Concluding Remarks

by

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Secretary for Foreign Affairs

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Geneva

Check against delivery
Madam Chair,

I wish to once again thank you personally, Madam Chair, our discussant Ambassador Duque, the Secretariat and the members of the WTO for your active support and participation in the trade policy review of Mauritius. We appreciate the vibrancy of the comments made and the questions raised as well as the opportunity provided to us earlier to give written answers.

2. In my opening statement, I explained the daunting challenges faced by the Government of Mauritius to implement the right policy mix in the face of the global economic downturn. Mauritius chose a market-driven approach transparency and rules-based economic management alongside policies aimed at inclusive growth, economic empowerment and social measures targeted at the vulnerable. This translated into the resilience shown by the Mauritian economy in the face of global economic situation.

**Economic Environment and Economic Reform**

3. As indicated in the first session, Mauritius has, since 2006, been implementing an ambitious, all inclusive economic reform program which has generated growth. One of the key features of the Government program is the democratization of the economy to ensure that equal opportunities are provided to all segments of society.

4. A National Empowerment Foundation was set up in 2008 and is responsible, *inter-alia*, for re-training of retrenched workers, promoting entrepreneurship among SMEs for supporting low income and vulnerable groups to enable them take advantage of economic opportunities.

5. As part of consolidating our governance framework, an Equal Opportunities Commission was set up in 2012 under the Equal Opportunities Act to ensure equity and fairness.

6. Further, the Mauritius Africa Strategy aims at expanding the circle of opportunities for all, including SMEs and at supporting, to the extent possible, the development of the Continent through investments and capacity building. The 50 Scholarships granted by Mauritius to African Countries must be seen from this perspective.

7. As indicated by some Members, Mauritius continues to face several challenges as a result of fragile world economic conditions. It also has a current account deficit and low savings rate.
8. Among the steps adopted to address the above, is the opening up of new export opportunities and to increase the volume and value of exports with the expectation that this would narrow the gap between imports and exports.

9. Our regional agenda implemented by way of our membership in the Southern African Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA), Indian Ocean Commission (IOC), the Indian Ocean Rim Association (IORA), the Tripartite Initiative as well as the Accelerated Programme for Economic Integration (APEI) goes in the direction of enlarging economic space, boosting south-south trade and investments and promoting regional infrastructure development.

10. The objective of diversifying markets has led to the conclusion of trade agreements with Turkey and Pakistan and ongoing negotiations with Tunisia. An agreement reached with India awaits signature.

11. To further support market access initiatives, Enterprise Mauritius, the trade promotion arm of government, has stepped up trade promotion activities in various markets and provides support to small and medium sized enterprises to participate in trade fairs and exhibitions.

12. Enterprise Mauritius also organises a yearly trade exhibition, MAITEX, which brings together traders from Mauritius to interact and do business with partners from Africa. Support is also provided by Government to Export Oriented Enterprises with a view to improving their competitiveness through consultancies, diversifying the product mix and improving the quality of goods produced for exports. Other practical measures include the establishment of an interactive trade portal to assist operators.

13. We welcome the proposal to develop jointly with the US, for instance, new strategies to fully avail of the benefits of AGOA and to collaborate with Members to boost bilateral trade. The timely renewal of AGOA which is set to expire in 2015 is vital for Mauritius and other AGOA eligible countries to prevent the disruption of trade on that market. We are therefore comforted by the assurances of the US, both at the US-Africa Washington Summit and at our first Session that work is ongoing to secure a seamless renewal of AGOA.

Madam Chair,

14. It has been suggested that there may be need for Mauritius to rebalance its economic fundamentals. Indeed, let me say that we are already developing new poles of growth such as the ocean economy, health and education services, aviation and maritime hubs and Mauritius is positioning itself as a gateway for investors to Africa. Mauritius has adopted an International Arbitration Act in 2008. A Permanent Court of Arbitration (Mauritius), a branch of the Hague
Court of Arbitration, opened office in September 2010 with the objective of promoting the pacific settlement of international disputes arising out of bilateral and multilateral treaties. The Court has already heard its first case.

15. To stimulate savings, the Bank of Mauritius issues bonds in addition to measures being promoted to diversify the savings portfolio. A new three-year Government of Mauritius Saving Bond has been issued at a fixed interest rate of 5.25% per year as from 1st September 2014 and a five year Government of Mauritius Savings Bond to the public has also been issued.

Madam Chair,

16. Several delegations commended Mauritius for the steps taken to liberalise certain state trading activities. Allow me to state here that such activities are conducted on a commercial basis in line with the WTO Agreement on State Trading Enterprises. This notwithstanding, I wish to highlight that State Trading Enterprises can have an important role to play in ensuring security of supply for Small Island Developing States.

17. Some delegates have also pointed out that state intervention still remains quite pervasive. Since 2008, the Mauritius State Investment Corporation (SIC) has been adopting policies to move out of commercial activities and to focus instead on strategic investments.

18. The Casino de Maurice and Domaine Les Pailles are examples of Government disinvestment. It is to be further noted that all economic sectors in Mauritius, including those where the Government has a stake, are subject to competition law, save for the import of fuel which is a strategic product.

19. In the same vein, some Members indicated that the State, in the form of para-statals like telecoms, air transport and financial services intervenes in economic activities. Let me reiterate that Mauritius is a small island economy where Government intervention is sometimes required to inject a certain degree of competition. Let me refer to the specific examples of the State Bank of Mauritius (SBM) and the State Insurance Company of Mauritius (SICOM), created to provide wider choices and to further support the development of the country. Mauritius Telecom, which was fully state-owned, now has a foreign strategic partner. In addition, there is a multiplicity of operators in the telecommunication sectors both for mobile and fixed line services.

20. It is to be noted that a first step towards privatisation of audiovisual services was announced in the 2013 budget for entertainment TV. This issue, however, remains complex as demonstrated by the carve-out under the General Agreement on Trade in Services.
Trade Policies

Madam Chair,

21. Mauritius has taken steps to streamline import and export procedures which have resulted in the elimination of some 26 import and export permits. However, some licensing requirement still prevails, as indicated, in the case of poultry and pork for food security purposes.

22. Government has established a joint public-private sector working group to identify additional measures to be taken to further streamline trade procedures. Allow me to also note that all export taxes have been eliminated.

23. As far as import taxation is concerned, it has already been indicated that some 90% of tariff lines are already duty-free. While a specific duty exists on some clothing items, these are limited in scope and subject to review on a progressive basis.

24. Specific questions were raised in respect of the procurement policy of Mauritius, in particular, as to whether Mauritius intends to join the Government Procurement Agreement (GPA). Consideration is being given to the possibility for Mauritius to join the GPA as an Observer. As to the possibility of implementing an electronic tendering system, such a system already exists. All tender documents can be accessed online. In addition, all tenders above 200 million Rupees (approximately USD 6.5 Million) are mandatorily opened to international bidding.

25. Regarding comments made on our Intellectual Property policy, Mauritius is committed to implementing a new IP policy which involves enforcement of the new 2014 Copyright Act, adoption of a comprehensive Industrial Property Bill and the establishment of an empowered Intellectual Property Office and Intellectual Property Council. The Copyright Act has already entered into force but some implementation regulations are being finalised. The Ministry of Foreign Affairs, Regional Integration and International Trade is responsible for IP matters. However, the Ministry works in close collaboration with other relevant Ministries. It is to be noted that the Mauritius Intellectual Property Office will, in the first instance, be hosted at the Ministry of Foreign Affairs.

26. To a specific question as to the functions of these new institutions, it is to be noted that the IP Office will, in addition to registration of trademarks, patents and industrial design be responsible to, inter-alia:
   - Implement strategies, programs and action plans for IP development
   - Issue guidelines for IP matters;
   - Collect and maintain Data on IP; and
• Create awareness and undertake sensitization campaigns.

27. The IP Council on its part will bring together all the institutions dealing with IP for a more coherent and coordinated approach towards IP matters and provide guidance in the design and implementation of IP policies.

Madam Chair,

28. Several questions referred to the outstanding notifications of Mauritius to the WTO. I wish to indicate that Mauritius has already submitted 4 sets of notifications on State Trading Enterprises, Subsidies and Countervailing Measures, Import Licensing Procedures and on Services. Notification on the bilateral agreement with Pakistan was recently discussed at the Mauritius-Pakistan Joint Working Group and we trust that a joint notification can be submitted.

29. With regard to the RTA under the Indian Ocean Commission applicable to Mauritius and Madagascar, it is to be emphasized that this Agreement has been subsumed within the COMESA FTA which has already been notified to the WTO. The remaining notifications on Quantitative Restrictions, TRIPS enforcement and Agriculture Subsidies are being finalised and will be submitted shortly. Let me also inform Members that Mauritius is planning to organise a capacity building workshop on WTO notifications jointly with the Secretariat in January 2015 and to establish a plan for timely notifications to the WTO.

Sectoral Policies

Madam Chair,

Let me now turn to our sectoral policies

30. The objective of government is to consolidate the traditional sectors and to develop new poles of growth especially in the services sector. In this context, a multi-annual adaptation strategy plan (2010-2015) is being implemented to restructure the sugar sector and diversify the range of products within the cane industry, in particular, the increase in the production of energy from bagasse, and development of other by-products such as ethanol and rum.

31. As regards the manufacturing sector, the focus is to move upmarket and diversify the product range in high tech sectors such as precision engineering, medical devices, jewellery making, textiles and bio-based products.

32. Several delegations requested for more information about the Government’s roadmap on the ocean economy. Let me emphasize that Mauritius manages a Maritime zone of 2.3 million km². The potential for economic advancement and prosperity that this resource can generate, if
developed in a sustainable way, could take Mauritius to its next development level – that of evolving into a high income country. However, the development of this sector will require massive investment, technology transfer and know-how. The National Task force on the issue has already identified seven priority clusters for development purposes. These are:

- Seabed exploration for hydrocarbons and minerals
- Fishing, seafood and aquaculture
- Deep ocean water applications
- Marine services
- Seaport-related activities
- Marine renewable energies
- Ocean knowledge

33. A legal and regulatory framework for the ocean economy is being developed and an Ocean Centre of Excellence is expected to be set up with clearly defined research functions. A skills development programme and an ocean economic indicator are also being developed. I wish to underscore that the development of this sector is in line with the fundamentals of economic efficiency, equity, ecology, social partnership, safety and fully in compliance with international obligations.

34. We welcome the interest shown by a number of delegations such as the EU and Canada in the plans of Mauritius for developing its ocean economy and in particular Canada’s offer for sharing of expertise. Central to the ocean economy strategy are the development of the port sector and the transformation of Mauritius into a Seafood Hub.

Madam Chair,

35. The Government’s objective is to transform the Port-Louis Harbour into a regional maritime, logistics and business hub while at the same time being an effective conduit for trade in the region.

36. As part of our Seafood strategy, Mauritius intends to register more fishing vessels under Mauritian flags to supply our processing factories with raw materials. Seafood processing represents a major component of ocean-related activities and is expected to play a central role in export diversification and consolidation of food security.

37. At the same time, Government also aims at building a local fleet capacity so as not to rely solely on licensed foreign fishing vessels. Substantial investment have been made, namely by Sapmer France and by Chinese investors.
38. Sustainable development remains central to the economic architecture of Mauritius. A priority of the Maurice-Ile Durable Project will be to achieve 35% of the national energy supply through the use of renewable sources.

39. Madam Chair, Distinguished Guests, we trust that we have provided clarifications on the queries raised by Members in their interventions in addition to the written responses already given to questions received earlier. We shall be glad to provide any further information as may be required.

40. Let me now reiterate my high appreciation to everyone present here for this Review exercise and to reiterate the commitment of Mauritius to the advancement of the multilateral trading system.

Thank You.

Geneva
24 October 2014