

INTERNATIONAL



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3rd Round of Resumption Talks: India-Mauritius Comprehensive Economic Cooperation Partnership Agreement (CECPA)

The 3rd Round of Talks on the India-Mauritius CECPA was held on 22-24 January 2018 at Le Méridien Hotel, Mauritius.

The Indian delegation was led by Shri Manoj Kumar Dwivedi, Joint Secretary, Department of Commerce while the lead negotiator of the Mauritian delegation was Mr N.



Mr N. Boodhoo, Director, Trade Policy, Ministry of Foreign Affairs, Regional Integration, and International Trade, Mrs U. Dwarka Canabady Secretary for Foreign Affairs, Ministry of Foreign Affairs, Regional Integration, and International Trade And Shri Manoj Kumar Dwivedi, Joint Secretary, Department of Commerce of India

Boodhoo, Director, Trade Policy, Ministry of Foreign Affairs, Regional Integration and International Trade.

The objective of the 3rd round of negotiations was to finalise the Joint Study Group Report (JSR) and initiate negotiations on the goods and services chapters of the CECPA. It is to be recalled that the CECPA has four pillars namely Trade in Goods, Trade in Services, Investment and Economic Cooperation.

The meeting was opened by the Head of the Mauritian delegation, the Secretary for Foreign Affairs, Mrs U. Dwarka Canabady. She made mention about the unique ties that connect both countries and the synergies that could be developed through the CECPA. She underlined the need for an ambitious agreement, with full liberalization of products and services sectors of interests to both countries. She also highlighted the need for some concrete outcomes at the Round.

For his part, Mr M. Dwivedi added that India was undertaking comprehensive taxation reforms and was presently engaged in multi-layered stakeholder consultations covering various structures. With regards to the CECPA negotiations, he indicated that it will take the Indo-Mauritian economic and trade relations to another level.

Discussions were held in parallel sessions, namely on the JSR, Trade in Goods and Trade in Services. Progress was noted in the CECPA talks, in particular on the FTA framework text, Rules of origin and the Services text. Both sides also exchanged their request lists. Further discussions will take place at a Digital Video Conference

tentatively scheduled to take place in March 2018.

The next round of talks of CECPA will be held in India in April 2018.

Brainstorming Meeting: Deepening of the ESA-EU Interim Economic Partnership Agreement (iEPA)

In the context of negotiations with the EU regarding the deepening of the existing iEPA, a meeting was held on 07 February 2018 in Mauritius between the ESA signatory States, namely Mauritius, Seychelles, Madagascar and Zimbabwe. The objectives were to:

- a. finalise the ESA position with respect to the priority areas for discussions with the EU which include, amongst others, a review of Rules of Origin, SPS, TBT, Trade Facilitation amongst others; and
- b. examine the EU Scoping paper with a view to finding areas of convergence and divergence between the two positions.

Discussions with the EU are expected to take place in the first quarter of 2018.

2nd Technical Meeting: ESA-UK interim Economic Partnership Agreement (iEPA) Dialogue

The 2nd ESA-UK trade official technical meeting was held in Mauritius on 8-9th February 2018. It is to be noted





2nd Technical Meeting: ESA-UK interim Economic Partnership Agreement (iEPA) Dialogue held at Voila Hotel, Bagatelle, Mauritius

that the ESA member States and the UK are involved in technical discussions to transpose the iEPA into an ESA-UK Agreement to ensure that ESA's trade with UK does not get disrupted following UK's withdrawal from the EU.

The meeting focused on the proposed changes to the iEPA to that effect. No substantial differences were noted in the position of the two sides. Some 70% of the iEPA provisions were agreed.

As regards the implementation of the Agreement, both sides agreed that it would enter into force upon an iEPA Signatory completing its internal procedures.

Both sides agreed that further discussions would be held at the next round, inter alia, on the development component of the Agreement and rules of origin.

Training: Narcotics Investigations under the SADC Trade Related Facility (SADC TRF) Customs Department (MRA)

Mauritius has benefitted from financial support of EUR 1.4 million under the SADC Trade Related Facility (SADC TRF). The SADC TRF is a mechanism established through a Contribution Agreement between the European Union and SADC for financial and technical support to SADC Member States to assist them to implement commitments made under the SADC Trade Protocol and the SADC-EU Economic Partnership Agreement (EPA).



The main objective of the SADC TRF is to improve the participation of SADC Member States in regional and international trade, strengthen the process of regional integration in SADC, enhance trade with the EU and support the region's trade competitiveness globally.

The Ministry of Foreign Affairs, Regional Integration and International Trade is the TRF Focal Point in Mauritius and is responsible for overseeing the implementation of the TRF related activities at national level. Ministry has worked on the conceptualization of the project activities under the TRF with the respective beneficiaries namely, with the Customs Department, Ministry of Agro-Industry, Mauritius Standards Bureau, Enterprise Mauritius, NPCC, Ministry of Industry, MCCI and MEXA.

The first activity to be implemented under the SADC TRF is MRA Customs' 'Training on Narcotics Investigations', which includes training on Illicit Drug Detection and Investigative and Surveillance Techniques. This activity was launched on 14 February 2018 at the Customs Department, Customs House, Port Louis. The training also involves technical support from the US Government, namely in terms of providing experts from the US Drug Enforcement Agency to conduct the training activities.

This training is of critical importance to the Customs Department and to the law enforcement agencies. It will provide the officers with the necessary knowhow and competence to enhance control at the borders.

Work is presently underway regarding the other activities under the SADC TRF.

Overview on the Continental Free Trade Agreement



The Continental Free Trade Agreement (CFTA) is an Africa-wide free trade agreement (FTA) designed to boost intra-African trade and pave the way for the future establishment of a continental customs union. The CFTA builds on existing Tripartite FTA negotiations amongst three African Regional Economic Communities (RECs): the Southern African Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA) and the East African Community (EAC), although it would like to incorporate all other African RECs too.

The decision to establish the African-wide free trade agreement by eliminating tariffs and quotas on goods and services was taken by the African Trade Ministers in Kigali, Rwanda in December 2010. The 18th African Union Summit of Heads of State and Government held in January 2012 endorsed this objective and set some key guidelines to enhance greater regional cooperation, trade and stability in Africa.

The Summit also endorsed some key documents to guide the CFTA negotiations, namely the Objectives and Principles of the CFTA, the Indicative Roadmap for the Negotiation and Establishment of the CFTA, the Terms of Reference for the CFTA Negotiating Forum (CFTA-NF), the Institutional Arrangements for the CFTA



Negotiations, and the Declaration on the Launch of the Negotiations for the Establishment of the CFTA.

The 25th Ordinary Session of the Assembly of Heads of State and Government of the African Union was held in Johannesburg, South Africa in June 2015. It was agreed that the Continental Free Trade Area would be established by December 2017. The main objective of the CFTA negotiations is to achieve a comprehensive and mutually beneficial trade agreement among the member States of the African Union with the ultimate goal of creating a single continental market for goods and services.

State of play: where are we now?

At the African Ministers of Trade meeting held in Niger in June 2017, the Ministers agreed to a 90% liberalisation of trade for goods. Member States will have flexibility to negotiate the remaining 10% as either sensitive or excluded goods. This modality for trade liberalisation for goods was endorsed by the Heads of State and Governments during the Summit meeting held on 3-4 July 2017. The Modalities for Trade in Services negotiations was also approved.

At the African Ministers of Trade meeting held in Niamey, Niger from 01-02 December 2017, the framework text of the CFTA, including the Agreement establishing the CFTA and Protocols on Goods and Services were considered. These are expected to be signed at the Extra-Ordinary Summit proposed to be held in March 2018. The remaining works on Rules of Origin and negotiations on market access for goods and services will continue as part of Built-in Agenda. Further work would still be needed to establish tariff schedules and exclusions and market access offers in services. In



addition negotiations on the annexes to the CFTA, namely on Rules of Origin, Trade Remedies, Sanitary and Phytosanitary Measures, Technical Barriers to Trade and Non-Tariff Barriers, Legal and Institutional Affairs, Customs Cooperation and Trade Facilitation would continue.

The adoption of the framework text will send a strong signal to the international community on the commitment of Africa to establish the continent wide Free Trade Agreement.

Potential Gains

Presently, intra-continental trade makes up only around 12% of the total value of African trade, which is substantially lower than the equivalent for most other regional blocs. Given that the 55 member States of the African Union that are part of the CFTA have a total population of more than one billion and a combined GDP exceeding \$3.4 trillion, it is clear that the trade potential has yet to be unlocked.

Once fully implemented, the CFTA would offer African countries considerable benefits. The African Union Commission estimates that the CFTA coupled with other complementary trade facilitation measures that will boost the speed and reduce the cost of customs procedures and port handling will double the share of intra-African trade to 22 % of total trade by 2022.

It is expected that the benefits unlocked by the CFTA will go hand-in-hand with the region-wide Action Plan on Boosting Intra-African Trade, an on-going project that had targeted a doubling of intra-African trade flows between January 2012 and January 2022.



The CFTA negotiations are considered very important for Mauritius as successful negotiations will enable our operators to have better market access opportunities on the Western, Northern and Central Africa regions. It is to be noted that up to now Mauritius does not have any preferential trade agreement with these regions.

APEI: 2nd round of negotiations on an APEI Mutual Recognition Agreement for Accountancy Services

Following the first round of negotiations on a Mutual Recognition Agreement (MRA) for Accountancy Services held from 9th to 11th October 2017 at Le Labourdonnais Hotel in Port-Louis, Mauritius, a second round of negotiations was held from 9th to 11th January 2018 at Intercontinental Hotel, Mauritius.

Regulators of the accounting profession and officials from Malawi, Mozambique, Mauritius, Seychelles and Zambia participated in this second negotiating round.

The meeting was held under the sponsorship of the Commonwealth Secretariat. Mr Kirk Haywood, Trade Adviser with the Commonwealth Secretariat, acted as a facilitator for the meeting and Mr Kenneth Matupa, Director, Revenue Policy in the Ministry of Finance, Economic Planning and Development of Malawi and Technical Chair of APEI chaired the meeting.

The delegations reached consensus on all outstanding policy issues. The next milestones will be the Legal Scrubbing of the Agreement to be done at the meeting, scheduled for the 28th – 30th March 2018. The MRA will be signed in June 2018.

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Latest International Trade Update

COMESA

2018 COMESA Summit will be hosted by Burundi.

COMESA to introduce Seeds Labels and Certificates to bolster regional trade

COMESA-EAC-SADC Tripartite Free Trade Area

22 Countries have now signed the Tripartite Agreement. Botswana is latest signatory to the Agreement done on 30th January 2018 in Gaborone.

Read more on
<http://www.comesa.int/>

WTO

WTO's latest World Trade Outlook Indicator (WTOI) - Released on 12 February 2018, it suggests that trade growth will sustain momentum in first quarter of 2018.

South Korea launches WTO trade challenge against U.S. duties - The trade challenge concerns the use of "facts available" by US investigating authorities in anti-dumping and countervailing investigations. The request was circulated to WTO members on 20 February.

Read more on:
https://www.wto.org/english/news_e/news18_e/news18_e.htm

European Commission

China: The Commission imposed definitive anti-dumping duties on corrosion resistant steel from China.

EU-Southern African States EPA: Mozambique is the new addition to the Agreement with EU. Botswana, Lesotho, Namibia, South-Africa, and Swaziland have been implementing the Agreement since October 2016.

Read more on
<http://trade.ec.europa.eu/doclib/press/index.cfm?id=949>



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