L'Union fait La Force

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The Public Debt — La Dette Publique

There has been, of late, a lot of talk in Mauritius about the public debt of the country, reported to have reached an alarming level under the previous government. This is the situation, according to declarations made by several new-blood parliamentarians, and affirmed by the new Prime Minister, who is cumulating the Finance portfolio as well.

No, this is not concentration of power; the PM says that he has kept the Finance Ministry for himself in order to spare any other parliamentarian of this burden. He says that the country is experiencing enormous financial difficulties, inherited from the previous government, which have to be put right. It's an ungrateful job with which he did not wish to burden anybody else.

According to a renown economist, the public debt is a phenomenon that is incurred by all independent countries on Planet Earth because it so happens they are unable to meet their annual commitments.

Some internet posts have tried to draw a comparison between our individual personal spending via the Credit Card and the government spending through the provisions of the Annual Budget.. We pay for goods we need with money we do not have. Before we refund that money, we buy more goods paying with the same Credit Card. We sometimes have more than one Credit Card and we go on spending.

The result is that we face the sort of problem as explained by Charles Dickens' Mr Micawber to young David Copperfield: "Annual income twenty pounds, annual expenditure nineteen and six, result happiness. Annual income twenty pounds, annual expenditure twenty-pound ought and six, result misery."

Unfortunately, no government is ever able to abide by the Micawber principle to spend within its means. The country's eminent economists may take note. No government, local or overseas, is ever able to spend within the limits of its annual revenue.

Let's take for example the present L'Alliance du Changement government. Presenting the 2025-2026 Budget to the National Assembly on 5 June 2025, Prime Minister Navin Ramgoolam explained that the Government's estimated income for that financial year will be Rs 224 billion and the estimated expenditure (capital and recurrent) will be 261 billion rupee, leaving a deficit of 37 billion rupees.

How will the estimated deficit be met? The national broadcasting service, MBC, commenting on the Budget in the evening explained that to meet the deficit, the government will borrow. Here is the magic formula: Borrowing. The broadcaster explained that the borrowing will be done from local financial organisations and international financial institutions.

The total repayment of the debts from various sources does not frequently happen. In most instances, more loans are taken for the implementation of the following year's Budget. One can imagine, for the next five years (the duration of the present government), how the Alliance du Changement regime will have considerably built up the country's public debt.

With cumulative effect, Mauritius will compete with other nations for a better place on the podium of the countries with the highest public debts. Therefore, it must be admitted that public debts are part of all governments' policy and financial strategy.

And so, the present Finance Minister, Dr Navin Ramgoolam, in spite of his criticism of the previous government's public debts policy will start his financial management of Mauritius by borrowing in order to be able to run the country. Therefore, too much fuss is perhaps being made about the existing public debts of Mauritius.

All responsible governments are inclined to borrow to a level that they consider is manageable. This also depends on their policy and strategy. The previous government believed in a policy of public spending to create a healthy circulation of money in the country, which in turn should encourage economic development and prosperity. This policy encourages borrowing to implement projects, and even creating a picture of prosperity.

The present government tends to believe otherwise, and professes a policy of tightening the belt, creating a picture of economic recession. Cuts are effected here and there, and public spending are eliminated wherever the government thinks fit, even if such cuts should cause hardships and distress. Yet, those at the helm do not fail to ensure that their own interests are taken care of, whatever the costs.

We publish, hereunder, the details of the borrowings of a few countries with the highest public debts as featured on the internet.

Suresh Coonjee Beeharry

National Debt

The national debt or public debt is a phenomenon that is incurred by all independent countries on Planet Earth. Hereunder are the mentions of a few countries with details of their national debts as picked up from the internet.

Mauritius: In December 2024, Mauritius's national debt reached $11.3 billion, or 77.0% of its nominal GDP. The debt to GDP ratio has fluctuated, reaching a high of 87.2% in June 2021 and a low of 42.8% in December 2008. The government aims to reduce the debt-to-GDP ratio below 80% within the next three years.

United States: The national debt of the United States is currently estimated to be over $36 trillion, a significant increase from the $33.1 trillion in December 2023. This debt represents the total amount of outstanding borrowing by the U.S. Federal Government accumulated over its history, primarily through borrowing to cover budget deficits. The debt has increased substantially due to factors like budget deficits, borrowing to cover spending, and the COVID-19 pandemic. The debt is held by both the public (80%) and intragovernmentally (20%), with public debt representing cash borrowed from domestic and foreign investors.

China: China's national debt, including central and local government debt, reached 14.83 trillion U.S. dollars in 2023. This represents a significant portion of the country's overall economic activity, with the debt-to-GDP ratio exceeding 300% when considering corporate and household debt, according to Fidelity International.

India: India's national debt, including central government debt and external debt, is estimated at approximately 185.11 lakh crore (□185.11 trillion) as of March 2025 and 200.16 lakh crore (□200.16 trillion) as of March 2026. This translates to roughly 3.16 trillion US dollars in 2024, according to Statista.The debt to GDP ratio for India is reported to be around 81.23% in 2023, according to countryeconomy.com, with the external debt to GDP ratio standing at 19.4% as of September 2024.

France: France's national debt in 2023 was €3.3 trillion, which is 113% of its GDP. This is a record high and exceeds the 60% of GDP limit set by the EU. While the debt has been rising, the debt-to-GDP ratio has also been increasing, reflecting the impact of economic challenges like the COVID-19 pandemic and the energy crisis.

Russia: In January 2025, Russia's national government debt reached $291.7 billion USD.