

INTERNATIONAL



TRADE

Trade News Digest

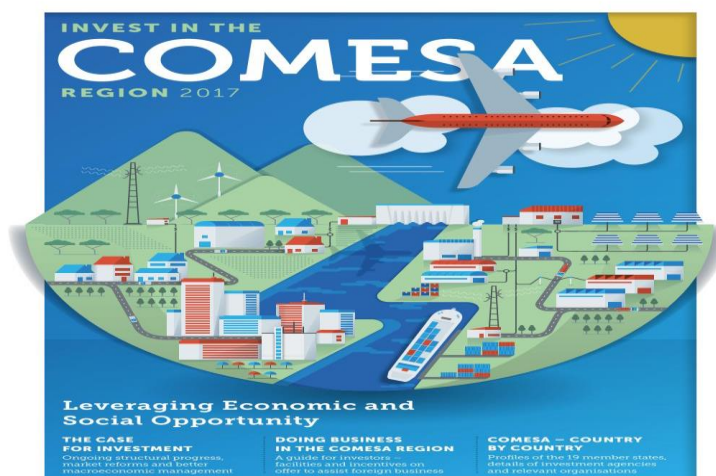
INTERNATIONAL TRADE DIVISION

MINISTRY OF FOREIGN AFFAIRS, REGIONAL
INTEGRATION AND INTERNATIONAL TRADE

APRIL 2019

Highlights:

1. **Analytical paper** on COMESA and SADC
2. **Interim Economic Partnership Agreement:** Scoping paper in the process of finalization
3. **Brexit:** EU to hold summit
4. **Preferential Trade Agreement:** Mauritius and Indonesia agree to start negotiations
5. **Transforming Mauritius:** Policies to foster industrialization and development
6. **Enhancing business environment for exporting SMEs**
7. **Intellectual Property & Branding Strategy:** Implementation of Phase II (dodo crafts)
8. **Export of cut flowers to Australia:** 100% compliance rate for Mauritius
9. **Trade Information & Establishment of AU Trade Observatory** (Consultative Meeting)
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Analytical paper on COMESA and SADC

COMESA: Background information

The **Common Market for Eastern and Southern Africa** (COMESA) was established in 1994 as a replacement of the then existing Preferential Trade Area (PTA) which had been in existence since 1981. Mauritius was a founding member of COMESA.

The COMESA Treaty envisaged a long-term regional integration agenda in several stages, i.e Free Trade Area (FTA) to be followed by a customs union, then a common market and monetary union. The main objective of the COMESA Treaty is to achieve

“Economic prosperity through regional integration.”

COMESA FTA



Table 1 - Mauritius trade with COMESA (Rs Thousand)

Year	Total exports to COMESA	Total imports from COMESA
2014	6,959,806	5,093,603
2015	8,026,184	6,207,480
2016	8,297,300	7,344,985
2017	8,246,891	8,700,322

Source: Statistics Mauritius

Between 2000 and 2017, Mauritius exports to COMESA have increased by 227% while imports from COMESA grew by 467%.

For the year 2017, total exports to COMESA countries amounted to Rs 8.246 billion against Rs 8.7 billion worth of imports, resulting in a trade deficit of Rs 453 million for Mauritius. Madagascar was our main buyer (57.5%) while our main suppliers were Seychelles (31.1%), Madagascar (29.1%) and Kenya (16.7%).

The COMESA FTA was launched on 31st October, 2000 when nine of the member States namely Djibouti, Kenya, Madagascar, Malawi, Mauritius, Sudan, Zambia and Zimbabwe eliminated their tariffs on COMESA originating products. At present there are some 19 Member States participating in the COMESA FTA. It should be noted that **Tunisia** and **Somalia** joined the COMESA in 2018 and are still in the process of acceding to the FTA.

The current status of FTA implementation is as follows:

- **Countries participating in the COMESA FTA:** Rwanda, Burundi, Libya, Egypt, Comoros, Seychelles, Djibouti, Kenya, Madagascar, Malawi, Mauritius, Sudan, Zambia and Zimbabwe
- **Ethiopia, Somalia and Tunisia** are not implementing the COMESA FTA.
- **Eritrea, DRC and Uganda** are not fully implementing the FTA

COMESA Trade Potential for Mauritius

As per the International Trade Center statistics, Mauritius has an estimated untapped export trade potential of \$54,521,000 to Kenya, \$56,881,000 to



Mauritius obtained Rs 27 million grant under COMESA Adjustment Facility



Cane sugar is one of the main products that Mauritius can export to the COMESA region.

Madagascar, \$17,341,000 to Seychelles and \$10,428,000 to Zimbabwe. The main products that can be exported are Cane sugar, apparel and textile products, Seafood (Tuna) and Pasta and related products (for example, Instant noodles).

Obstacles and Barriers to Trade in COMESA

Mauritian exporters face various barriers and obstacles when attempting to export to COMESA Member States. This is due to various reasons including insufficient value addition in Mauritius, quota restriction on the Kenyan market for sugar and non-tariff barriers to trade, among others. There are also connectivity problems, insufficient promotional activities of Mauritian products among others.

Negotiations to relax the rules of origin for textile products (Chapter 63)

Mauritius has proposed the relaxation of rules of origin for certain textile products which are being manufactured by our SMEs (towels, bed linen, home décor). Since there was opposition from COMESA members, Mauritius proposed a quota mechanism to limit the volume of products that can be exported under the new rules. **The Mauritian proposal is currently being considered by Member States.**

Trade relations Mauritius / Madagascar within COMESA

Madagascar is one of the most important trade partners of Mauritius. However, since 09 October 2018, Madagascar has notified the WTO about the initiation of a safeguard investigation against the increased imports of pasta and related products in its market (mainly due to exports of pasta from Egypt to Madagascar). The country has also notified the WTO that it would impose a 30% provisional safeguard duty until a full-fledged investigation is completed. **Madagascar is the main importer of instant noodles (which is also part of the investigation) from Mauritius.**



Madagascar has notified the WTO about the initiation of a safeguard investigation against the increased imports of pasta and related products in its market (mainly due to exports of pasta from Egypt to Madagascar).



Mauritian private sector associations have informed Ministry of the difficulties they face whilst exporting to Madagascar, namely, unreasonably high stevedoring overtime fees charged by Terminal operators in certain ports.



87% of imports from Kenya are attributed to tobacco.

In the context of the investigation, the Ministry of Foreign Affairs, Regional Integration and International Trade has made several submissions. Our main argument is that the domestic industry in Madagascar is threatened by pasta and macaroni and not noodles. Consequently, noodles should be removed from the other products concerned by the investigation.

Moreover, Mauritian private sector associations have informed Ministry of the difficulties they face whilst exporting to the Malagasy market, namely, administrative hurdles such as unreasonably high stevedoring overtime fees charged by the Terminal operators in certain ports.

Trade relations Mauritius / Egypt within COMESA

A few Mauritian companies have tried to export to Egypt. However, the country has cumbersome and unreasonable export procedures, which have discouraged Mauritian companies from exporting to Egypt. **Mauritius is trying to address the issue bilaterally.**

Trade relations Mauritius / Kenya within COMESA

The trade balance between Mauritius and Kenya is slightly in favor of Mauritius. However, the value of Mauritian exports to Kenya is mostly attributable to sugar exports (63% of exports) under COMESA preferences. On the other hand, 87% of imports from Kenya are attributed to tobacco.

Kenya is the most attractive market for exports of sugar in COMESA due to the high price of sugar in Kenya and the high tariff imposed by Kenya on imports of sugar from outside COMESA. Kenya has been implementing a sugar safeguard quota system in the context of COMESA for the past 10 years.

Mauritius has the capacity to export much more, given its annual excess production of some

320,000 tons of sugar. Mauritius has been exporting sugar regularly to Kenya since 2009 and sales have increased substantially over the last 3 years. For its 2017 crop, Mauritius exported some 125,000 tons of sugar, both white and raw to Kenya.

Mauritius is following up with the Kenyan side so that they disaggregate white and brown sugar. The objective is to have unrestricted market access in white sugar on the Kenyan market.

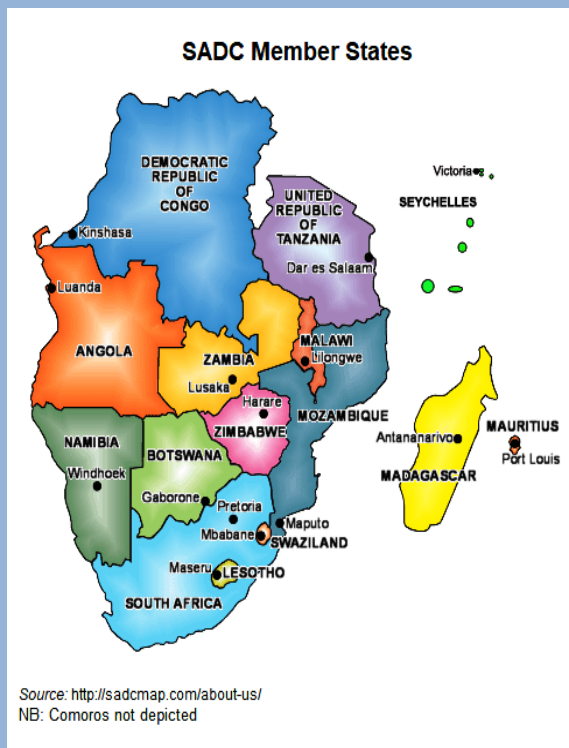
SADC

The Southern African Development Community (SADC) Trade Protocol was signed in August 1996 but its implementation started in the year 2000 with the gradual elimination of customs duties.

SADC Free Trade Area

Upon the establishment of the SADC Free Trade Area in 2008, SADC Member States eliminated tariffs on 85% of intra-SADC trade. Tariffs on the remaining 15% of intra-SADC trade and which concerned products deemed sensitive, were expected to be eliminated in the year 2012. Most of the SADC Member States did indeed eliminate tariffs on all intra-SADC trade by that deadline.

Since the accession of Mauritius to the SADC FTA, there has been a constant progression in trade with the SADC Member States. Exports to the SADC region from Mauritius stood at Rs 11.9 billion in 2013 and reached Rs 13.4 billion in 2018, **an increase of 12.6 %**. Imports on its part grew from Rs 14.2 billion in 2013 to Rs 22.8 billion in 2018, that is, an increase of 60.5 %. It is to be noted that imports from SADC region have grown considerably over the years as shown in the table below (*page 6*).





Main exported products from Mauritius to the SADC region include reception television apparatus.



Focus on SADC technical trade barriers

Rs billion

Year	Imports from SADC (cif)	Exports to SADC (fob)
2013	11.9	14.2
2014	11.95	12.3
2015	16.6	14.6
2016	18.7	13.5
2017	22.0	12.9
2018	22.80	13.4

Source: CSO

The main exported products from Mauritius to the SADC region are textiles and fabrics, articles of apparel, bottles and flasks, reception television apparatus, animal feed, uncooked pasta, sugar amongst others. Our main export markets are South Africa, Madagascar and Seychelles. Regarding imports, the main import items are coal, crude oil, live cattle, frozen tuna, food preparations, cotton, vanilla, motor vehicles, amongst others and our main import markets are South Africa, Madagascar and Seychelles.

Mauritius, being a member of the SADC Free Trade Area, benefits from duty-free market access into the SADC region. Most of the SADC FTA Member States have, by now, eliminated tariffs on intra-SADC trade, **with the exception of Tanzania and Zimbabwe**. While Tanzania has unilaterally re-imposed a 25% duty on sugar as well as paper products, Zimbabwe has sought a derogation to retain tariffs on some 1000 tariff lines due to its precarious economic conditions.

Trade barriers within SADC

One of the main trade barriers faced in the SADC region relates to trade in sugar. The SADC Trade Protocol has a special dispensation for sugar trade under Annex VII that limits imports into the SACU



market and the annual sugar quota is presently some 45,444 tons. SADC Member States are in the process of considering a review of Annex VII and **Mauritius has been arguing for the liberalization of sugar trade in SADC.** The Ministry of Foreign Affairs, Regional Integration and International Trade has officially written to the SACU Secretariat requesting that Mauritius be granted a quota of some 50,000 tons of sugar for export into the SACU market pending the review of Annex VII as well as consideration of the reallocation of unutilized quota. A response from the SACU Secretariat is still being awaited.

The Ministry of Foreign Affairs, Regional Integration and International Trade has officially written to the SACU Secretariat requesting that Mauritius be granted a quota of some 50,000 tons of sugar for export into the SACU market.

Stringent rules of origin for textiles and apparel in SADC

Another trade barrier faced by our operators relates to the stringent rules of origin for textiles and apparel in SADC. The rule requires a double stage transformation process which implies that yarn will have to be converted into fabrics before processing into garments for trade under preferential terms in the region. In this case, fabrics cannot be sourced from third countries for the manufacture of garments. **Mauritius has constantly argued for the relaxation of this rule which has been impeding trade in the region.** However, South Africa has always been a strong opponent for more flexible rule on textiles and apparel.

Mauritius has always argued for a flexible rule for wheat flour

There is presently no rule for trading wheat flour on preferential term in the SADC region. Mauritius has always argued for a flexible rule for wheat flour that will **allow us to import wheat from third countries and process it into wheat flour for trading in the region.** However, some Member States namely Zambia and Zimbabwe have expressed reservation on the rule. Discussions are still underway on this rule.

What is Rules of Origin?

- The interest in Rules of Origin, ROO stems from the proliferation of free trade area and the fact that countries have treated similar imported goods differently depending on where the product was made.
- ROO are the criteria used to determine the nationality of a product and to define where a product was made. By definition, each good can only originate in one territory. In a world where more and more goods are produced from parts from other origins, conferring origin to a product is not always an easy task.

ASEAN Bureau, Department of Multilateral Trade,
Cambodia Ministry of Commerce

The 3rd Workshop on ROO in
EAS, India, 25-26/07/11

Interim Economic Partnership Agreement Scoping paper in the process of finalization



Mauritius along with four other Eastern and Southern African (ESA) countries, namely Comoros, Madagascar, Seychelles and Zimbabwe, are implementing an interim Economic Partnership Agreement (EPA) with the EU.



Key areas identified by Mauritius along with four other ESA countries include trade in services and investment; review of rules of origin and competition policy.

Both sides are currently engaged in concluding a Comprehensive Economic Partnership Agreement. A scoping paper outlining the areas for negotiations is in the process of finalization. Key areas identified by the Parties include Trade in Services and Investment, Review of Rules of Origin, Trade Facilitation and Customs Cooperation, Agriculture, Export Taxes, Sanitary and Phytosanitary measures, Technical Barriers to Trade, Intellectual Property Rights, Competition Policy, Sustainable Development, Government Procurement, Dispute Settlement, and Review of the Institutional arrangement to include Ministerial meetings and possible sub committees.

A Digital Video Conference was held on 2nd April 2019 to sort out outstanding issues arising on Agricultural Safeguards, Competition Policy (Subsidies, State-owned Enterprises), and establishment of sub-committee on fisheries.

It is expected that negotiations will start in **mid-2019**.

Update on Brexit

UK will continue to be an EU Member until 31 October 2019



Prime Minister Theresa May is seeking the approval of the EU for delaying Brexit to 30 June 2019.



A Summit was held on 10 April 2019 in Brussels, to discuss the departure of UK from the EU after Theresa May, the Prime Minister of UK, made a request to the EU to delay Brexit to 30 June 2019 owing to the rejection of the EU-UK withdrawal agreement by the British lawmakers for a third time on 29 March 2019.

The conclusions of the Summit were as follows:

- I. The UK will continue to be a Member of the EU until 31 October 2019. If the withdrawal agreement is ratified by both parties before this date, the exit of the UK from the EU will take place on the first day of the following month.
- II. If the UK is still a Member of the EU on 23-26 May 2019 and if it has not ratified the withdrawal agreement by 22 May 2019, it will be required to hold the elections to the European Parliament in line with Union law. If the UK fails to fulfill this requirement, the withdrawal will take place on 1 June 2019.
- III. There will be no reopening of the withdrawal agreement. Any unilateral commitment, statement or other act should be compatible with the letter and the spirit of the withdrawal agreement in view of not impeding its implementation.

The EU leaders have also decided that a symbolic



Department for International Trade

UK's Department for International Trade is working with third countries to transition the existing EU trade agreements which the UK participates in as a member of the EU.



UK and Mauritius (along with four other ESA countries) signed a trade continuity agreement in January 2019.

summit will be held in June 2019 to review the progress made by the UK.

The decision taken at the summit has provided the UK with the scope to avoid the possible turmoil of leaving the EU with no arrangement, which is a top priority for the British Government.

The UK is also preparing for all eventualities

However, the UK is also preparing for all eventualities, including a no deal scenario due to its political deadlock. As a result, to avoid any disruption to its global trading relationships as it exits from the EU, the UK's Department for International Trade is working with third countries to transition the existing EU trade agreements which the UK participates in as a Member of the EU. So far, UK has agreed to nine "continuity" deals, including with the Eastern and Southern African (ESA) to which Mauritius is a party.

The UK and the ESA signed the 'continuity agreement', also known as the ESA-UK Economic Partnership Agreement, on 31 January 2019. The Agreement aims at providing continuity in trade between the UK and ESA countries by replicating as far as possible reciprocal preferences enjoyed under the existing EU-ESA interim Economic Partnership Agreement.

The Agreement will come into effect once the UK moves out of the EU.

Preferential Trade Agreement Mauritius and Indonesia agree to start negotiations



The first meeting on the Mauritius-Indonesia PTA was held in February 2019 in Mauritius.

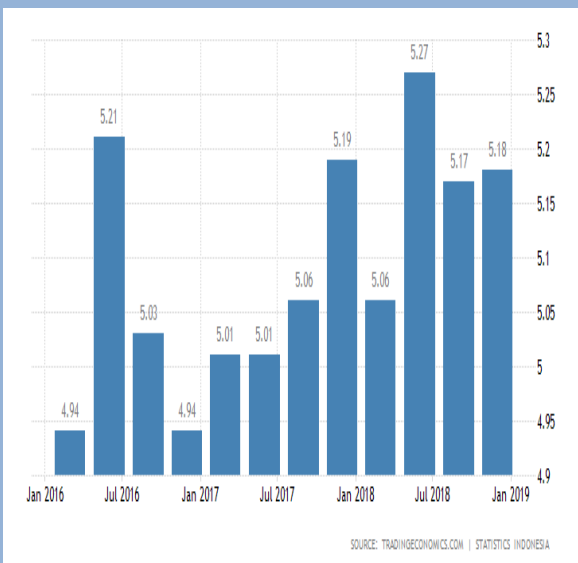
The Government of Mauritius and the Government of Indonesia have agreed to start negotiations of a Preferential Trade Agreement (PTA) covering trade in goods.

The PTA is expected to bring significant developments in the bilateral trade and investment relations, further deepen economic cooperation as well as eliminate trade barriers between the two countries.

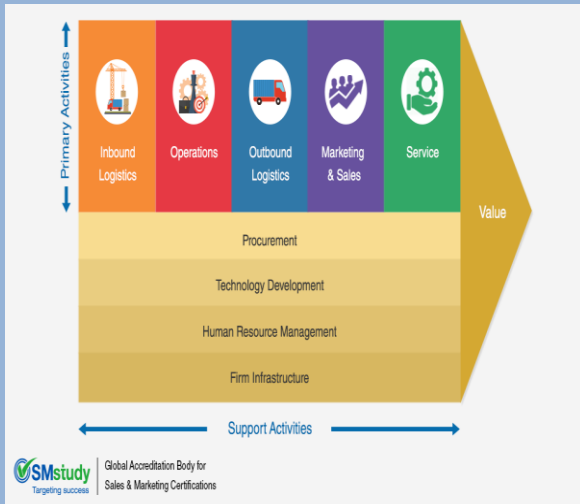
The first meeting on the Mauritius-Indonesia PTA was held in February in Mauritius. The objective was to have preliminary discussions on the parameters of the PTA, its roadmap and other trade-related matters. Amongst others, it was agreed to launch the Mauritius-Indonesia PTA negotiations during the Indonesia-Africa Infrastructure Dialogue (IAFD) to be held in Bali, Indonesia on 20-21 August 2019 and both countries to consider looking into the possibility of considering other instruments such as DTA (Double Taxation Agreement) and IPPA (Investment Promotion and Protection Agreement) to complement the PTA.

Transforming Mauritius: Policies to foster industrialization and development

The UNCTAD in collaboration with the Ministry of Foreign Affairs, Regional Integration and



Indonesia GDP Annual Growth Rate



Value chain analysis (A value chain is the full range of activities that businesses go through to bring a product or service to their customers.)

International Trade and the Ministry of Industry, Commerce and Consumer Protection will be organizing a workshop entitled Transforming Mauritius: Policies to foster Industrialization and Development on 11 – 12 April 2019.

The workshop is being organized in the context of an UNCTAD regional project aiming to provide a forum of discussion to facilitate regional integration, the development of regional value chains and the coordination of industrial policies in the Southern African region.

Develop a tailor made program

The UNCTAD partnered with the above mentioned Ministries to develop a tailor made program that would serve the needs of Government for the development of the industrial and regional strategy of Mauritius. The workshop will involve key stakeholders from the public and private sector in a series of capacity building lectures and panel discussions. Participants will be able to avail of this opportunity to acquire knowledge about new challenges in industrial policy formulation, especially in the context of the **Fourth Industrial Revolution**, as well as recent developments pertaining to regional value chains.



According to Pr Schwab, Founder and Executive Chairman of the World Economic Forum, the 4th Industrial Revolution is characterized by a range of new technologies that are fusing the physical, digital and biological worlds, impacting all disciplines, economies and industries, and even challenging ideas about what it means to be human.

A new paradigm of industrial development needs to be defined

Mauritius has reached an important crossroad, when a new paradigm of industrial development needs to be defined. The Government is committed to design a new industrial policy for Mauritius with the participation of private stakeholders. The workshop therefore comes at



Under the SADC TRF program, the EDB has commissioned a study on an export market intelligence analysis for Mauritius in seven SADC countries.

an opportune time as Mauritius needs to urgently redefine the contours of its industrial policy.

SADC Trade Related Facility

Workshop on Export Potential in SADC Countries and the E-Commerce Platform

The Economic Development Board (EDB) and MEXA (Mauritius Export Association), in collaboration with the Ministry of Foreign Affairs, Regional Integration and International Trade, organized a Workshop on Export Potential in the SADC region and the development of an E-commerce platform for the manufacturing sector on 19 February 2019.

The Workshop was organized in the context of the SADC Trade Related Facility (TRF) which 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). Mauritius has benefited a financial support of EUR1.4 million under the SADC TRF in March 2017.

Under the SADC TRF program, the EDB has commissioned a study on an **export market intelligence analysis for Mauritius in seven SADC countries.**

The study was conducted by ESAJA, a Zimbabwean consultant firm. The objective of this study was to



E-commerce is gathering momentum throughout the world. However our region is still lagging behind.

identify export potential for Mauritian products on the SADC markets. Seven SADC Member States have been targeted, namely, **Angola, Botswana, Malawi, Namibia, Tanzania, Zambia and Zimbabwe**. Once the products and potential are identified, the EDB will engage in trade promotion activities to find buyers in these countries.

The second project is a feasibility study on the development of an e-commerce platform for the manufacturing sector in Mauritius. MEXA contracted a Mauritian firm, Neticon, under the SADC TRF program, for the development of an e-commerce platform which will benefit Mauritian manufacturers already exporting or having the potential to export. This is a first step towards the establishment of an e-commerce platform.

E-commerce is gathering momentum

Indeed, e-commerce is gathering momentum throughout the world. Our region, however, is still lagging behind. The e-commerce culture has to be developed within the region, and supporting structures will have to be put in place to provide the necessary infrastructure for e-commerce to take place.

The objective of the workshop was also to validate the findings of the study on export market intelligence analysis, to train exporters on export procedures and opportunities in the SADC market and to apprise stakeholders of the development of the e-commerce platform.



Deep-fried products produced in Mauritius and exported include banana, potato and cassava chips.



Project entitled “Enhancing the business environment for exporting SMEs in Mauritius” aims at strengthening the trade development capability of SMEs.

I-EPA implementation

Enhancing business environment for exporting SMEs

Mauritius is currently benefitting from technical assistance from the TradeCom II Program for the project entitled “Enhancing the business environment for exporting small and medium enterprises (SMEs) in Mauritius, especially in the context of the I-EPA implementation”.

The project aims at strengthening the trade development capability and developing a framework for sustainability of the business and development capability of SMEs.

The project will be implemented by the consulting firm Agriconsulting Europe SA (AESA) and will last for six months. Two consultants namely Mr A Ortiz, Team Leader of the project, and Mrs R Nyagah, key expert Quality Infrastructure are in Mauritius to implement of the project.

Under this project, **32 SMEs** will, inter alia, benefit from the assistance in terms of developing and sustaining market access for exports to the EU and other markets. A pool of facilitators from SME Mauritius will be trained to provide support to the SMEs.

Intellectual Property & Branding Strategy Implementation of Phase II of the project (dodo crafts)

Following request from the Ministry of Foreign Affairs, Regional Integration and International



Phase II of the Intellectual Property & Branding Project will include field visits (dodo crafts value chain), data collection as well as training and capacity building.

Trade (International Trade Division), Mauritius has obtained assistance from WIPO to design and implement an Intellectual Property (IP) and Branding Strategy for Mauritian origin-based products.

Phase I of the project was conducted in 2018 and included a field mission undertaken by Mr Getachew Mengistie Alemu, Intellectual Property Consultant. His feasibility report focused on three products namely dodo crafts, special sugar and rum. It was recommended, amongst others, that an IP and Branding Strategy be designed for dodo crafts, as a pilot project (**Phase II**).

Mauritius has now been informed by WIPO that a consultant will be hired to implement Phase II which will span over a period of nine months. Phase II will include field visits (dodo crafts value chain), data collection as well as training and capacity building.

Export of cut flowers to Australia 100% compliance rate for Mauritius



From 2007 to 2017, Mauritius exported 1,084 consignments of cut flowers - including *anthurium alismatales* - to Australia.

Since 01 March 2018, new import conditions apply in Australia on cut flowers and foliage entering the country. Australia has reviewed its rules to reduce the incidence of quarantine pests.

In contrast to previous conditions which required fumigation of fresh cut flowers and foliage on arrival in Australia, current import conditions require cut flowers and foliage to be certified as free from pests prior to

export by the national plant protection organisation (NPPO) of the exporting country.

As per latest communication from Australia to Mauritius, for January 2019, the compliance rate of our country with regard to the export of cut flowers was 100%. Mauritius had no consignments with actionable pests.

Australia is the third largest export market for Mauritius cut flowers. **From 2007 to 2017**, on a total number of 54 recorded countries of origin of consignments of cut flowers sent to Australia, Mauritius ranked 12th. Our country exported 1,084 consignments to Australia during that same period.

Consultative Meeting **Trade Information & Establishment of AU** **Trade Observatory**

A 3-day consultative meeting on Trade information and the establishment of the African Union Trade Observatory (ATO) was held from 6 to 8 March 2019 in Tanzania.

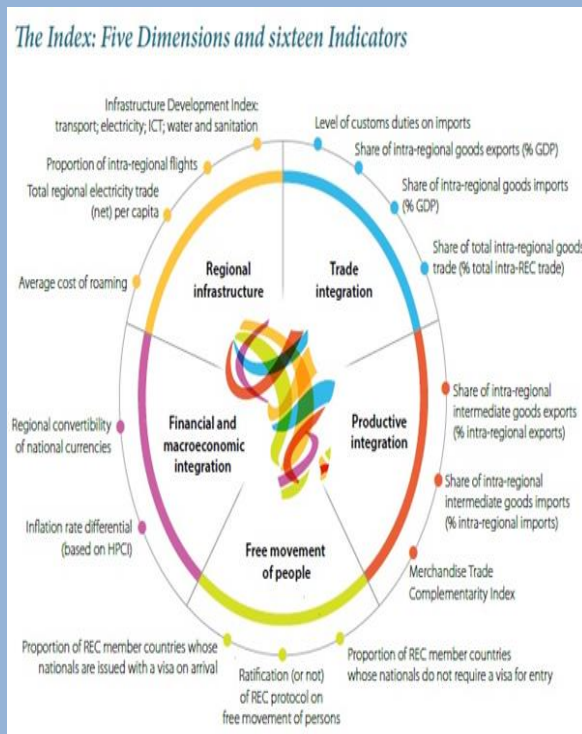
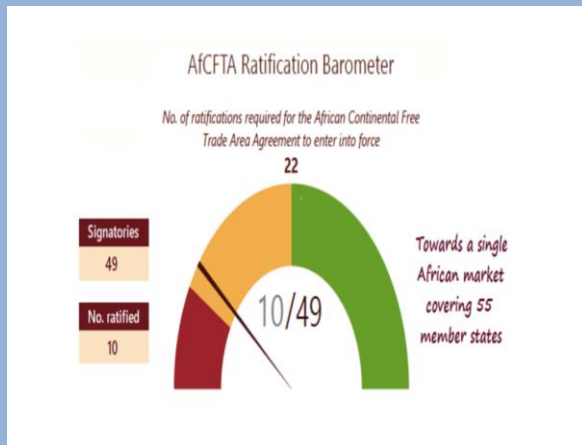
The objectives of the meeting were:

- (i)** To discuss ways to enhance synergies between the various trade information initiatives and systems across Africa for an effective implementation and monitoring of the African Continental Free Trade Area (AfCFTA); and
- (ii)** To brainstorm on the establishment of the ATO and its successful functioning.

The ATO will aim at providing data and information at



One of the objectives of the meeting on Trade information and the establishment of the African Union Trade Observatory was to discuss ways to enhance synergies for an effective implementation and monitoring of the AfCFTA.



Trade integration and the free movement of people are two examples of criteria taken into account by the Africa Regional Integration Index.

the intra-african trade level to facilitate decision taking by the private sector. The ATO will work closely with other trade information systems such as:

- National and regional information centers and trade portals AU Institute for Statistics;
- AfCFTA Non-Tariff Barriers Reporting Mechanism;
- Monitoring and Elimination Mechanism;
- Africa Regional Integration Index (ARII);
- Observatoire économique et statistique d’Afrique subsaharienne (AFRISTAT);
- Observatory on Regional Integration in Africa (ORIA); and
- AfCFTA Country Business Index and African Centre for Statistics.

All the above mentioned institutions will be members of the Data quality and Information Transfer System supported by a Network of national and regional data providers to be established under the ATO.

The AU Trade Observatory will have 4 key components

It is envisaged that the ATO system will have four key components:

- 1) A Dashboard with two modules;
- 2) A Data quality and Information Transfer System supported by a Network of national and regional data providers;
- 3) ATO Unit; and
- 4) An Advisory Board chaired by the AU Commission.

The main functions of the ATO, which will serve as the



One of the challenges hindering the implementation of Africa's regional integration agenda has been the lack of an effective monitoring mechanism.

main repository of qualitative and quantitative African trade data and information, are:

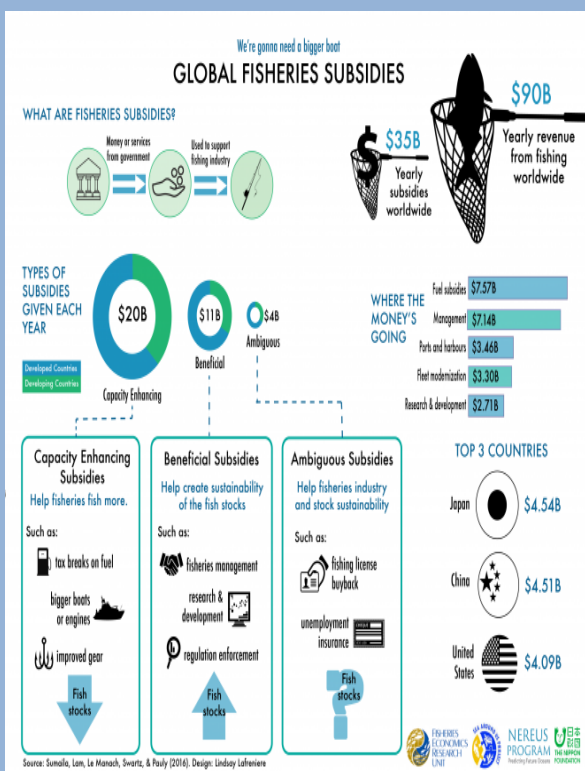
- a) Collect trade and trade-related qualitative and quantitative data and information from Member States and other sources;
- b) Analyze trade and trade-related data and information, focusing on emerging issues such as regional value chains;
- c) Establish a data base for African trade that is used to publish and disseminate information on intra-African trade;
- d) Monitor and evaluate the implementation process and impact of the AfCFTA and the BIAT; and
- e) Provide relevant and detailed trade and trade-related information for the private sector.

Fisheries Subsidies

WTO Members discuss draft texts

Negotiations on Fisheries Subsidies at the WTO continued during the March cluster of meetings held from 25 – 29 March 2019. During this round of meetings, WTO members in the Negotiating Group on Rules examined proposals to set caps on fisheries subsidies along with other approaches to limit excessive support for the fishing industry. Four draft texts from five members were taken up at the meetings to advance negotiations in order to meet the December target.

In this context, discussions were held on the joint proposal from the United States and Australia calling for negotiations on member-specific caps on fisheries subsidies expressed in monetary terms. The joint



Yearly fisheries subsidies amount to US\$ 35 billion (Source: WTO's website)



The chair of the WTO Negotiating Group, Ambassador Barradas called on members to seek compromises at this stage of the negotiations.

proposal also calls for the larger players to undertake reduction commitments of fisheries subsidies over time. During this round of meetings, members also discussed the Philippines' draft text on subsidy caps, Australia's revised text on prohibiting subsidies for fishing that negatively affect overfished stocks, and India's draft text proposing to include fuel subsidies not specifically earmarked for certain industries in the scope of prohibitions.

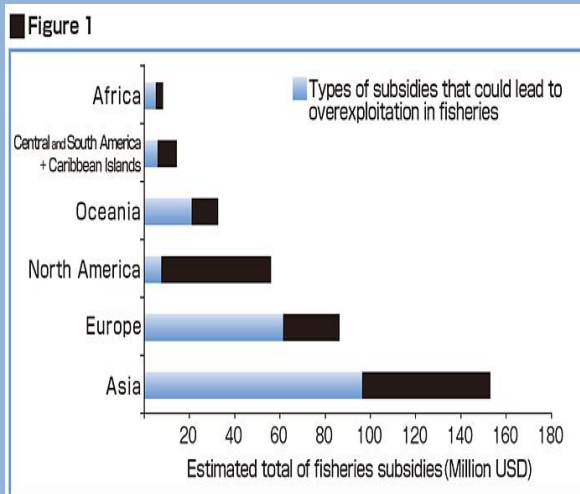
Discussions structured around four areas

Like in previous meeting clusters, the discussions during the consultation sessions open to all members were structured around four areas - illegal, unreported and unregulated (IUU) fishing; fishing of overfished stocks; overfishing and overcapacity of fleets; and cross-cutting issues such as dispute settlement, notification requirements, and special and differential treatment for developing country members and least-developed countries.

Commitment to fulfill transparency

The chair of the Negotiating Group, Ambassador Roberto Zapata Barradas (Mexico), called on members to seek compromises at this stage of the negotiations. Noting that the US-Australia and Philippine proposals rely on submissions of information from members about their respective subsidy programs as the basis for proposed caps, the chair also reminded members of their recommitment at the 11th Ministerial Conference in Buenos Aires in 2017 to fulfill transparency. More proposals are expected for the next rounds of meeting to be held from 6 – 10 May 2019.

Source: WTO



Estimated total of fisheries subsidies. Source: Sumaila et al. (2016) Marine Policy

Artificial intelligence

WIPO's report provides data and analysis

Artificial intelligence (AI) is increasingly driving important developments in technology and business, from autonomous vehicles to medical diagnosis to advanced manufacturing. The World Intellectual Property Organization (WIPO) has devised a new framework for the understanding of developments in the field of AI.

As per the new framework, AI-related technologies have been grouped to reflect three dimensions of AI, namely:

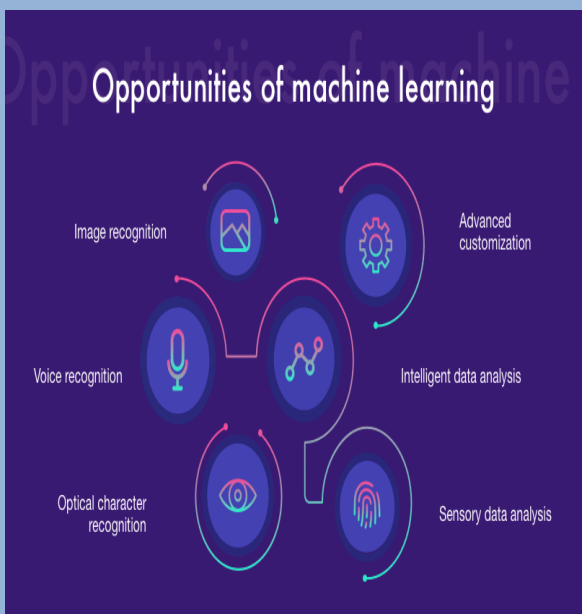
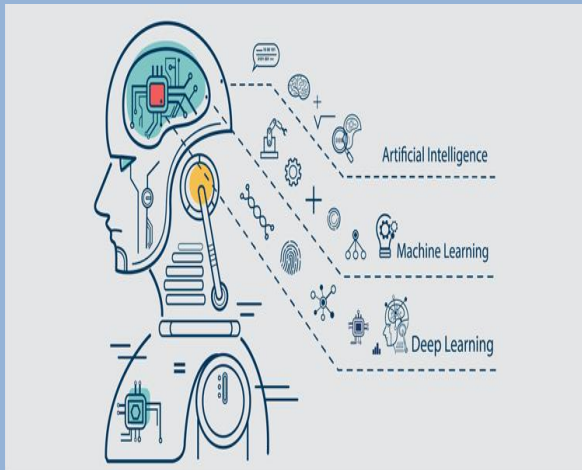
- (i) Techniques used in AI, such as machine learning;
- (ii) Functional applications, such as speech processing and computer vision; and
- (iii) Application fields, including telecommunications and transportation.

For each of these areas, WIPO's report provides data and analysis that identify trends, key players, geographical spread and market activity. In addition, it includes contributions from AI experts from across the globe, addressing issues such as existing and potential uses and impact of AI technology, legal and regulatory questions, data protection and ethical concerns.

Japan, US & China dominate patenting activity

Machine learning is the dominant AI technique disclosed in patents. Among AI functional applications, computer vision, which includes image recognition, is the most popular.

Companies in particular those from Japan, the US and



Machine learning is the dominant AI technique disclosed in patents.

China, dominate patenting activity. Companies represent 26 out of the top 30 AI patent applicants, while only four are universities or public research organizations.

The US, China and Japan account for 78% of total patent filings. **There has been an increasing use of WIPO's Patent Cooperation Treaty System, which allows patent applicants to file in multiple jurisdictions by filing a single application.**

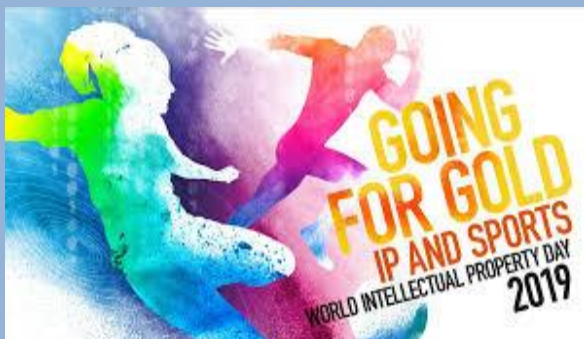
Source: WIPO

World Intellectual Property (IP) Day **IP & Sports: Tracing the Connections**

This year's World Intellectual Property Day – celebrated on 26 April – delves into the world of sports and takes a closer look at how intellectual property rights, namely patents, trademarks, designs, copyright, related rights and plant variety protection, support the global sports ecosystem.

IP rights underpin all commercial relationships that make sports events happen. For example, smart sports equipment embedded with sensors and other sophisticated information and communication technologies are now widespread. These new technologies allow athletes to track and evaluate performance and identify areas for improvement.

Sports clubs like Manchester United, for example, leverage their brand and the loyalty of their fans to increase the club's revenue and profitability through



Cutting-edge technologies, such as those developed by companies like Orthotec, enable athletes living with disabilities to achieve record-breaking performances.



Mauritius could leverage on the Jeux des Iles 2019 to strategically use IP rights in global sports to support our economic development.



Manufacturers of sports equipment have been identified by WIPO as one of the key players.

sponsorship deals and new digital media and content opportunities.

Strategic use of IP rights in global sports

The strategic use of IP rights in global sports has significant potential to support economic development in a variety of ways by for example:

- (i) Generating income from the sale of sports-related goods and services;
- (ii) Supporting innovation and business growth, entrepreneurship and job creation;
- (iii) Enhancing a country's reputation and boosting foreign exchange earnings; and
- (iv) Boosting international trade.

The above is directly relevant to our country since we will host the "Jeux des Iles" in July 2019.

Key players

For this year's World IP Day, some of the key players identified by WIPO include the following:

- (i) **Manufacturers of sports equipment** – Generally, they want commercial success. With that goal in mind, they focus on producing innovative, high-quality products that give them a competitive advantage in the marketplace.
- (ii) **Media platforms/Broadcasters** – In general terms, they are interested in securing the exclusive rights to broadcast famous sports events live to boost audience ratings.
- (iii) **Corporate sponsors** – They leverage their trademarks rights in sponsorship deals to promote their products.

WTO

Committee on Regional Trade Agreements

World Trade Organization (WTO) members reviewed specific regional trade agreements (RTAs) at a meeting of the Committee on RTAs held in Geneva on 01 April 2019.

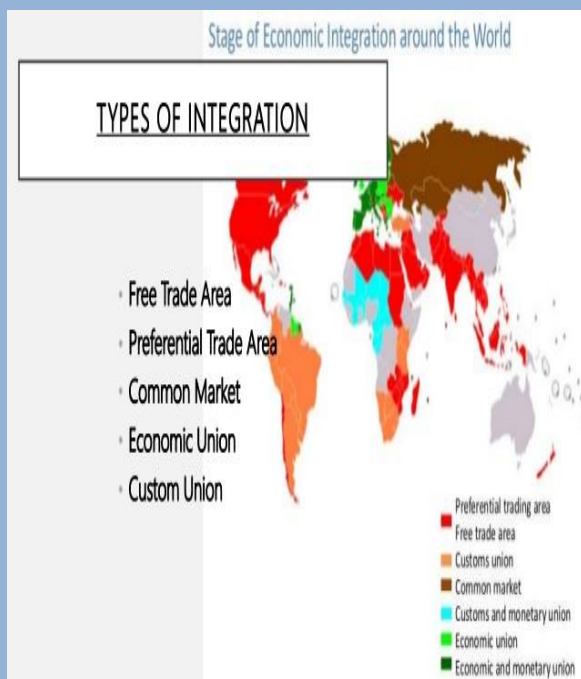
The Committee considered the Closer Economic Partnership Arrangement between **Hong Kong, China** and **Macao, China**, which liberalized all bilateral trade in goods on 01 January 2018. The two parties also improved the coverage and the depth of their commitments on trade in services.

The Chile-Thailand Free Trade Agreement was also considered. Chile will eliminate duties on all imports from Thailand while Thailand will do the same on 99% of tariff lines by 2023. Both countries will also liberalize a number of services sectors.

The Committee also reviewed the **China-Georgia** Free Trade Agreement, under which Georgia will liberalize 96.4% of tariff lines on imports from China while China will liberalize 93.7%. Negotiations for the Agreement, which entered into force on 1 January 2018, took seven months. Georgia the only country in the Eurasian region to have a preferential agreement with China.

It was noted that some of the RTAs went deeper than existing WTO rules in the areas of domestic regulation, customs procedures, trade facilitation and e-commerce.

Source: WTO



International Trade Division

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