

AALSIM Budget Analysis 2026–2027: Implications for Mauritius' Non-Hotel Accommodation Sector



AALSIM

ASSOCIATION DES ACTEURS DE LOCATIONS SAISONNIÈRES À L'ÎLE MAURICE

1. Why this Briefing Matters

Tourism transformation must include the non-hotel sector.

The Budget sets a positive direction for tourism transformation, with emphasis on diversification, eco-tourism, cultural and heritage tourism, wellness, community-based experiences, skills development, digital visitor processing, infrastructure improvement and climate resilience.

For AALSIM members, the opportunity is clear: the non-hotel accommodation sector can help Mauritius build a more authentic, local and diversified tourism model. Short-term rentals, tourist residences, guest houses, villas, property managers, agencies and tourism SMEs are already part of the visitor economy and should be included in the practical rollout of Budget measures.

The key issue is implementation. While the increase in the tourism budget is encouraging, including the Rs 490m MTPA / marketing allocation within the wider tourism transformation envelope, AALSIM would seek clarity on how registered non-hotel operators and SMEs will be included in national campaigns, training, regulatory reform and support programmes.

AALSIM would also advocate for a practical transition pathway to help informal operators become registered, compliant and professional. Tourism transformation cannot succeed if formal operators carry the compliance burden alone while a large part of the market remains outside the regulatory framework.

Beyond compliance, Mauritius also needs a stronger demand strategy for the non-hotel sector. Registered non-hotel accommodation should be actively promoted as part of a diversified tourism product, including longer stays, inland and community-based experiences, cultural tourism, wellness, eco-tourism and authentic local hospitality.

AALSIM's position is therefore constructive and firm: the Budget provides a positive policy direction, but implementation must now include the non-hotel accommodation ecosystem in a practical, fair and structured way. AALSIM would promote this position constructively with the Ministry of Tourism, Tourism Authority, MTPA, MRA, EDB and other relevant authorities.

2. Executive Snapshot

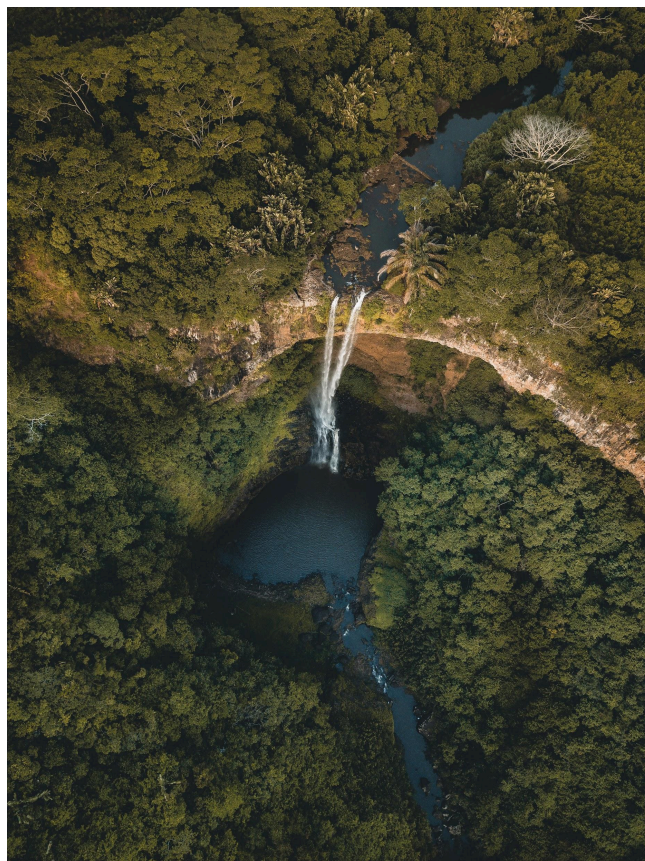
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The key issue is implementation. While the increase in the tourism budget is encouraging, and the Rs 490m MTPA / marketing allocation is now clearly identified within the wider tourism transformation envelope, AALSIM would seek clarity on how registered non-hotel operators and SMEs will be included in national campaigns, training, regulatory reform and support programmes.

Key Messages for Members

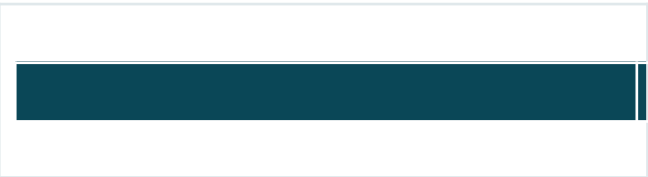

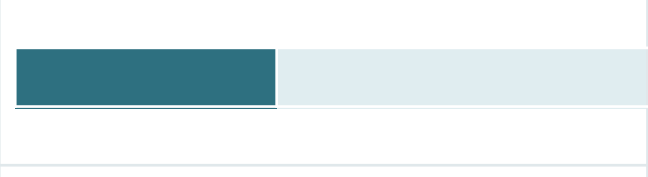

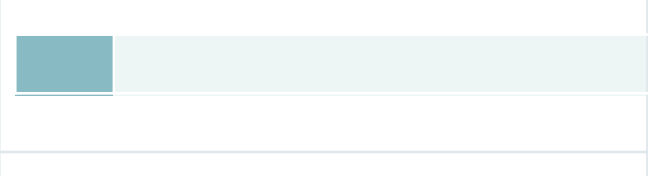
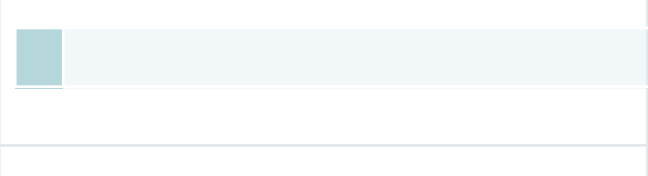
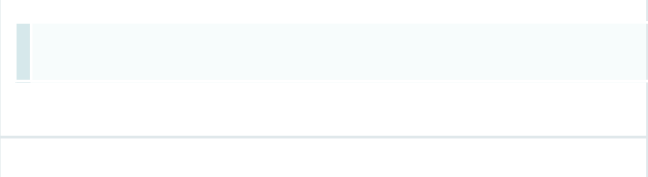

- Tourism transformation is moving in the right direction, but implementation must include non-hotel accommodation and SMEs.
- The Rs 1bn tourism transformation envelope is positive. The Rs 490M allocated to MTPA is included within this Rs 1bn envelope and should not be counted separately. AALSIM would request a clear programme-level breakdown and avoid presenting the MTPA allocation as an increase without confirmation.
- References to temporary tourist accommodation and outdoor accommodation require urgent clarification from the Tourism Authority.
- VAT, Tourist Fee, foreign-currency remittance and MRA reporting obligations may affect members directly.
- Members are encouraged to review licensing, tax treatment, records, insurance, guest rules, HR exposure and sustainability practices now.



At a glance for members

Theme	Key Message for Members
Opportunity	Diversification, eco, cultural, wellness, inland and longer-stay tourism can create new demand for registered non-hotel accommodation.
Risk	VAT, Tourist Fee, Tourism Authority amendments and operating-cost pressure may affect members directly.
Clarification Needed	Temporary tourist accommodation, foreign-currency VAT remittance, platform payments and MTPA campaign inclusion require further clarification.
Action Now	Review licence status, VAT and fee treatment, records, insurance, guest rules, HR exposure and sustainability practices.

Budget Allocation Snapshot (Selected Measures)

Water catchment & delivery		Rs 6.4bn
Coastal erosion adaptation		Rs 4.0bn
Airport modernisation		Rs 2.7bn
M4 Forbach–airport motorway		Rs 2.0bn
Tourism transformation		Rs 1.0bn
MTPA allocation (within Rs 1.0bn envelope)		Rs 490m
Waste-to-Wealth / circular economy		Rs 150m
AI learning platform		Rs 25m

Interpretation note: Bars show relative scale only. The table combines direct tourism allocations, such as the Rs 1bn tourism transformation envelope and Rs 490m MTPA / marketing allocation, with wider enabling investments that may influence tourism operations, resilience and visitor experience.

3. Tourism Budget Comparison: 2025/26 vs 2026/27

The Programme-Based Budget Estimates show the Ministry of Tourism programme envelope increasing from Rs 901.0m in 2025/26 to Rs 1.0bn in 2026/27, representing an increase of Rs 99.0m, or approximately 11.0%. Separately, the Budget confirms a Rs 490m allocation to MTPA (from Rs 540m last year) for marketing and destination promotion within the Rs 1bn tourism transformation envelope.

A. AALSIM Reading

Programme	What This Means for AALSIM Members
Policy & Strategy	Greater policy capacity, but implementation must formally include the non-hotel sector.
Regulation & Control	Supports regulatory reform; AALSIM would advocate for simplified registration, clear transition rules and proportionate compliance.
Destination Promotion programme line	The MTPA / marketing allocation is already known at Rs 490m within the wider Rs 1bn tourism transformation envelope. AALSIM would request explicit inclusion of registered non-hotel accommodation in MTPA campaigns.
Capacity Building	Opportunity for dedicated non-hotel training modules covering property managers, agencies, guest houses, villas and smaller operators.
Overall Budget Envelope	The stronger envelope is positive, but impact depends on programme design, implementation details and access for tourism SMEs.



4. Key Budget Measures and Relevance for Members

Measure	Member Relevance	AALSIM follow-up position
Rs 1bn tourism transformation envelope	Confirms tourism remains strategic and can create demand if product development includes non-hotel accommodation.	Programme-level breakdown and formal inclusion of the non-hotel sector.
Rs 490m MTPA / marketing allocation (included within Rs 1bn envelope)	Supports destination promotion and requires programme clarity.	Clarification on how registered non-hotel accommodation will feature in MTPA campaigns funded under the Rs 490m marketing allocation.
Tourism diversification	Eco, culture, heritage, wellness and community tourism match authentic stays and local experiences.	Positioning of members as part of the local experience ecosystem.
Eco-Integrated Tourism Villages	May create demand for nearby accommodation, restaurants, guides and services.	Consultation and inclusion of local operators.
Visitor access and mobility	E-visa, biometric e-gates, airport modernisation and M4 access can support repeat, family, wellness and longer-stay visitors.	Linkage between access improvements and the Extended Stay Economy strategy.
Tourism Authority Act amendments	Outdoor and temporary tourist accommodation references may affect licensing and compliance.	Definitions, scope and transition rules.
VAT, Tourist Fee and MRA compliance	Billing, reporting and remittance obligations may affect members directly.	Technical guidance and fair enforcement.
École Hôtelière revamping	Strengthens the skills pipeline, service standards and training capacity needed by accommodation SMEs, property managers, agencies and guest-facing teams.	AALSIM would seek access for non-hotel operators and dedicated modules on guest experience, responsible hosting, compliance, sustainability and digital tools.
Training, migration and student work measures	Supports the staff and service-provider pipeline.	Non-hotel training modules and SME access.

5. Beyond Tourism: Wider Measures AALSIM Will Monitor

The Budget affects members not only through tourism measures. Wider reforms may influence demand, operating costs, compliance, staffing, investment, guest experience and competitiveness. To improve readability, the main watch-points are grouped below.

Monitoring Area	Key Watch-Points for AALSIM Members
Compliance & Regulation	Tourism Authority reform may create new obligations or opportunities through references to temporary tourist accommodation and outdoor accommodation. Business facilitation, silent agreement and licensing reform could reduce delays if short-term rental registration is included. MRA data powers and utility reporting may increase visibility of operators, owners, agencies and managers.
Tax & Cash Flow	VAT, Tourist Fee, fiscal invoices, e-invoicing and foreign-currency remittance may affect member cash flow and administration. OTA, platform, marketing and commission flows require practical clarification. Formal operators should not be placed at a competitive disadvantage against informal operators.
SME Upgrades & Finance	SME support, grants, digital tools, tax incentives and finance facilities may help members upgrade safety, sustainability and guest experience. Finance-readiness will matter for operators seeking refurbishment, digital payment systems, water/energy upgrades and quality improvements.
People & Skills	École Hôtelière reforms, HRDC skills tools, migration policy, student work rights and post-study visas can support the staffing pipeline. Pension reform, leave measures and public holiday changes may affect rostering, payroll and contracts.
Sustainability & Resilience	Waste-to-Wealth, circular economy measures, waste carrier licensing, green building direction and environmental fines may affect operations. Coastal erosion adaptation, water catchment, solar, batteries and water tanks are directly relevant to tourism resilience.
Market Development & Visitor Experience	Airport modernisation, e-gates, e-visa, M4 access and road improvements can support repeat, family, wellness, inland and longer-stay visitors. Events, culture, heritage, Rodrigues development, visitor security and digital mobility can strengthen demand beyond traditional resort areas.

6. Main Opportunities for AALSIM Members

Tourism Diversification

The shift towards eco, cultural, heritage, wellness, inland and community tourism is aligned with authentic stays and local experiences. Members located near villages, natural attractions, cultural sites, restaurants, markets, wellness activities and community-based experiences can benefit if they are included in promotion and product development.

Eco-Integrated Tourism Villages

These can create new demand outside traditional resort areas. The opportunity is strongest if existing local operators, community businesses, guides, restaurants, artisans and nearby accommodation providers are included from the start.

Visitor Access and Mobility

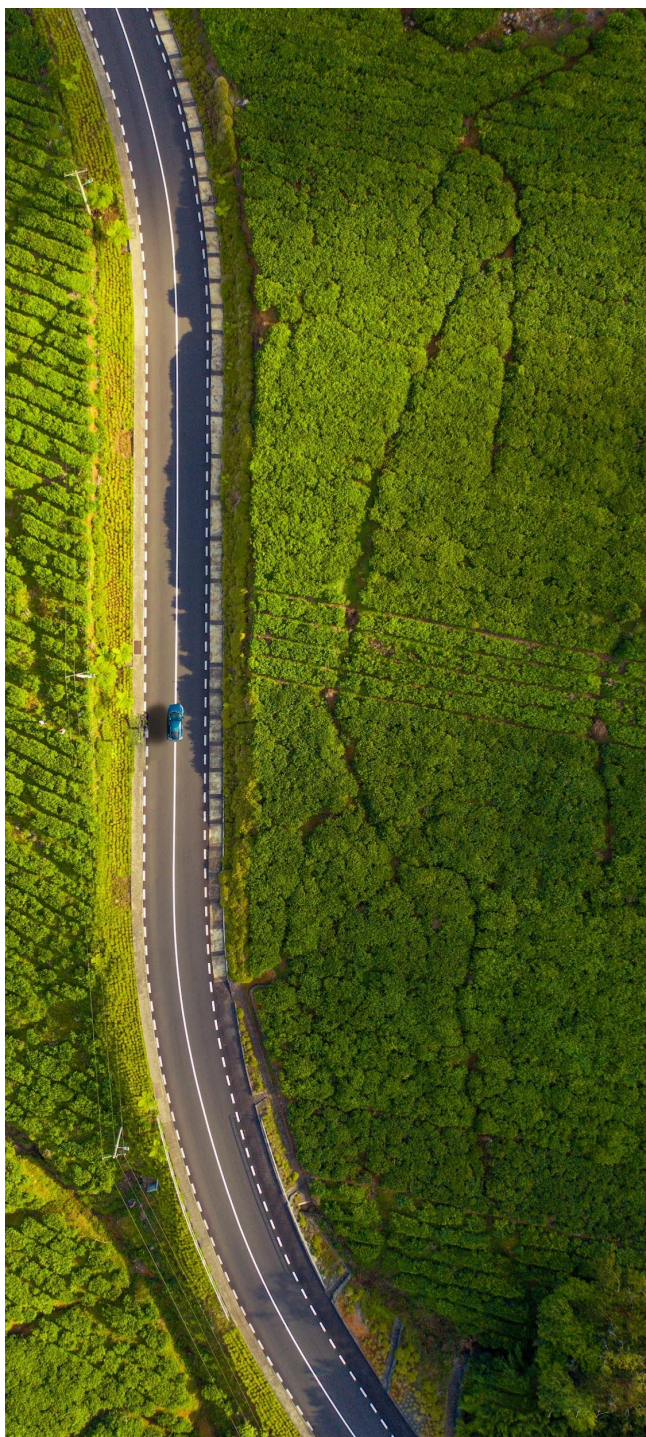
The e-visa system, biometric e-gates, airport modernisation and M4 Forbach–airport project can improve the visitor journey and accessibility. This is relevant for repeat visitors, families, wellness travellers and longer-stay guests.

Training and Skills

The revamping of the École Hôtelière and broader training reforms are positive, but training must not remain hotel-only. AALSIM would request modules for housekeeping, maintenance, guest relations, property management, digital tools, compliance, sustainability and responsible hosting.

Longer-Stay and Lifestyle Segments

Foreign student measures, post-study stay, talent attraction, wellness travel, retirees and remote workers all support the wider Extended Stay Economy. This remains a key AALSIM advocacy priority.



7. Main Risks and Points Requiring Clarification

This section summarises the main items that require urgent monitoring and clarification for members.

Risk / Challenge	Why It Matters	AALSIM follow-up
Regulatory uncertainty	New outdoor / temporary tourist accommodation category may affect licensing.	Definitions, scope, fees and transition rules from the Tourism Authority.
50% VAT in foreign currency	Tourist residences and some non-hotel operators may be affected.	Clarification on scope, currency treatment and platform / rupee payments.
Tourist Fee enforcement	Formal operators may carry the burden while informal operators remain outside the system.	Fair enforcement so compliant operators are not penalised alone.

8. AALSIM's Constructive Implementation Agenda

The Budget direction is positive, but implementation will determine whether short-term rentals, tourist residences, guest houses, property managers, agencies and related tourism SMEs are fully included.

Priority Area	Recommended Implementation Measures
Regulatory Reform	Simplified Tourism Authority registration pathway. Guichet unique / single-window registration. Register-first, verify-after approach. Formal recognition of property managers and short-term rental agencies.
Tax & Fair Competition	Short-term-rental-specific VAT treatment. Fair Tourist Fee treatment for long stays. Clear treatment of foreign-currency remittance and platform payments. Fair enforcement so compliant operators are not penalised alone.
Data & Transparency	Non-hotel accommodation data observatory. OTA / platform data-sharing framework. Clearer market intelligence for policy, promotion and member benchmarking.
Quality & Sustainability	Lakaz Moris quality and upgrade pathway. Responsible hosting standards. Better member guidance on water, energy, waste, safety and guest communication.
Market Development	Clear recognition of the Extended Stay Economy. Dedicated long-stay tourism campaign. Inclusion of registered non-hotel accommodation in destination promotion. Clear implementation role for AALSIM in sector structuring.

9. Recommended Member Actions

Members are encouraged not to wait for enforcement to begin. The immediate priority is to review licensing, tax, records, guest rules, insurance and operating practices.

Area	Action
Licensing	Check current licence / registration status and any pending renewal.
Tourist Fee	Review collection, remittance, currency treatment and long-stay cases.
VAT	Review VAT status, accounting treatment and foreign-currency exposure.
Records	Keep clear owner, guest, invoice and payment records.
Insurance and guest conduct	Review public liability, house rules, noise policy, waste instructions and guest terms.
Training and upgrades	Identify training needs and consider small safety, water, energy, Wi-Fi, digital payment and guest experience improvements.

10. Clarifications AALSIM Will Seek

Institution	Clarifications Required
Tourism Authority	<p>Meaning and scope of “temporary tourist accommodation”.</p> <p>Meaning and scope of “outdoor accommodation”.</p> <p>Affected licence categories.</p> <p>Transitional rules for existing operators.</p> <p>Whether a simplified registration route will be introduced.</p>
MRA	<p>Tourist Fee collection, currency and long-stay treatment.</p> <p>VAT treatment for property managers, owner income, commissions and pass-through funds.</p> <p>50% VAT remittance in foreign currency.</p> <p>Fiscal invoice and e-invoicing obligations.</p> <p>Treatment of OTA and platform payments.</p> <p>Reporting expectations for owners, agencies and managers.</p>
MTPA / Ministry of Tourism	<p>Breakdown of the Rs 1bn tourism envelope.</p> <p>Programme priorities under the Rs 490m MTPA / marketing allocation, noting that it forms part of the Rs 1bn tourism envelope.</p> <p>Inclusion of non-hotel accommodation in destination campaigns.</p> <p>Role of SMEs in eco, cultural, wellness, heritage and community tourism.</p> <p>Access to training and capacity-building programmes.</p>

11. Conclusion

The 2026–2027 Budget confirms that Mauritius is entering a new phase of tourism transformation. Its focus on diversification, sustainability, culture, wellness, infrastructure, digitalisation and skills development is positive and timely. However, the success of this transformation will depend on how far it reaches beyond traditional tourism structures and how effectively it includes the operators who already connect visitors to local communities, neighbourhoods, small businesses and authentic Mauritian experiences.

For AALSIM, the message is clear: the non-hotel accommodation sector must not remain on the margins of national tourism policy. Short-term rentals, tourist residences, guest houses, villas, property managers, agencies and related SMEs are now part of the tourism reality of Mauritius. They contribute to visitor choice, local spending, regional development, entrepreneurship, employment and destination resilience. Their role must therefore be recognised, structured and supported.

AALSIM welcomes the direction of the Budget and stands ready to work constructively with the Ministry of Tourism, Tourism Authority, MTPA, MRA, EDB and other relevant institutions. At the same time, AALSIM must continue to advocate clearly for practical implementation, fair taxation, proportionate regulation, reliable data, quality standards and a level playing field between formal and informal operators.

The objective is not to resist formalisation. On the contrary, AALSIM supports a more professional, transparent and responsible sector. But formalisation must be made simple, fair and realistic. Compliant operators should not carry a heavier burden while informal operators remain outside the system.

The next phase should therefore be guided by one central principle: tourism transformation must include SMEs and non-hotel accommodation. If this is achieved, Mauritius can build a more diversified, inclusive and sustainable tourism model — one that strengthens the destination, supports local enterprise, and ensures that growth benefits a wider part of the country.

AALSIM's role is to help make that transition credible, practical and fair.

