BANK OF MAURITIUS

# MONETARY POLICY STATEMENT AT A GLANCE

AUGUST 2026

# What did we decide?

The Key Rate kept unchanged at
**4.75% p.a.**

## And why?

Upside risks to inflation broadly balanced downside risks to growth.

This decision allows the previous rate increase and recent budgetary measures to work through the economy...

...giving us the flexibility to assess incoming data and evolving risks to inflation and growth.

This cautious stance also aligns with the approach of many central banks globally.

# What's happening globally?

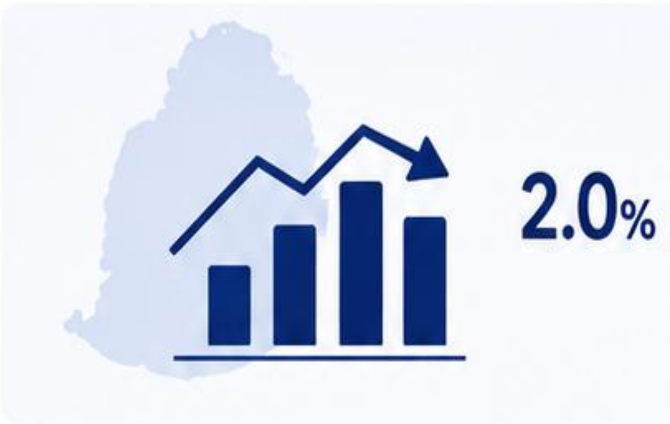
**Global growth** resilient, supported by technology & AI investment …

**…** but increasingly uneven amid **heightened uncertainty.**

**Global inflation** elevated, driven by higher energy, transport costs & persistent services inflation.

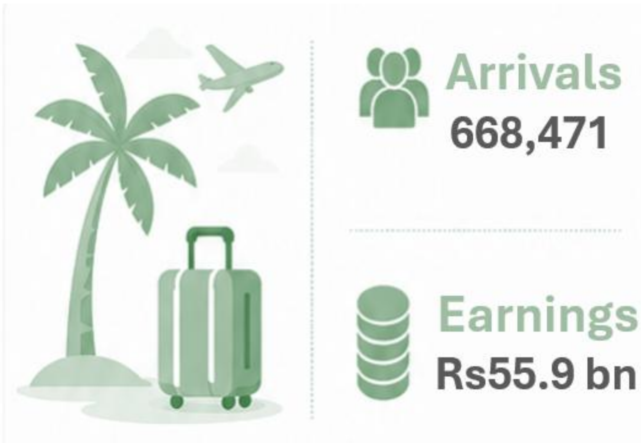
**Cautious global monetary policy stance,** guided by incoming data as central banks balance inflation risks against weaker growth.

# What about us?




**Domestic economy moderated in 2026Q1 but remained resilient**

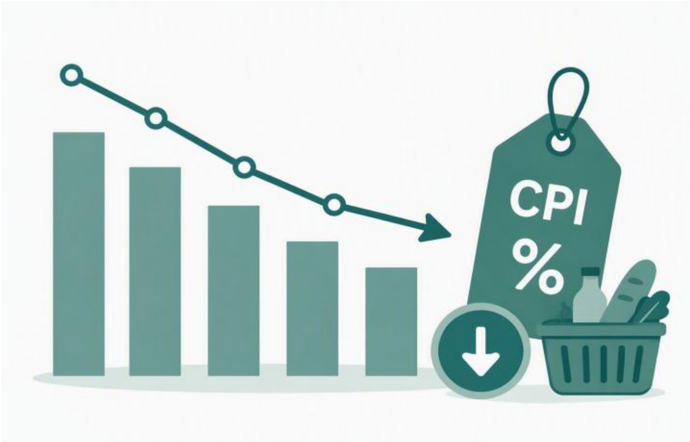
**Tourism continued to support economic activity**




**Financial sector remained  an important pillar of the economy**

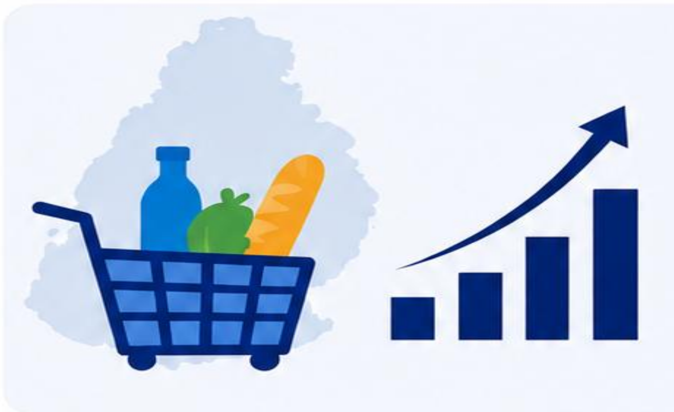
**However, textile and construction remained weak**

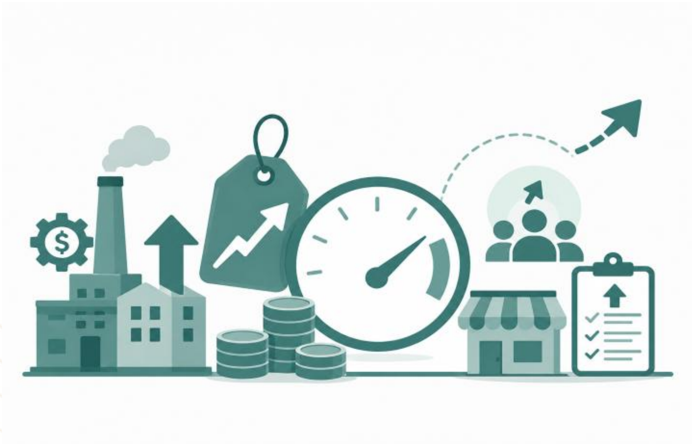
# Now, let's look at inflation




Headline inflation fell slightly in July 2026…

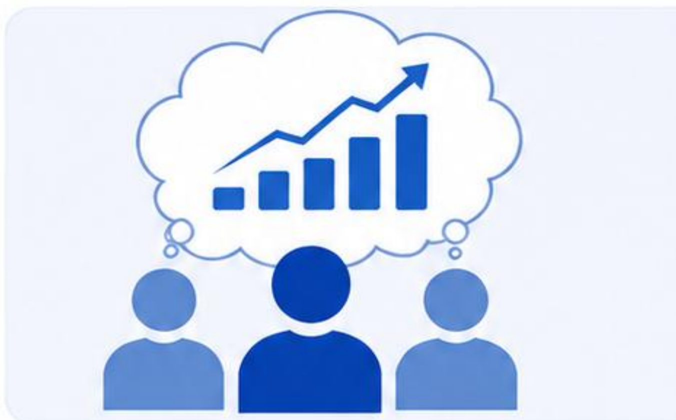
…but year-on-year inflation rose due to recent budgetary measures.





Core inflation sticky due to persistent domestically-generated price pressures.

Inflation expectations shifted upwards & warrant caution.



# How do we see inflation in 2026?

**INFLATION**

**5.0%**

*at the upper bound of the Bank's 2-5 % target range*

## Risks tilted to the upside

Geopolitical tensions could contribute to higher commodity prices & freight costs

Exchange rate pressures could amplify imported inflation

COST

Higher input costs, wage pressures, and rising inflation expectations could broaden price adjustments

# And the growth outlook?

**GROWTH**

**2.8%**

## Risks more on the downside

Escalation of geopolitical tensions could weaken external demand

Higher costs, weaker exports & foreign investment

Softer household spending, delayed private investment & fiscal consolidation

# Need more information?

## MPC Press Statement

**Available at https://www.bom.mu/**

## MPC Meeting Minutes

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