



Republic of **Mauritius**

Opening Remarks

DR. THE HON. ARVIN BOOLELL

Minister of Foreign Affairs, Regional Integration and International Trade

5th TIFA Council Meeting on 16 January 2012 at 9.30hrs

Intercontinental Hotel, BalACLava, Mauritius

Ambassador Demetrios Marantis, Deputy USTR

Ms. Florie Liser, Assistant USTR for Africa

Ladies and Gentlemen

I am honoured to welcome Ambassador Demetrios Marantis, Deputy USTR and his team to the 5th TIFA Council in Mauritius. This high level meeting is a proof of the importance of TIFA in our bilateral relations, especially as it has the potential of enhancing our trade and investment relations with the US.

❖ *FINANCIAL CRISIS*

Trade and investment are critical elements in growth strategies as recently underscored in President Obama Global Development Policy and could act as key drivers in the current uncertain economic context. The Euro unfortunately will continue to be in the doldrums this year as the slowdown in the emerging markets coupled with political

uncertainty in other parts of the world persists. But amidst this gloomy scenario, there seems to be some ray of hope in the US which could impact positively on the world economy. The US recovery, if sustained, could provide the much needed momentum to the otherwise grim worldwide economic outlook. For the US, keeping trade and investment open holds the key to reversing the crisis situation. We fully endorse that.

❖ OPEN ECONOMY OF MAURITIUS

So far, Mauritius has been fairly shielded from stormy winds of the economic crisis mostly because we had initiated an economic reform programme aimed at putting the economy on a higher growth path and making it less vulnerable to external shocks. Improving trade competitiveness has been a major pillar of our reform programme. Mauritius has abolished customs duties on all raw materials and capital goods and at present 87% of tariff lines are duty-free.

Moreover, we practice greater openness to the rest of the world in goods and services as well as movement of capital and labour. Since year 2006, numerous legislations have been amended with a view to modernizing Mauritius and spinning off stifling bureaucracies for starting new businesses as well as for foreign talents to come to Mauritius. The recent budget had a key focus on promotion as well as making Mauritius better known as a global destination for doing business. My Ministry is building on our achievements to ensure that existing relationships with long-time partners such as the US are strengthened.

❖ **LEGAL FRAMEWORK FOR INVESTMENT**

We are confident that successful advancement in our TIFA Work Programme and in particular our priority areas will help us in this respect. For instance, the Bilateral Investment Treaty (BIT), to which we attach a lot of importance, will provide us with the necessary legal framework for increased investment flows from the US. We are confident that progress will be made in ensuing discussions on the BIT so that it can be a stepping stone towards the conclusion of a Free Trade Area with the US.

Progress has also been made on agricultural trade and agri-business linkages between our two countries. The visit of key agricultural experts from the US to advise us on the exports of fresh fruits and vegetables has proved useful in adapting our products to the US requirements. Our ultimate objective is to increase and diversify our exports of agricultural products to the US market which include sugar, cut flowers, honey, jam and fruit jellies. We look forward for more collaborative efforts with the USDA in promoting exports of agricultural products on the US market.

❖ **TUNA**

Moreover, our tuna operators have also welcomed a positive ruling from the US Customs allowing them to process fish from AGOA flagged vessels before they are exported to the US market under AGOA preferences. However, we are constrained by the scarcity of AGOA vessels which require substantial amount of investment. Until a larger share of AGOA beneficiaries set up their own shipping lines, only a relaxation of AGOA rules of origin for canned tuna will help attain

further expansion of trade in this sector. We would certainly appreciate if positive consideration could be given to our request in this regard.

❖ ***ECO-FRIENDLY PERSPECTIVE***

Dear friends,

I am delighted to note that the TIFA process has been an opportunity to exchange and share information on sustainable development, including the 'Maurice Ile Durable' project. Greenhouse gas emissions as a result of the global demand on the energy supply sector continue to rise with the combustion of fossil fuels impacting global climate change. We must put our minds together to reduce our dependence on fossil fuel and reduce our ecological footprint and increase the use of renewable energy mix. The US being a leader in green technology could help Mauritius in developing renewable energy.

The Fifth TIFA Council will pursue progress on priority issues identified by our two countries. The first of priorities is logically AGOA implementation and renewal of the third country fabric provision. The AGOA legislation has since its enactment improved the lives of millions of people by opening up export opportunities which led to the creation of direct and indirect jobs. Though AGOA covers thousands of products the transformation of the African textile and apparel industry is a vivid example of AGOA's success. We can say that a regional value chain has been established. As far as Mauritius is concerned

sourcing of cotton from African countries has replaced our traditional suppliers of cotton.

❖ **THIRD COUNTRY FABRIC**

However AGOA preferences for textile and apparel hinge largely on the third country fabric provision as the textile and apparel sector in many AGOA beneficiary countries is still at a budding stage. It is quintessential that the third country fabric provision be renewed till all SSA countries become vertically integrated. In this connection, we welcome the fact that renewal of the third country fabric provision has been endorsed by the US Administration and more particularly by President Obama himself as stated at the June 2010 AGOA Forum in Zambia. However we are faced by a state of unprecedented urgency as the third country fabric expires in exactly 9 months which turns out to be the lead time required for export orders.

❖ **ICT**

Another area which provides new opportunities for our two countries to collaborate is the ICT sector. We are on the brink of a new era where IT is the catalyst that is shaping the world into a networked society which is transforming the way we live, including how we access virtually every product and service. Last week the iPhone 4S was introduced in Mauritius and pre-orders were already full. Progress in the telecommunications sector will also stimulate further growth as it is a key component of modern day business and can also yield positive benefits to other services sectors. I hope that our two countries can look for collaboration opportunities in niche activities encompassing Financial Services and Business Process Outsourcing.

❖ **IPR**

The Protection of Intellectual Property Rights is also another area which ranks high on the economic agenda of both the US and Mauritius as it provides the necessary conducive framework for novelty, creation and blossoming of new talents. With the assistance of the World Intellectual Property Rights Organisation, Mauritius is in the process of updating and strengthening its IP Policy and legal framework. Mauritius will also set up an IP Council in order to modernize IP administration and infrastructure in the country.

The TIFA Council could provide the opportunity to discuss on various possibilities of enhancing co-operation, on capacity-building in the field of intellectual property. Effective protection of intellectual property rights requires financial resources, appropriate technology as well as the right expertise.

These were some of my preliminary thoughts as to how we could structure our discussions with a view to advancing our Work Plan. I wish you all fruitful discussions and constructive deliberations. Thank you.

A. B.

