

# A Detailed Analysis of Mauritius's Tax Incentives and Investment Schemes for Solar Manufacturers

Strategic Incentives for PV Module Production & Export

**Content Partner: J. v. G. technology GmbH**

*Turnkey solar module production lines — since 1997*

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# Technical Overview: Mauritius's Tax Incentives and Investment Schemes for Solar Manufacturers



Created as part of the PVKnowHow Knowledge Network



Prepared by J.v.G. Technology GmbH



European specialists in turnkey solar module production lines

# Key Project Data

**N/A**

## Scale

Typical solar module manufacturing – specific volumes depend on project scope

**8 yr**

## Tax Holiday

Corporate tax exemption under the Renewable Energy Scheme

**0%**

## Import Duty & VAT

Exemption on qualifying PV manufacturing equipment and inputs

**600M+**

## Market Reach

People accessible via SADC & COMESA preferential trade frameworks

📄 Region: Mauritius / Africa (SADC & COMESA markets) · Line type: Automated solar module production · Source: PVKnowHow / J.v.G. Technology GmbH

# Mauritius: Strategic Positioning for Solar Manufacturing

## The Core Thesis

- Mauritius operates as a manufacturing and export platform — not merely a domestic market
- Island jurisdiction with politically stable, rules-based governance
- Located at the intersection of Indian Ocean trade routes linking Africa, Asia, and Europe
- Dual membership in SADC and COMESA provides unmatched regional market access

## Why Solar Manufacturing Fits

- Africa's solar demand is structurally growing — supply is still largely import-dependent
- No established regional solar module manufacturing base to compete with
- Incentive architecture explicitly targets PV component manufacturers
- Modules produced in Mauritius qualify for preferential regional origin status

# Investment Promotion Act & Renewable Energy Scheme

## Legal Basis

- Incentives are governed under the Investment Promotion Act and related fiscal legislation
- Renewable Energy Scheme is the specific instrument for PV manufacturers
- Eligibility: company incorporated in Mauritius, manufacturing PV wafers, cells, modules, or specified RE equipment

## Application Pathway

- Investor submits detailed project proposal and business plan to the EDB
- EDB issues an Investment Certificate upon approval
- Timeline: weeks to months depending on project complexity
- Focus criteria: job creation, export potential, and technological contribution

## Scope of Coverage

- Scheme designed for commercially viable, substantial manufacturing operations
- No rigid minimum investment figure – scope and viability are assessed holistically
- Full suite of fiscal benefits activates upon certificate issuance

# 8-Year Corporate Tax Holiday: Financial Impact

## The Incentive

- Eight-year full exemption on corporate income tax under the Renewable Energy Scheme
- Standard Mauritius corporate tax rate is 15% — the holiday represents full relief against this rate
- Applies from year of commencing operations
- Interest income on bonds financing RE projects is also exempt

## Strategic Implications

- Post-tax profitability is materially enhanced during the ramp-up and scale-up phase
- Frees retained earnings for reinvestment into capacity expansion
- Reduces payback period on initial CAPEX — a key factor for greenfield projects
- Creates an 8-year window to establish market position ahead of potential competition

# Duty & VAT Exemptions → CAPEX Reduction

## Import Duty Exemption

- Qualifying PV manufacturing equipment and photovoltaic systems are exempt from customs duty
- Eliminates a significant layer of upfront capital cost on production line imports
- Turnkey line equipment sourced from Europe or Asia lands duty-free

## VAT Exemption

- VAT exemption applies on purchase of qualifying photovoltaic systems and associated equipment
- Removes a cash-flow burden during the capital-intensive setup phase
- Standard Mauritius VAT rate is 15% — full exemption for qualifying investments

## Net CAPEX Effect

- Combined duty + VAT exemptions materially reduce effective cost of equipment acquisition
- Directly improves project IRR and reduces minimum viable scale thresholds
- Comparable incentives are not commonly available in competing jurisdictions

# Market Access: SADC & COMESA Advantage

1

## SADC Protocol

Duty-free and quota-free access to Southern African markets; Mauritius concluded tariff liberalisation within SADC by January 2014

2

## COMESA FTA

100% duty-free access to COMESA FTA members; 90% tariff reduction for non-FTA members – covering a market of 600M+ people

3

## Tripartite FTA

COMESA-EAC-SADC framework covering 29 member states officially entered into force July 2024 – further expanding the accessible market

- ☐ Solar modules manufactured in Mauritius and meeting Rules of Origin criteria export to key East and Southern African markets without the tariffs applied to Chinese or European-sourced products.

# Business Environment: Stability & Governance

## Governance Rankings

- Ranked 1st in Sub-Saharan Africa and 15th globally in the 2025 Index of Economic Freedom
- World Bank B-READY 2024 highlights strong performance in taxation, labour, and international trade
- Consistent track record — not a one-year anomaly

## Legal & Regulatory Framework

- Hybrid legal system: English common law + French civil law
- UK Privy Council as highest appellate authority — internationally recognised
- 46 Investment Promotion & Protection Agreements (IPPAs) in force

## Operational Environment

- Bilingual (English and French) workforce
- Modern deep-water port at Port Louis; international airport
- 15% harmonised corporate tax rate with no capital gains or withholding tax on dividends

# Role of the Economic Development Board (EDB)

## Mandate & Structure

- EDB is the single gateway government agency for investment promotion and facilitation
- Operates under the EDB Act 2017 under the Ministry of Finance
- Screens proposals for economic benefit, environmental impact, and national security
- Coordinates permits and licences across all relevant authorities

## Practical Role for Investors

- Issues Investment Certificates unlocking the Renewable Energy Scheme benefits
- Provides aftercare services post-establishment — ongoing support, not just onboarding
- Business Support Facility available for facilitation and advisory services
- Premium Investor Certificate (PIC) available for large-scale projects (>MUR 500M)

# Financial & Strategic Implications: Consolidated View

1

## CAPEX Phase

Duty and VAT exemptions on equipment acquisition reduce upfront investment requirement

Lower effective cost of production line setup vs. comparable jurisdictions

2

## Ramp-Up Phase (Years 1–3)

8-year tax holiday preserves cash flow during the most capital-intensive and volume-building period

Retained profits can be reinvested without tax friction

3

## Scale Phase (Years 3–8)

Tax-free margins fund further capacity expansion; market position established ahead of competition

Export volumes to SADC/COMESA markets benefit from preferential tariff access

4

## Post-Holiday Phase (Year 9+)

Standard 15% corporate tax rate applies — still competitive globally

Operational base, logistics, and customer relationships already established across African markets

# Frequently Asked Questions

<b>Who qualifies for the Renewable Energy Scheme?</b>	Companies incorporated in Mauritius manufacturing PV wafers, cells, modules, or other specified RE equipment — subject to EDB Investment Certificate approval
<b>Is there a minimum investment threshold?</b>	No fixed minimum; EDB assesses viability based on job creation, export potential, and technological contribution — not a rigid capital figure
<b>How long does EDB approval take?</b>	Weeks to several months depending on project complexity; a well-prepared submission accelerates the process
<b>Do modules need to meet Rules of Origin?</b>	Yes — products must meet SADC/COMESA origin criteria (value addition or substantial transformation in Mauritius) to access preferential tariff rates
<b>What happens after the 8-year tax holiday?</b>	Standard 15% corporate tax applies — one of the lowest harmonised rates on the continent; no capital gains or dividend withholding tax
<b>Who supports the investor post-establishment?</b>	EDB provides ongoing aftercare services including a Business Support Facility for facilitation and advisory needs

# Strategic Importance of the Turnkey Manufacturing Concept

1

## Reduced Entry Barrier

A proven turnkey manufacturing concept eliminates the need for prior PV production experience — on-site team training is part of the model

2

## Accelerated Ramp-Up

Integrated process methodology — covering line design, installation, and commissioning — compresses time-to-production for new market entrants

3

## Certification Readiness

IEC-compliant production processes are a prerequisite for module market access in regulated African procurement frameworks

📄 An experienced European turnkey provider integrates production know-how into a complete factory methodology — reducing the learning curve for investors entering solar module manufacturing without a prior industrial base.

# Conclusion: Mauritius as an African Solar Export Hub

## Fiscal Architecture

- 8-year tax holiday + duty & VAT exemptions create a structurally advantaged investment case
- Incentives are embedded in law — not discretionary concessions

## Market Access

- SADC + COMESA dual membership: preferential access to 600M+ people
- Modules produced in Mauritius compete on tariff terms against no established regional manufacturer

## Operating Environment

- Ranked 1st in Sub-Saharan Africa for economic freedom (2025)
- Stable legal system, bilingual workforce, modern logistics infrastructure

✓ **Assessment:** The combination of an 8-year tax holiday, capital cost exemptions, and preferential African market access transforms Mauritius from a small island economy into a structurally sound platform for export-oriented solar module manufacturing. Source: PVKnowHow / J.v.G. Technology GmbH

# About the Content Partner

## **J. v. G. technology GmbH** – The DESERT Company

Founded in 1997 in Bavaria, Germany. Family-owned engineering company specializing in turnkey solar module production lines.

More than 90 factory projects delivered worldwide.

On-site team training included – no prior manufacturing experience required.

### **Key areas:**

Turnkey PV manufacturing lines | DESERT Technology® |  
TÜV-certified module designs | Factory planning to production

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