



# Trade News Digest

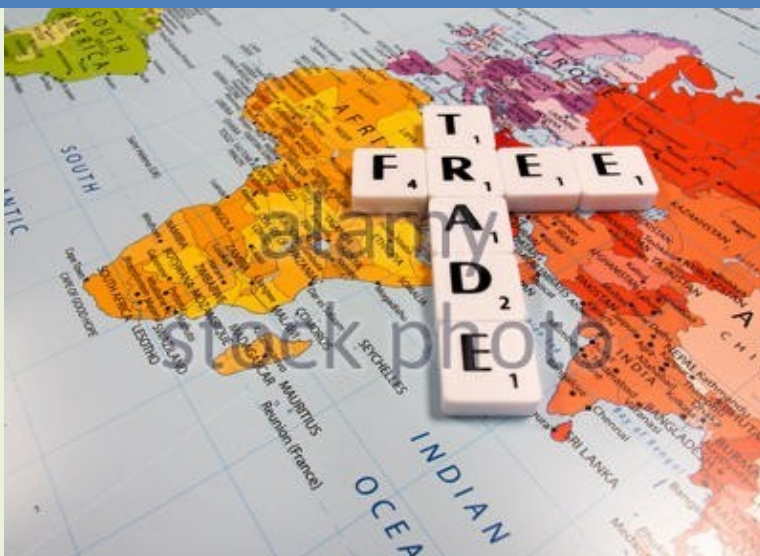
INTERNATIONAL TRADE DIVISION  
MINISTRY OF FOREIGN AFFAIRS, REGIONAL  
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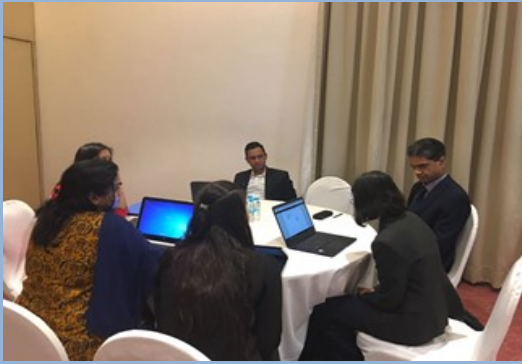
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## 6<sup>th</sup> Round of Resumption Talks: India-Mauritius Comprehensive Economic Cooperation Partnership Agreement (CECPA)

The 6<sup>th</sup> Round of Talks on the India-Mauritius CECPA was held in India, New Delhi from 26-28 September 2018.

The Mauritian delegation was led by Mr N. Boodhoo, Director, Trade Policy, Ministry of Foreign Affairs, Regional Integration and International Trade, and comprised representatives from the Prime Minister's



6<sup>th</sup> Round of CECPA negotiations - New Delhi, India

Office, State Law Office, Ministry of Finance and Economic Development, EDB, FSC, Business Mauritius and MEXA. The lead negotiator of the Indian side on the other hand, was Mr Keshav Chandra, Joint Secretary, Department of Commerce.

During the plenary session, both sides emphasised on the need to expedite discussions with the aim of signing the Agreement in January 2019, during the proposed visit of the Prime Minister of Mauritius to India. The importance for concluding an equitable, balanced, comprehensive and high quality Agreement was also underlined. The Agreement will reinforce the special relationship that exists between India and Mauritius.

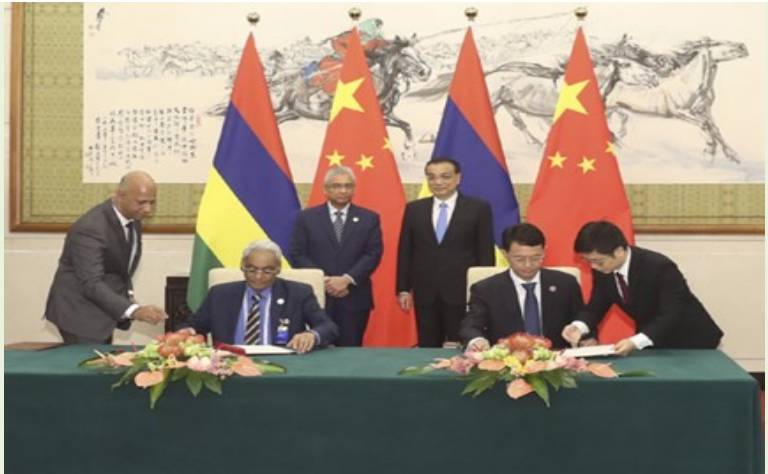
Discussions focused on (1) Trade in goods, (2) SPS & TBT, (3) Trade in Services, (4) Economic Cooperation, (5) CECPA Framework text, trade remedies and Dispute Settlement. Negotiations were held in parallel sessions.

The next meeting has been tentatively scheduled to be held in Mauritius on 19-22 November 2018.

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## Analysis and Overview: China-Mauritius Free Trade Agreement (FTA)

On September 2, in the presence of Premier Li Keqiang and the Honourable Pravind Jugnauth, the Chinese Vice Minister of Commerce Mr Gao Yan and the Honourable Seetannah Lutchmeenaraidoo signed a Memorandum of Understanding on the conclusion of the Mauritius-China Free Trade Agreement (FTA) Negotiations in Beijing.



This has been achieved in a record time. Indeed, agreement on all issues was reached after only four rounds of negotiations. Currently, China has 24 FTAs, amongst which 16 have been signed and are being implemented already. The FTA with Mauritius is the first that China will sign with an African country, which shows the importance that China attaches to its relations with Mauritius.

This FTA could serve as a model for other African countries willing to improve their trade relations with China.

### **The FTA and the Gains**

The FTA between Mauritius and China covers a number of issues, namely, Trade in Goods, Trade in Services, Investment, Economic Cooperation, Dispute Settlement, Electronic Commerce, Competition Policy, Intellectual Property Rights, Technical Barriers to Trade, Sanitary and Phytosanitary Measures and Legal Provisions.

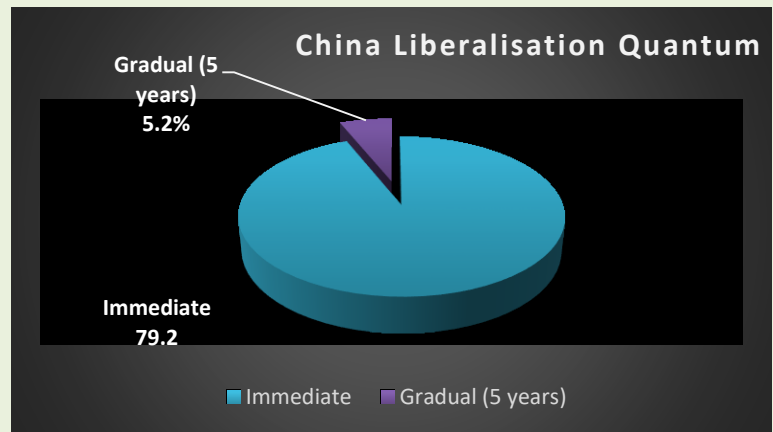
The FTA is meant to be meaningful with significantly improved market access for both countries on products of



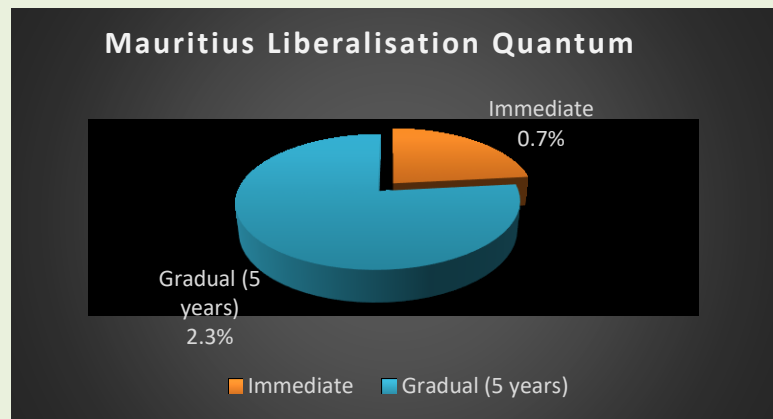
Last Round of Talks of the China- Mauritius FTA in Beijing, China – Signing of agreed minutes

export interests and with flexible Rules of Origin. For example, the single transformation rule for the garment sector will allow operators to transform imported fabric into garments for export to China.

As per the terms of the Agreement for trade in goods, Mauritius would have duty free access, upon the entry into force of the FTA on 6,777 tariff lines, representing 72% of the total tariff lines in China’s Tariff Book.



These include items such as rum, frozen fish, noodles and pasta, wafers and biscuits, fresh fruits, juices, mineral water, linen, garments, watches and articles of leather, amongst others. On the other hand, Mauritius would immediately liberalise only 43 tariff lines to zero.



Moreover, products which are considered sensitive have been excluded from tariff liberalisation. The offers of both countries have been summarised in the table below:

Mauritius Offer to China	China Offer to Mauritius
<b>Immediate liberalisation:</b> % of total tariff lines: 0.7%	<b>Immediate liberalisation:</b> % of total tariff lines: 79.2%
<b>Gradual Liberalisation</b> over 5 years: % of total tariff lines: 2.3%	<b>Liberalisation over 5 years:</b> % of total tariff lines: 5.2%
<b>Margin of Preference</b> from 30% to 15% and 10% <b>over 5 years:</b> % of total tariff lines : 0.8%	<b>Phase down after 7 years:</b> % of total tariff lines: 3.3%

As for trade in services, China has agreed to open up several of its sectors for Mauritian service providers namely, financial services, telecommunications, professional services, construction, education, tourism and health services, amongst others. Mauritius will be able to establish businesses in China as wholly owned entities or in joint partnership with Chinese operators. In the latter case, Mauritian operators will be allowed to have majority shareholdings.

With regard to Economic Cooperation, both Parties have agreed to collaborate in 10 areas, such as industrial development to increase competitiveness; manufacturing based on innovation and research; exchange of specialists; researchers for disseminating know how and for support in technology and innovation; the setting up of a Renminbi Clearing Centre in Mauritius; collaboration in

ocean economy, aquaculture, agriculture, amongst others.

The Chapter on Investment provides for the protection of investors and their investments against discriminatory and unfair treatment. Moreover, investors will be compensated if expropriation of their investments is inevitable.

### **Sweet Gains**

One of the major outcomes of this FTA is the exceptional deal on sugar. After prolonged negotiations, Mauritius secured a Tariff-Rate Quota for 50,000 tons of special sugar, which Mauritius would be able to export to China. This is a first for China, which usually excludes sugar from the scope of all its Free Trade Agreements, given the sensitivity of the product.

### **What Next?**

There are high expectations on this ambitious FTA by both Mauritius and China. For Mauritius, signing an FTA with a giant like China will guarantee a market for our special sugars and other products, and will give an impetus to investment from China. The FTA will also provide a stronger guarantee for Chinese investors willing to establish businesses in Mauritius.

The next step now is for the two sides to proceed with the legal scrubbing of the Agreement and all its Annexes, and to prepare the documents for signature.

In the meantime, the private sector institutions need to deploy the necessary resources to sensitise their members and create awareness about the huge opportunities which



the FTA holds in store.

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## Exhaustion of trademark rights: Study on the socio-economic impact of an international regime

This study is being commissioned to help take a decision on whether Mauritius should adopt the regime of international exhaustion of trademark rights. The decision to conduct this study was taken following public consultations on the draft Industrial Property Bill. With a system of international exhaustion, the right holder exhausts his/her rights once the goods are offered for sale on the international market. This makes it possible to buy branded goods from the cheapest source.

The study, due to begin in mid-October 2018, is financed by the European Union, following a request for technical assistance from the Ministry of Foreign Affairs, Regional Integration and International Trade.

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## Official visit of the DPM to Australia

*“It is now time for Australia to consider signing a  
CETCA with Mauritius”*

The Honourable Ivan Leslie Collendavelloo, GCSK, SC, Deputy Prime Minister (DPM), Minister of Energy and Public Utilities, was on official visit to Australia in August 2018.

He had a working session with Ms Gita Kamath, First Assistant Secretary and Mr Frank Thompson, Deputy





Director, Department of Foreign Affairs and International Trade of Australia. The DPM referred to the recommendations made by the Senate Committee in its report on the trade and investment relationship between Australia and Africa, that ‘Australia remain poised to engage with Africa’.

He emphasised that it was now time for Australia to seriously consider signing a Comprehensive Economic and Trade Cooperation Agreement (CETCA) with Mauritius.

Ms Kamath took note of the proposal for a bilateral CETCA between Australia and Mauritius and requested additional information. She explained that it is essential to make a business case for the Australian Government to consider a CETCA with Mauritius.

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## Seminar in China: Economic Globalisation and Industrial Transfer



An international seminar on Economic Globalisation and Industrial Transfer for Developing Countries, sponsored by the Ministry of Commerce of the People’s Republic of China, was held from 30 August 2018 to 19 September



2018, in Wuhan – located in the southeast of China (Hubei Province).

The conference was organized by the China-Europe Vocational Training Centre, in partnership with the United Nations Conference on Trade and Development (UNCTAD).

The purpose of the Seminar on Economic Globalization and Industrial Transfer was to build capacity at the level of developing countries and to share the Chinese experience in terms of economic transformation, trade openness, the development challenge and its implications for developing countries and the role of trade in industrialization.

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## WTO: Negotiations on Fisheries Subsidies

At the Eleventh Ministerial Conference (MC11) in Buenos Aires, WTO members agreed to continue to engage constructively in the negotiations on fisheries subsidies. Eventually, the purpose is to adopt an agreement on effective disciplines that prohibit certain forms of fisheries subsidies that contribute to overcapacity and overfishing, and eliminate subsidies that contribute to illegal, unreported and unregulated (“IUU”) fishing by the next Ministerial Conference.

In this perspective, WTO members in the Negotiating Group on Rules had several thematic meeting clusters from May to July 2018, which focused mainly on:

- capacity enhancing subsidies and subsidies



contributing to overcapacity and overfishing

- disciplines which encourage fishing of overfished stocks; and
- issues surrounding subsidies to Illegal, Unregulated and Unreported (“IUU”) fishing.

WTO members have recently completed their first cluster of meetings of their September-December fisheries subsidies work programme from 24 to 28 September 2018. During these meetings, WTO members in the Negotiating Group on Rules held text-based discussions on capacity and effort-related subsidies and heard reports by four “incubator groups” on ideas discussed regarding issues arising from past discussions and existing documents such as the notification of fishery subsidies, transparency provisions including special and differential treatment, and institutional arrangements (implementation, surveillance, enforcement).

Members were also encouraged to exchange views and information on enhancing the transparency of fishery subsidy programmes and establishing institutional arrangements for monitoring the implementation of new disciplines. In addition, members continued their work to streamline negotiating documents.

The next cluster of meetings is scheduled for 5-9 November 2018 and will be devoted to the text-based discussions and to ideas generated in Incubator Groups and in the plenary discussion of their outputs. Hence, incubator groups will be meeting earlier from 29 October to 2 November 2018. The WTO Secretariat is also exploring the possibilities to have a fisheries expert

resource person present at the clusters.

*(Source: World Trade Organisation)*

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## African Continental Free Trade Area (AfCFTA) - 12th Meeting of the Negotiating Forum



The 12<sup>th</sup> Meeting of the AfCFTA Negotiating Forum (NF) took place from 12<sup>th</sup> – 15<sup>th</sup> September, 2018 in Lusaka, Zambia.

The objective of the meeting was to consider the modalities for tariff liberalisation and also modalities for Trade in Services.

The meeting considered, inter alia, the version of the Harmonised System to be used for the negotiations and proposals on modalities for tariff liberalisation. Furthermore, the meeting also considered the outstanding work on the Trade in Services. It was agreed that the next NF will decide on the percentages for the sensitive products and exclusion list.

As of now, 49 Member States had signed the AfCFTA Agreement and 7 instruments of ratification have already been deposited with the African Union Commission (AUC).



Latest International Trade Update

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ACP-EU

**EIB: € 6.6 B for developmental projects across Europe & Africa.**

The European Investment Bank (EIB) has approved backing for €6.67 billion of sustainable transport, urban development, water, clean energy and private sector investment across Europe and Africa.

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Post-Cotonou

**Setting up the future partnership**

The EU and the African, Caribbean and Pacific (ACP) group are set to embark on negotiations to decide the framework for a new Cotonou Partnership Agreement (CPA), expected to be in place in February 2020.

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**Read more on**

[http://brussels.cta.int/index.php?option=com\\_k2&view=itemlist&ad=ACP-EU+Trade](http://brussels.cta.int/index.php?option=com_k2&view=itemlist&ad=ACP-EU+Trade)

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WTO

**Indonesia launches Safeguard Investigation on Aluminium Foil** - Indonesia is examining the case for an emergency "safeguard" measure to restrict imports of aluminium foil.

**WTO, IMF, World Bank and OECD heads call for new focus on trade as a driver of growth** - At a meeting in Bali, Indonesia, on 10 October, the heads of four international organisations issued a strong call to ease trade tensions and refocus on the importance of trade and the multilateral trading system in fuelling economic growth.

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**Read more on:**

[https://www.wto.org/english/news\\_e/news18\\_e/news18\\_e.htm](https://www.wto.org/english/news_e/news18_e/news18_e.htm)

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European Commission

**Russia and Ukraine** - Commission extends duties on imported steel pipes and tubes from Russia and Ukraine for another five years

**Mauritania** - On 21<sup>st</sup> September 2018, Mauritania became the 15<sup>th</sup> West African country to have signed the region-to-region Economic Partnership Agreement (EPA) with the European Union, an agreement negotiated with 16 countries of the region

**China** - Commission decides not to extend trade defence measures on solar panels from China.

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**Read more on**

<http://ec.europa.eu/trade/trade-policy-and-you/publications/news-archive/>



# International Trade Division

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