

PARLIAMENTARY QUESTION

Questions of which notice has been given

Requiring an Oral Answer

Sitting of Tuesday 17 October 2023

B/1175 The Honourable First Member for Mahebourg and Plaine Magnien
(Mr Ramful)

*To ask the Honourable Attorney General, Minister of Foreign Affairs,
Regional Integration and International Trade –*

Whether/ in regard to the Free Trade Agreement with China which came into force on 01 January 2021, he will state the total value of goods and services exported and imported, respectively, by Mauritius thereunder to date/ giving a breakdown thereof?

REPLY

Mr Speaker, Sir,

Mauritius is proud to be the first African country to have concluded a Free Trade Agreement (FTA) with China, effective on 1 January 2021.

I am informed that under the FTA, Mauritius benefits from duty free market access on some 8,000 tariff lines, which includes products of substantial export interest such as rum, frozen fish, noodles and pasta, linen, garments and watches, amongst others.

Total exports from Mauritius to China increased from Rs 561 million in 2020 i.e. prior to the entry into force of the FTA, to Rs 971.7 million in 2021. **Total exports under the FTA** between January 2021 to September 2023 stood at Rs 702 million. The main export items were, among others, articles of apparel and clothing, sugar, crude tuna oil, fish meal, plastic jewellery boxes, amongst others.

With respect to imports, the total value of goods imported from China under the FTA in 2021 stood at Rs 298 million, in 2022 at Rs 376 million and from January to September 2023 stood at Rs 361.8 million. So far, imports under the FTA amounted to approximately to Rs 1 billion. The main products imported under the FTA include furniture, seats, kitchen and other household articles, laminated safety glass and mattresses, as per statistical information provided by the Customs Department.

Although trade between Mauritius and China is largely in favour of China, it is to be highlighted that, in general, more than 90% of goods imported from all foreign countries, including China, do not carry duty and that China was already the main import market of Mauritius, even prior to the FTA coming into force. For example, in 2020, i.e before the FTA, Mauritius imported Rs. 27.6 billion worth of total goods from China. Total imports (under the FTA plus MFN regime) from January to September 2023 stood at Rs. 22.8 billion.

I am tabling the disaggregated figures for exports and imports from January to September 2023.

With a view to increasing our exports of agricultural products, a team of Experts from the General Administration of Customs of China (GACC) is expected to travel to Mauritius, to conduct a Pest Risk Analysis by the end of this year, to ensure compliance with the sanitary and phytosanitary (SPS) requirements to export pineapples and litchis to China.

A national implementation and coordination committee has been set up at the level of my Ministry to ensure that the business community avails of the opportunities under the FTA.

In addition, in order to enhance the visibility of Mauritian products on the Chinese market, the Economic Development Board (EDB) has participated in the 109th China Food and Drinks Fair held in Shenzhen on 12-14 October 2023 to promote products such as sugar, tea and rum. We expect to see an increase in the exports of these products in the future.

The FTA sets the conditions to propel Sino-Mauritius cooperation into mainland Africa. Mauritius is the perfect platform for Chinese investors to access the huge opportunities available in the African market, especially under the African Continental Free Trade Area agreement (AfCFTA), representing two combined markets of 2.7 billion consumers. This is an extraordinary achievement for a small country with a population of only 1.3 million.

Mr Speaker Sir,

The FTA also contains a comprehensive Chapter on trade in Services. It opens up market access opportunities in some 100 subsectors such as financial services, ICT, distribution services, professional services, amongst others.

In Mauritius, data on services are not disaggregated at country level, and therefore, statistics on exports and imports of services under the FTA are not available.

However, it is worth noting that, as per publications of the Bank of Mauritius, the gross direct investment from China to Mauritius for the year 2022 amounted to Rs. 684 million.

I have been informed that both Mauritius and China agreed to use the mechanism of the FTA Joint Commission at the 1st meeting held in August 2023 in Mauritius to explore opportunities, within the framework of the Agreement, to deepen cooperation in the areas of digital economy, tourism, air and maritime connectivity, intellectual property, fabric manufacturing, biopharma, traditional medicine including herbal preparations, setting up of digital laboratory, innovation and research, fintech and coastal landscaping.

We therefore expect to see a further strengthening of our economic, trade and investment partnership with China in the coming years.