



Trade News Digest

INTERNATIONAL TRADE DIVISION MINISTRY OF FOREIGN AFFAIRS, REGIONAL INTEGRATION AND INTERNATIONAL TRADE

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12th Session of WTO Ministerial Conference

Ministerial Decision on the TRIPS Agreement



The 12th Session of the WTO Ministerial Conference held in June 2022 in Geneva decided that, notwithstanding the provision of patent rights under its domestic legislation, an eligible Member may limit the exclusive rights provided for under Article 28.1 of the TRIPS Agreement by authorizing the use of the subject matter of a patent required for the production and supply of Covid-19 vaccines without the consent of the right holder. This can be done to the extent necessary to address the Covid-19 pandemic, in accordance with the provisions of Article 31 of TRIPS (Other use without authorization of the right holder), as clarified and waived by the 12th WTO Ministerial Conference.

Eligible Members may apply the provisions of the said decision until 5 years from the date of the decision, which is 17 June 2027.

Members Clinch a Deal on Fisheries Subsidies



After more than two decades of negotiations, members of the World Trade Organization (WTO) clinched a new multilateral deal on fisheries subsidies, which includes a set of rules prohibiting subsidies to illegal, unreported and unregulated (IUU) fishing, to the fishing of overfished stocks, and to fishing on the high seas outside the control of regional fisheries management organizations.

The agreement was reached on 17 June 2022 at the WTO Twelfth Ministerial Conference in Geneva, Switzerland. The treaty is a slimmed down version of a draft agreement on fisheries subsidies circulated by the negotiations chair, Ambassador Santiago Wills of Colombia, just days ahead of the conference. Members took the commitment of continue negotiations subsidies that contribute on to overcapacity and overfishing and special and differential treatment in order to have a more comprehensive agreement after this treaty enters into force.

Governments also agreed to exercise special care when they provide subsidies in situations where the subsidizing government has less control over the impact of fishing it subsidizes. The deal also includes new rules on transparency which require members to notify to the WTO, information related to the subsidies they provide to fisheries.

While not as ambitious as the draft text trade officials started negotiating at the start of the conference, this agreement is a deeply significant policy step. It is the first time that a WTO agreement has been established to address environmental issues. It establishes a coherent set of innovative global rules on fisheries subsidies which go far beyond anything similar agreed in regional or bilateral agreements.

It is a remarkable achievement!

Source: International Institute for Sustainable Development

COMESA Trade and Trade Facilitation meeting



General Trade Performance

The COMESA Trade and Trade Facilitation subcommittee met on 03 to 05 October 2022 to review the performance of regional trade and to discuss various projects within the COMESA.

The COMESA secretariat reported that, in terms of macro-economic developments, the region's average growth rebounded in the second half of 2021, prompting an upward revision in growth estimates from 4.3% to 5.9% in 2021. Country level data suggests that growth recovered in all COMESA member countries, primarily on base effects owing to the sharp contraction in most countries in 2020, and in addition, significant remittance inflows and rapid vaccination roll out particularly for tourism dependent countries where the pandemic continues to pose a drag on recovery.

However, the projected growth for 2022 is likely to slow to 4.8% due to the effects of geopolitical tensions

on global commodity prices. Growth is also weighed down by sharper-than-expected tightening in financial conditions in Advanced Economies; several armed conflicts and terrorist threats in some countries; severe exposure to climate related shocks and headwinds from lower global demand on slowdown in global economic activity which is partly due to tightening monetary conditions.

The Secretariat noted that there was significant increase in COMESA's trade globally and within the region above pre-pandemic levels. Increase in export values of manufactures, fuels, Ores & metals and food led to the increase in COMESA's global exports value in 2021. Indeed, the value of COMESA's total exports to the world significantly increased by 56% from US\$ 100 billion in 2020 to US\$ 156 billion in 2021.

FTA Utilisation

The COMESA and UNCTAD presented a summary of their joint study on preference utilization rates of COMESA trade preferences both for north-south trade and south-south trade. The presentation noted that Member State Governments are increasingly entering free trade agreements (FTAs) and on the African continent, the African Continental Free Trade Area (AfCFTA) is the latest attempt. However only recently, Governments have realized the importance of implementation and effective use of FTAs by their firms and other importers. The presentation outlined the lessons learnt and recommended a review of rules of origin and related administrative procedures in intra-REC trade to improve utilization rates. This is particularly pertinent in the light of the current implementation of the AfCFTA.

Study on implications of non-tariff measures and non-tariff barriers on intra-COMESA trade

The study made a number of key observations highlighting that TBT and SPS measures were highly prevalent NTMs in the COMESA region, with products of the chemical and allied industries; vegetable products; live animals and products; and prepared foodstuff; beverages, spirits, vinegar; and tobacco facing the highest exposure to both SPS and TBT measures during the period 2016 to 2020. The most prevalent NTBs in COMESA were found to relate to rules of origin; additional taxes and other charges; issues related to pre-shipment inspections; lengthy and costly customs clearance procedures; government policy and regulations related to transport; costly road user charges/fees; vehicle standards; and transport related corruption.

Kenya Sugar Safeguard

The meeting discussed the outcome of the last meetings of the Kenya sugar safeguard subcommittee which was create to monitor and to make necessary recommendations regarding the sugar market access in Kenya. The meeting lengthily discussed a proposal which was made by Mauritius earlier this year which proposed that a guaranteed minimum quota volume be implemented so as to establish a degree of predictability on the Kenya market.

Mauritius highlighted that the quota allocations have been declining over the past five years, threatening or defeating the primary objective of market liberalization and integration under COMESA FTA. Mauritius indicated the key challenges in the existing arrangement as a result of the significant decline in the allocated quota volume as follows:

- As Kenya's local sugar production progresses, and the sugar deficit decreases, the size of the quota may decrease to the point of being insignificant and ultimately the market might become completely closed to other COMESA members;
- The purpose of a safeguard is to gradually open the market until the local industry is able to compete with exporters in the context of a Free Trade Agreement. However, if the Kenyan market is increasingly restrictive, the industry will not adapt to foreign competition;
- iii. The decreasing quota is affecting sugar producers in COMESA Member States willing to export to Kenya, as they face less predictability to allow them to plan their production and exports. This issue is exacerbated as producers might have invested in crops and machinery in anticipation of preferential market access into Kenya; and



iv. With such poor predictability over the Kenyan market, COMESA suppliers might be compelled to divert their sugar exports to other regions and would consequently no longer be in a position to supply to Kenya when the need arises.

Enhancing Trade Facilitation through the SADC electronic Certificate of Origin

SADC electronic Certificate of Origin launched on 7th September 2022

As part of the ongoing efforts to increase seamless flow of intra-regional trade and support regional industrialisation and ultimately, accelerate the regional economic development, the Southern African Development Community (SADC) launched the SADC electronic Certificate of Origin (e-CoO) in Blantyre, Republic of Malawi, on 7th September 2022 under the theme 'Enhancing trade facilitation through the SADC Electronic Certificate of Origin'.

The official launch was preceded by a workshop on 6th September 2022, which drew participants from SADC Member States, East African Community (EAC) Partner States and COMESA Member States, African Continental Free Trade Area – Secretariat, World Customs Organization (WCO) – Secretariat, customs officials and Private Sector to deliberate on the significance of improving the SADC intra-regional trade through the smooth movement of quality goods across the borders with the overall objective of aiding the region's economic development.

The e-CoO, which replaces the manual SADC Certificate of Origin issued by the issuing authority in the country of origin of the goods, will help the trader to apply on-line, trace the application and get the response on the submission digitally, thus infusing efficiency in the process. Unlike the manual Certificate of Origin, the eCoO will significantly reduce fraud at border posts owing to its security features such as online e-CoO authenticity verification and the optical watermarking technology.

Outcomes of the 9th Meeting of the Council of Ministers of the African Continental Free Trade Area (AfCFTA)



The Honourable Minister A. Ganoo attended the 9th Meeting of the Council of Ministers of the African Continental Free Trade Area (AfCFTA) held in Accra, Ghana from 25th to 26th July 2022. The Council of Ministers took note of the progress made on the negotiations for both Phase I (Trade in Goods and Trade in Services) and Phase II issues (Investment, Competition Policy and Intellectual Property Rights).

Trade in goods

- A total of thirty-six (36) Provisional Schedules of Concessions under the AfCFTA, representing 85% of the submitted tariff offers were adopted by the Council of Ministers. The latest submissions were those of Algeria and EAC Member States;
- Adoption of the manual on the Rules of origin to guide exporters and customs officials;
- launching of the AfCFTA Website and the etariff book with the aim to make information on tariff accessible to public;
- Launching of the AfCFTA Guided Trade Initiative under which Mauritius, along with Ghana, Kenya, Rwanda, Tanzania, Egypt and Cameroon have been selected as key partners to start trading in a pilot phase. The Initiative seeks to test the environmental, legal and trade policy basis for intra-African trade and it will identify companies, products, customs procedures, and logistics processes required to enable trade under the AfCFTA;

Trade in Services

The Council of Ministers adopted:

 the Schedules of Commitments of Djibouti, Democratic Republic of Congo, Eswatini,



Lesotho, Namibia, Malawi, Mauritius, Seychelles, Zambia, Zimbabwe and the combined Schedule of Commitments of the East African Community Member States; and

 Ministerial Directive on the implementation of State Parties' Schedules of Specific Commitments.

Phase II Issues

The Council of Ministers noted the progress made towards the conclusion of negotiations under Phase II issues which cover Investment, Competition Policy and Intellectual Property Rights; and agreed to extend the deadline of September 2022 by six months to complete the negotiations on Competition Policy.

The Council of Ministers also took note of the projects realised by the Afrexim- Bank in the implementation of the AfCFTA Agreement, including (i) the setting up of the Pan-African Payment and Settlement System (PAPSS); (ii) the renewal of its contribution of \$1billion to the Adjustment Fund; (iii) an additional pledge of \$10million grant dedicated to the base fund of the AfCFTA Adjustment Fund to kick-start its operations; and (iv) putting in place \$1 billion to drive the development of the regional automotive value chains.

Mauritius National AfCFTA Response Strategy



A Validation Workshop on Mauritius' National AfCFTA response strategy was held on 25 March 2022 by the Ministry of Foreign Affairs, Regional Integration and International Trade (MOFARIT), in collaboration with the Economic Commission for Africa's African Trade Policy Centre (ATPC) and Sub-regional Office for Southern Africa (ECA-SRO-SA), with funding from European Union (EU).

The workshop aimed at validating the National Response Strategy, developed in consultation with various stakeholders from both the public and private sector. The National Response Strategy provides guidance on how Mauritius could enhance its economic diversification and maximise trade in goods and services, including on markets not yet explored, and boost investment potential through an comparative advantages assessment of and



investigating value chains development at the regional and continental level.

The strategy further identifies four strategic objectives to be achieved to realise the untapped potential under the AfCFTA. These are:

- adopting the necessary institutional framework to implement and benefit from the AfCFTA;
- building the capacity of business players to exploit the opportunities of the AfCFTA;
- iii. reinforcing the country's trade promotion and economic diplomacy efforts; and
- iv. improving the country's transport and logistics connectivity with the continent.

WTO Chairs Programme -Conference on 'AfCFTA: Challenges and Opportunities'



"The African Continental Free Trade Area is the path for Africa's development", states Minister Ganoo

The Minister of Land Transport and Light Rail, Minister of Foreign Affairs, Regional Integration and International Trade, Mr Alan Ganoo, made this statement, at the opening ceremony of a two-day World Trade Organisation (WTO) Chairs Programme Virtual International Conference on International Trade and Investment held on Wednesday 07th September 2022. The conference was held under the theme 'AfCFTA: Challenges and Opportunities'.

Minister Ganoo highlighted that the creation of the AfCFTA has been a monumental step in the economic integration of Africa, potentially uniting all the 55 African Union Member States, covering 1.3 billion people with a combined Gross Domestic Product valued at USD 3.4 trillion. He reminded that the AfCFTA is an ambitious agreement that goes beyond just trade in goods and services.

As reported by the United Nations Conference on Trade and Development (UNCTAD), underscored the Minister, the agreement could boost intra-African trade by about 33% and cut Africa's trade deficit by 51%. He further emphasized that the implementation of the agreement will have significant implications for maritime transport and services trade. Recent study by UNCTAD indicates that Comoros, Gabon, Gambia, Ghana, Madagascar, Mauritius, Mozambique, Namibia and Somalia will experience a surge in traffic through their ports by 2030 as a result of the AfCFTA, he added.

Second Meeting of the Inter-Ministerial Committee on Monitoring and Implementation of Free Trade Agreements (FTAs)



The second meeting of the Inter-ministerial Committee on the monitoring and implementation of Free Trade Agreements took place on Wednesday 17th August 2022 under the chairmanship of the Hon. Minister A. Ganoo.

The meeting took note of the measures and actions being taken by the different stakeholders concerned to maximise on the opportunities under the various trade agreements signed by Mauritius. These measures have been elaborated by a Technical Committee comprising the public and private sectors and is co-chaired by the Director of Trade Policy and the Chief Executive Officer of the Economic Development Board.



Ministries and institutions present at the meeting reported on the activities and the measures being implemented at their level to increase exports which include, amongst others, the setting in place of online application for work permits under the National Electronic Licensing System, information and sensitisation campaigns on the opportunities under the various trade agreements, trade and investment promotion activities on various markets, addressing sanitary and phyto-sanitary measures and standards issues and implementation of the new industrial strategy. 9th Round of Technical Negotiations between the EU and ESA Countries on the Deepening of the Economic Partnership Agreement



In 9th Round of Technical Negotiations between the EU and Five Eastern and Southern Africa (ESA) Countries on the Deepening of the currently implemented Economic Partnership Agreement.

The 9th round of technical negotiations between the European Union (EU) and the Eastern and Southern Africa (ESA-5) (namely Comoros, Madagascar, Mauritius, Seychelles and Zimbabwe) on the deepening of the iEPA, was held in hybrid virtual mode from 19 to 23 September 2022. The meeting was co-chaired by Mr Rammos, DG Trade, EU Commission and Mr Boodhoo, Director, International

Trade Division, Ministry of Foreign Affairs, Regional Integration and International Trade for the ESA-5.

Negotiations were held in parallel sessions on 11 issues, namely: Rules of Origin (ROO), Technical Barriers to Trade (TBT), Agriculture, Trade in Services, Investment Liberalisation and Digital Trade (TiSIL&DT), Economic Development Cooperation (EDC), Dispute Settlement & Institutional Provisions, Intellectual Property Rights (IPR), Competition, Public Procurement, Trade and Sustainable Development, and Fisheries.

Commendable progress was made in all areas during this round. Both Parties agreed to pursue internal discussions on the texts and meet inter-sessionally to advance in the negotiations on some issues, notably, TiSIL&DT, Dispute Settlement, IPR, TBT and Public Procurement.

The next round of negotiations will be held from 12 to 16 December 2022. It will include all issues covered by this deepening process.

1st Session of India-Mauritius High-Powered Joint Trade Committee



India and Mauritius held the 1st session of India-Mauritius High-Powered Joint Trade Committee on 01-03 August 2022 in New Delhi.

The meeting was co-chaired by Dr. Srikar K Reddy, Joint Secretary, Department of Commerce, Ministry of Commerce and Industry of India, Government of India, and Mr. Narainduth Boodhoo, Director, Trade Policy, Ministry of Foreign Affairs, Regional Integration and International Trade, Government of Mauritius. Senior officials representing relevant Government authorities from both the countries took part in the meeting.

The High-Powered Joint Trade Committee had been constituted as per the mandate of the India-Mauritius



Comprehensive Economic Cooperation and Partnership agreement (CECPA), to review the general functioning and implementation of the India-Mauritius CECPA which entered into force on 1st April, 2021. CECPA is the first trade Agreement signed by India with a country in Africa.

The key takeaways of the meeting are as follows:

Ι. Both sides agreed to the inclusion of the General Economic Cooperation (GEC) Chapter and Automatic Trigger Safeguard Mechanism (ATSM) in CECPA. The GEC chapter will enable enhancement of export competitiveness and enlarging the existing scope for collaboration, inter-alia, in the fields of Investments, Financial Services, Textile, Small and Medium Enterprises, Handicrafts. Gems and Jewellery, Information and Communication Technology, Film Production, Space Technology, Blue Economy, Port Infrastructure, Healthcare, Pharmaceuticals & Bio-technology, Competition Policy, Renewable Energy etc.

II. Extensive interactions were held between both the sides in Services sector with regard to establishing equivalence in certification, skills and licensing requirements of various professional bodies.

III. Both sides expressed willingness to enter into a Customs Mutual Administrative Assistance



Agreement (CMMA) and agreed to initiate discussions on the Agreement as soon as possible.

IV. In a view to diversifying and expanding trade, the two sides discussed additional market access issues and agreed to discuss bilateral recognition arrangements of equivalence on SPS and TBT measures. Both sides also agreed to identify bilateral focal points to further strengthen bilateral institutional cooperation.

The next session of India- Mauritius High Powered JTC meeting will be held in 2023.

Trade between Mauritius & China - PEECAC Project

Minister Ganoo meets with representatives of the International Trade Centre

The Minister of Foreign Affairs, Regional Integration and International Trade, Honourable Alan Ganoo met with the representatives of the International Trade Centre (ITC), namely Mr Jiang Xuejun, Chief - Office for Asia and Pacific and Mr Mao Tianyu, Senior Project Manager. The meeting was held on 04 August 2022 in light of the PEECAC Project (Partnership for Enhancing Export Capacity of Africa to China). The project is primarily aimed at promoting exports of agricultural and food products from selected countries in Africa – including Mauritius – to the Chinese market.



The PEECAC Project which is funded by the People's Republic of China was launched in September 2021. Its implementing agency is the ITC. It is a 3-year project whose aim is to assist 8 African beneficiary countries, namely Ethiopia, Kenya, Madagascar, Mauritius, Mozambique, Rwanda, Uganda and Zambia, to increase their agricultural and food products export to China. Another objective of the project is to promote Chinese sustainable investment.

Request for capacity-building

During the meeting held with Mr Jiang Xuejun and Mr Mao Tianyu, Mauritius requested tailor-made capacity-building in the form of webinars/training for Mauritius stakeholders (including business operators) in a number of areas such as:

- export procedures to China for food products, for animal feed and for other products (non-Food);
- registration of local food manufacturers with the General Administration of Customs of the People's Republic of China; and
- iii. food labelling requirements for aquatic products, frozen meat and other food products.

Our priority products: Tuna, Pineapples & Honey

Minister Ganoo indicated that as at date, under the PEECAC Project, skipjack tuna (wild fish) is the only product which has been selected for Mauritius. He requested that two additional priority products i.e. pineapples and honey products be covered under the technical assistance programme.

Mr Jiang Xuejun and Mr Mao Tianyu took note of the requests from Mauritius and indicated that the prospects to complete procedures to obtain sanitary and phytosanitary measures clearance for honey and bee products and pineapples look promising. They encouraged the Mauritian side to use Alibaba to promote exports from Mauritius to China.



Workshop: Processing applications for Geographical Indications (GIs)

"We need to create more awareness around GIs" - Hon. A. Ganoo, Minister of Foreign Affairs, Regional Integration and International Trade



The Trade Policy Unit of the Ministry of Foreign Affairs, Regional Integration and International Trade organized a capacity-building programme under the theme "Processing applications for Geographical Indications" from 26 to 30 September 2022 with the technical and financial support of the European Union (EU).

A GI is a sign used on products that have a specific territorial origin and possess qualities or a reputation that are due to that origin. In order to function as a GI, a sign must identify a product as originating in a given place.



The programme built the capacity of relevant Ministries and Departments to process applications to protect GIs as per the provisions of the Industrial Property Act 2019.

It provided insights to participants on the assessment of the direct link between a GI product and its geographical area of origin.

Another main component of the programme included discussions pertaining to the draft Manual of Procedures prepared by the main beneficiary of this project i.e. the Industrial Property Office of Mauritius (IPOM). The purpose of the manual is to establish guidelines and protocols for all the steps and actions necessary to register a GI right. The EU experts guided participants with regard to means in view of improving the document which they explained, should be made available by the IPOM to stakeholders willing to register a GI.





Control plans

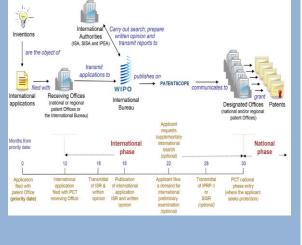
The existing list of Mauritian products with GI potential along with the importance of internal and external control plans were also debated during the training sessions. Discussions focused on the eligibility criteria for a product to be considered as a GI. The EU experts explained that applications for the registration of a GI shall comprise of an internal control plan. On the other hand, external controls cover controls on the market after commercialization of the GI products, by the IPOM, for instance.

Control of compliance with GI specifications and Code of Practice for GI products are crucial to protect the producers who make the effort to work on quality and abide by the Code.

WIPO Patent Cooperation Treaty (PCT)

Cabinet agrees to the accession of Mauritius

Cabinet has agreed to the accession of Mauritius to the Patent Cooperation Treaty. The Treaty which is administered by the World Intellectual Property Organization (WIPO), makes it possible to seek patent protection for an invention simultaneously in a large number of countries by filing an "international" application. Such an application may be filed by anyone who is a national or resident of a PCT Contracting State.



There are currently 156 countries which are party to the PCT. The accession to the PCT would, inter alia, offer more visibility to Mauritius on the international intellectual property arena and increase the attractiveness of the Mauritian jurisdiction for the filing of patent applications, especially in the emerging sectors such as robotics and artificial intelligence research on sea sponge.

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