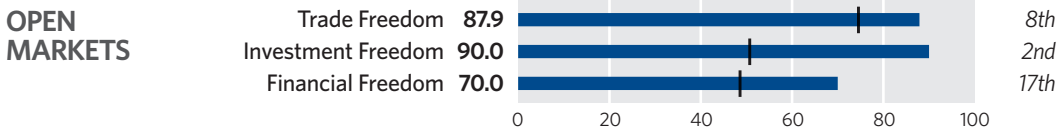
The judiciary is independent, and trials are fair. The legal system is generally non-discriminatory and transparent. Expropriation is unlikely. Enforcement of laws regarding intellectual property rights is relatively effective. The Independent Commission Against Corruption investigates offenses and can confiscate the proceeds of corruption and money laundering. Mauritius is one of Africa’s least corrupt countries.



The income and corporate tax rates are a flat 15 percent. Other taxes include a value-added tax (VAT), and the overall tax burden amounts to 18.9 percent of total domestic income. Government spending has come down slightly to a level equivalent to 23.5 percent of total domestic output. The budget deficit has been under control, and public debt hovers at around 50 percent of GDP.



The overall regulatory framework has undergone a series of reforms. There is no minimum capital required to start a business, and the overall start-up process has been simplified. The pace of reform has slowed in recent years compared to other emerging economies. Labor regulations are relatively flexible. Inflation has moderated, and monetary stability has been well maintained.



The trade weighted average tariff rate is competitively low at 1 percent, but non-tariff barriers still increase the cost of trade. The investment framework is open and efficient, facilitating the flow of new investment. The growing financial sector, dominated by private commercial banks, is competitive. Financial services account for over 10 percent of economic activity. Banks are well capitalized and have been resilient to external shocks.

**Score Changes**

RULE OF LAW		LIMITED GOVERNMENT		REGULATORY EFFICIENCY		OPEN MARKETS	
Property Rights	+5.0	Fiscal Freedom	0	Business Freedom	-3.3	Trade Freedom	-0.1
Freedom from Corruption	0	Government Spending	+3.4	Labor Freedom	0	Investment Freedom	0
				Monetary Freedom	+2.2	Financial Freedom	0