FAQs on Trade in Services Agreement (TISA)

- ***What is TiSA?***

The Trade in Services Agreement (TiSA) is a plurilateral trade agreement currently being negotiated by 23 members of the World Trade Organisation (WTO), including the EU with its 28 Member-States. Together, the participating countries account for 70% of world trade in services. The objective of TiSA is to improve the rules on trade in services and market access.

The TiSA market represents an enormous services market with nearly 1.6 billion people and a combined GDP of more than $50 trillion in 2015. Negotiations on TiSA were launched in March 2013. The participating members are: Australia, Canada, Chile, Chinese Taipei, Colombia, Costa Rica, the European Union, Hong Kong (China), Iceland, Israel, Japan, Liechtenstein, Mauritius, Mexico, New Zealand, Norway, Pakistan, Panama, Peru, South Korea, Switzerland, Turkey and the United States.

- ***When did Mauritius join the TiSA?***

Mauritius joined the TISA negotiations in July 2015.

- ***Why is TiSA important for Mauritius?***

Mauritius has during the past few years embarked on an economic transformation process which is leading to an increasingly services-based economy. Government is specifically aiming at expanding services exports and attracting more Foreign Direct Investment in the sector. In this regard, Mauritius decided to join the TiSA negotiations so as to create the necessary conditions for FDI and to open up market opportunities for service providers in Mauritius. The new Agreement will make it easier for Mauritian firms to export services to other countries. It will help spur economic growth and create new jobs in the services industries.

There is, in parallel, a regional impetus to liberalisation of the services sector. The negotiations on the TiSA are a vital complement to the negotiations already taking place in the services sector at the level of COMESA, SADC and also at the broader continental level.

- ***Does TiSA remove the right of Government to regulate Trade in Services Sector?***

  No. TISA explicitly recognizes the sovereign right of Governments of the TISA Parties to regulate Trade in the services sector

- ***Does TiSA require the privatisation of public services such as Health, Education, Transport, Utilities, etc.?***

  No. All services that fall under the authority of Government are excluded from the Agreement. In addition, Mauritius has explicitly indicated in its market access offer that Government reserves the right to take any measure in regard to public services such as Health, Education, Transport, Utilities, etc. This is called policy space reservation which Parties are allowed to take.

- ***Will TiSA lead to the degradation of the environment or impede the protection of consumers?***

  No. TiSA contains a general exception clause that allows parties to take measures that are necessary to protect human, plant and animal lives. In addition, the annex on E-commerce makes it mandatory for the TISA Parties to adopt regulations to protect the consumers.

- ***Does TiSA lead to the complete liberalisation of air and maritime services?***

  No. Air traffic rights are excluded from the scope of liberalisation. Moreover Mauritius has indicated in its market access offer that it will not liberalise cargo handling at the port as well as maritime services between Mauritius and its outer islands (also known as cabotage).

- ***Does TiSA prevent Parties to provide incentives to support the development of local service providers?***

  No. Contrary to the General Agreement on Tariffs and Trade (governing trade in goods), TiSA does not contain any disciplines on the prohibition of subsidies. Mauritius, therefore, has the flexibility to provide necessary support to protect domestic service suppliers.

- ***Does TiSA oblige the Parties to open up the free movement of people?***

  Parties are free to take commitments if they so wish on free movement. The only obligation is the temporary movement of professionals that is necessary for the Parties to provide a service. Mauritius has indicated in its schedule that it is not taking any commitment on Mode 4, over and above what already exists as policy in Mauritius with regard to occupational permits and visas.

- ***Is TISA a rigid agreement that is intended to completely open up the services sector?***

  No. TiSA allows Parties to maintain in their scheduled limitations on market access, such as joint venture requirements, quantitative limits and economic needs tests amongst others.

- ***If agreements such as TiSA bring benefits, why are we signing only one?***

  We are already engaged in negotiations on Trade in Services at the regional level, in COMESA and SADC as well as at the continental level. Moreover, the Comprehensive Economic Cooperation and Partnership Agreement (CECPA) with India will also have a chapter on Trade in Services

- ***Will TiSA bring FDI in Mauritius?***

  By further removing bottlenecks to investment and providing predictability and legal security to investors, we can expect to have an increase in FDI.

- ***Will TiSA kill local business?***

  No, to the extent that Mauritius is not taking any commitments that go beyond the existing regulatory environment. However, by opening up trading opportunities through cross border supply of services, SMEs will have the opportunity to export their services from Mauritius without the need to incorporate a company in the TISA Parties markets. Mauritian service suppliers will have access to a vast services market which represents some 70% of the world services market.

- ***Why is Mauritius the only African country participating in TiSA?***

  Mauritius has limited potential to develop its agricultural and manufacturing sectors given its limited endowment in terms of land, natural resources and human resources. The Services sector accounts for over 75% of the Mauritius GDP and employs some 75,000 people directly contrary to most African countries. Moreover, all LDC's, most of which are found in Africa already benefit from a WTO waiver by way of which they obtain preferential access for services on developed and some developing countries' markets. They do not therefore need market access per se under the TiSA.

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