

# MAURITIUS: COMPANY PERSPECTIVES

AN ITC SERIES ON  
NON-TARIFF MEASURES



# MAURITIUS: COMPANY PERSPECTIVES

AN ITC SERIES ON NON-TARIFF  
MEASURES

## Abstract for trade information services

ID=43071

2014

C-16 480 MAU

International Trade Centre (ITC)

### **Mauritius: Company Perspectives – An ITC Series on Non-Tariff Measures**

Geneva: ITC, 2014. xxii, 107 pages (ITC Series on Non-Tariff Measures)

Doc. No. MAR-14-240.E

Country report, part of a series of publications assessing the impact of non-tariff measures (NTMs) on the business sector, based on a large-scale survey conducted in Mauritius with companies directly reporting burdensome NTMs and the reasons why they consider them to be trade barriers; analyses survey findings and compares them to other sources on NTMs to identify regulatory, procedural and infrastructural obstacles in Mauritius and its partner countries; covers food and agro-based products, textiles and clothing, manufacturing sectors and intellectual property issues; outlines policy options discussed at stakeholder meeting; includes NTM classification and bibliographical references (pp.104-106).

Descriptors: **Mauritius, Non-Tariff Measures, Trade Policy, SMEs.**

For further information on this technical paper, contact Poonam Mohun (ntm@intracen.org)

---

English

The International Trade Centre (ITC) is the joint agency of the World Trade Organization and the United Nations.

ITC, Palais des Nations, 1211 Geneva 10, Switzerland ([www.intracen.org](http://www.intracen.org))

Views expressed in this paper are those of consultants and do not necessarily coincide with those of ITC, UN or WTO. The designations employed and the presentation of material in this paper do not imply the expression of any opinion whatsoever on the part of the International Trade Centre concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Mention of firms, products and product brands does not imply the endorsement of ITC.

This paper has not been formally edited by the International Trade Centre.

Digital image(s) on the cover: © iStockphoto

© International Trade Centre 2014

ITC encourages the reprinting and translation of its publications to achieve wider dissemination. Short extracts of this technical paper may be freely reproduced, with due acknowledgement of the source. Permission should be requested for more extensive reproduction or translation. A copy of the reprinted or translated material should be sent to ITC.

## Acknowledgements

The International Trade Centre (ITC) expresses its deepest gratitude to the representatives of the enterprises and experts in Mauritius who agreed to be interviewed and shared their experiences on trade barriers.

Poonam Mohun managed the survey implementation with the backing of the ITC non-tariff measures team. The interviews were conducted by the local survey company, StraConsult Ltd based in Port Louis. The ITC data processing team, with the support of Mathieu Loridan, calculated tables and statistics for the report. The work was supervised by Mondher Mimouni, Chief of ITC Market Analysis and Research section. We would also like to thank Alicia Greenidge, for her research and inputs, Dianna Rienstra, the editor of this publication, Sue Pfiffner, who reviewed it, and Natalie Domeisen, who oversaw the editorial management process.

We thank all discussants and participants of the stakeholder meeting held in Mauritius for their concrete policy recommendations. We extend our gratitude to our partners from the Permanent Mission of Mauritius to the United Nations Office at Geneva and to the World Trade Organization. We also thank the Ministry of Foreign Affairs, Regional Integration and International Trade, particularly Mr. Assad Bhuglah, Mr. Sunil Boodhoo and Ms. Fazia Pokun and their team for their support in implementing this programme in Mauritius.

The financial contribution of the United Kingdom's Department for International Development (DFID) is gratefully acknowledged.

## Contents

Acknowledgements	iii
Acronyms	x
Executive summary	xii
<b>Introduction to non-tariff measures</b>	<b>1</b>
<b>Chapter 1 Country context</b>	<b>4</b>
1. Country snapshot – economic overview, sector composition and infrastructure	4
2. Aggregate trade patterns	5
3. Trade policy and tariff market access	6
<b>Chapter 2 NTM survey methodology and implementation</b>	<b>8</b>
1. Survey implementation and sampling methodology	8
1.1. Timeline and principal counterparts	8
1.2. Business registry, sample frame and selection strategy	9
2. Phone interviews and representativeness	9
3. Face-to-face interviews and company characteristics	10
4. Captured data and evaluation approach	12
<b>Chapter 3 Survey results on companies' experiences with NTMs</b>	<b>13</b>
1. Aggregate results and cross-cutting issues	13
1.1. Affected industries	13
2. Non-tariff measures and procedural obstacles affecting exports	16
2.1. Non-tariff measures applied by partner countries	16
2.2. Non-tariff measures applied by Mauritius on exports	18
2.3. Procedural obstacles and inefficiencies affecting exports	19
3. Most common non-tariff measures and other obstacles affecting imports	20
4. Recurring challenges	22
5. Agricultural products	25
5.1. Importance of the sector	25
5.2. Affected companies	27
5.3. NTMs affecting agricultural exports, applied by partner countries	29
5.3.1. Conformity assessment measures	30
5.3.2. Technical requirements	31
5.3.3. Other import-related measures	31
5.4. Non-tariff measures affecting exports, applied by Mauritius	31
5.4.1. Certification required by the exporting country	32
5.4.2. Export quotas, licences, permits	32

5.5.	Procedural obstacles and inefficiencies affecting exports	33
5.6.	Non-tariff measures and other obstacles affecting imports	34
5.7.	Summary and policy options	35
5.7.1.	Summary	35
5.7.2.	Policy options – overview	35
5.7.3.	Domestic action	36
5.7.4.	International action	37
6.	Textiles and clothing	48
6.1.	Importance of the sector	48
6.2.	Affected companies	49
6.3.	Non-tariff measures applied by partner countries affecting exports	49
6.3.1.	Rules of origin and related certificate of origin requirements	51
6.3.2.	Technical requirements	51
6.3.3.	Conformity assessment	51
6.3.4.	Charges, taxes and other para-tariff measures	52
6.4.	Non-tariff measures affecting exports, applied by Mauritius	52
6.5.	Procedural obstacles and inefficiencies affecting exports	53
6.6.	Non-tariff measures and other obstacles affecting imports	53
6.7.	Summary and policy options	54
6.7.1.	Summary	54
6.7.2.	Policy options – overview	54
6.7.3.	International action	55
6.7.4.	Domestic action	58
7.	‘Other manufacturing’ products	69
7.1.	Importance of the sector	69
7.2.	Affected companies	69
7.3.	Non-tariff measures applied by partner countries affecting exports	70
7.3.1.	Technical requirements	70
7.3.2.	Conformity assessment	71
7.3.3.	Charges, taxes and other para-tariff measures	i
7.3.4.	Intellectual property	72
7.4.	Non-tariff measures applied by Mauritius affecting exports	72
7.5.	Procedural obstacles and inefficiencies affecting exports	72
7.6.	Non-tariff measures and other obstacles affecting imports	72
7.7.	Summary and policy options	73
7.7.1.	Summary	73
7.7.2.	Policy options	73
<b>Chapter 4</b>	<b>Conclusions</b>	<b>85</b>
1.	The non-tariff measures survey in Mauritius	85

2.	Policy options – national action	86
3.	Policy options – international action	89

<b>Appendix I</b>	<b>Global methodology of the non-tariff measure surveys</b>	<b>91</b>
-------------------	---	-----------

<b>Appendix II</b>	<b>Non-tariff measure classification</b>	<b>97</b>
--------------------	--	-----------

<b>Appendix III</b>	<b>Procedural obstacles</b>	<b>100</b>
---------------------	-----------------------------	------------

<b>Appendix IV</b>	<b>Experts and stakeholders interviewed</b>	<b>101</b>
--------------------	---	------------

<b>Appendix V</b>	<b>Stakeholder meeting on non-tariff measures (NTMs) in Mauritius</b>	<b>102</b>
-------------------	---	------------

<b>References</b>	<b>104</b>
-------------------	------------

<b>Data sources</b>	<b>106</b>
---------------------	------------

<b>ITC series on non-tariff measures</b>	<b>107</b>
--	------------

## **Boxes**

Box 1: Main documents for export	33
Box 2: A changing landscape	39
Box 3: Conformity assessment in the European Union	52
Box 4: Apparel provisions	57
Box 5: Transitioning to a system based on global competition	59
Box 6: International standards and developing countries	61

## **Tables**

Table 1. Information and communications technology, and transport infrastructure in Mauritius and sub-Saharan Africa, 2010	5
Table 2. Export product diversification	6
Table 3. Tariff market access in major markets	7
Table 4. Non-tariff measures applied by partner countries on Mauritian exports	18
Table 5. Procedural obstacles and inefficiencies in the trade-related business environment encountered in Mauritius	24
Table 6. Procedural obstacles and inefficiencies in the trade-related business environment encountered in partner countries	25
Table 7. Agricultural product exports, burdensome non-tariff measures applied by partner countries	40

Table 8.	Export of agricultural products, non-tariff measures applied by partner countries and reasons making them burdensome	41
Table 9.	Agricultural exports, non-tariff measures applied by Mauritian authorities	42
Table 10.	Agricultural exports, types of non-tariff measures applied by Mauritius and reasons making them burdensome	42
Table 11.	Agricultural products exports, procedural obstacles and trade-related business environment issues	43
Table 12.	Agricultural imports, non-tariff measures applied by Mauritian authorities	44
Table 13.	Agricultural products imports, non-tariff measures applied by Mauritius and reasons making them burdensome	46
Table 14.	Agricultural products imports, procedural obstacles and inefficiencies in the trade-related business environment	47
Table 15.	Textiles and clothing exports, burdensome non-tariff measures applied by partner countries	62
Table 16.	Export of textiles and clothing, non-tariff measures applied by partner countries and reasons making them burdensome	63
Table 17.	Textiles and clothing exports, burdensome non-tariff measures applied by Mauritian authorities	63
Table 18.	Export of textiles and clothing, non-tariff measures applied in Mauritius and reasons making them burdensome (procedural obstacles)	64
Table 19.	Exports of textiles and clothing, procedural obstacles and inefficiencies in the trade-related business environment	64
Table 20.	Textiles and clothing imports, burdensome non-tariff measures applied by Mauritian authorities	65
Table 21.	Import of textiles and clothing, non-tariff measures applied by Mauritius and reasons making them burdensome	67
Table 22.	Import of textiles and clothing, inefficiencies in the trade-related business environment	68
Table 23.	Import of textiles and clothing, procedural obstacles and inefficiencies in the trade-related business environment	68
Table 24.	‘Other manufacturing’ product exports, burdensome non-tariff measures applied by partner countries	76
Table 25.	Export of ‘other manufacturing’ products, non-tariff measures applied by partner countries and reasons making them burdensome	77
Table 26.	‘Other manufacturing’ product exports, burdensome non-tariff measures applied by Mauritian authorities	78
Table 27.	Export of ‘other manufacturing’ products, non-tariff measures applied by Mauritius and reasons making them burdensome	78
Table 28.	Export of ‘other manufacturing’ products, procedural obstacles and inefficiencies in the trade-related business environment	79



Table 29. Export of ‘other manufacturing’ products, inefficiencies in the trade-related business environment	80
Table 30. Import of ‘other manufacturing’ products, non-tariff measures applied by Mauritius and reasons making them burdensome	81
Table 31. Import of other manufacturing products, procedural obstacles and inefficiencies in the trade-related business environment	82
Table 32. Import of ‘other manufacturing’ products, inefficiencies in the trade-related business environment	84

## Figures

Figure 1. Gross domestic product growth rates in Mauritius, sub-Saharan Africa and the world, 2000 to 2011	4
Figure 2. Sectoral composition of gross domestic product and employment	4
Figure 3. Exports and imports by sector, 2011	5
Figure 4. Export destinations and import country of origin, 2011	6
Figure 5. Map of trade agreements and preferences granted to Mauritius	7
Figure 6. Companies that participated in the survey	9
Figure 7. Survey representativeness by main export sector	10
Figure 8. Characteristics of exporting companies, face-to-face interviews	11
Figure 9. Share of companies affected by burdensome non-tariff measures and other obstacles to trade in surveyed countries	13
Figure 10. Aggregate results of exporting companies interviewed by telephone, by main sector	15
Figure 11. Type of obstacles at export – why is the non-tariff measure burdensome ?	15
Figure 12. Most frequent categories of non-tariff measures applied by partner countries	16
Figure 13. Most frequent categories of non-tariff measures applied by Mauritius on exports	19
Figure 14. Most frequent categories of procedural obstacles and inefficiencies for exports in the trade-related business environment in partner countries and domestically	20
Figure 15. Categories of non-tariff measures and other obstacles affecting imports	22
Figure 16. Development and composition of Mauritian exports	26
Figure 17. Mauritian export products, 2011	27
Figure 18. Key markets for agricultural exports, 2011	27
Figure 19. Non-tariff measures applied by partner countries affecting exports, by main sector	28
Figure 20. Non-tariff measures applied by Mauritian authorities affecting imports, by main sector	29
Figure 21. Share of exports and burdensome non-tariff measures applied by main markets to Mauritian agricultural products, 2011	30
Figure 22. Key markets for textiles and clothing exports, 2011	49
Figure 23. Share of exports and burdensome non-tariff measures applied by main markets to Mauritian textiles and clothing products, 2011	50

Figure 24. Key markets for 'other manufacturing' products exports, 2011	69
Figure 25. Share of exports and burdensome NTMs applied by main markets to Mauritian 'other manufacturing' products, 2011	70

## Acronyms

All references to dollars (\$) are to United States dollars and all references to tons are to metric tons. The following acronyms are used:

AGOA	African Growth and Opportunity Act
ATC	Agreement on Textiles and Clothing
BSC	Cargo tracking note
COMESA	Common Market for Eastern and Southern Africa
DFID	United Kingdom Department for International Development
EC	European Commission
EPA	Economic Partnership Agreement
EPZ	Export processing zone
EU	European Union
FTA	Free trade agreement
GAP	Good Agricultural Practices
GATT	General Agreement on Tariffs and Trade
GDP	Gross domestic product
GMP	Good Manufacturing Practices
GNTB	Group of Eminent Persons on Non-Tariff Barriers
GSP	Generalized System of Preferences
HACCP	Hazardous Analysis and Critical Control Point
ICT	Information and communications technology
IOC	Indian Ocean Commission Agreement
ITC	International Trade Centre
IPPC	International Plant Protection Convention
ISO	International Organization for Standardization
LDC	Least developed country
MAST	Multi-Agency Support Team
MCCI	Mauritius Chamber of Commerce and Industry
MEXA	Mauritius Export Association
MFA	Multifibre Arrangement
MFN	Most favoured nation
NAMA	Non-agricultural goods market access
n.e.s.	Not elsewhere specified
NGO	Non-governmental organization
NTB	Non-tariff barrier
NTM	Non-tariff measure
OIE	World Organisation for Animal Health
PSI	Pre-shipment inspection
PO	Procedural obstacle
SADC	Southern African Development Community
SGS	Société Générale de Surveillance
SME	Small and medium-sized enterprise

SMEDA	Small and Medium Enterprises Development Authority
SPS	Sanitary and phytosanitary measure
TBE	Trade-related business environment
TBT	Technical barriers to trade
TC	Technical Committee
TPR	Trade Policy Review
TRIPs	Trade-Related Aspects of Intellectual Property Rights
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
WFP	World Food Programme
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

## Executive summary

In a global context of increasing economic liberalization and a widespread tendency to eliminate or reduce tariffs, the relative importance of trade barriers resulting from non-tariff measures (NTMs) has risen in recent decades. With consumers demanding more information on products, importing countries are implementing more regulations. Most of these regulations do not have protectionist objectives, but rather seek to protect health or the environment. However, sometimes compliance with those requirements may be beyond the reach of companies seeking to export, particularly for small and medium-sized enterprises (SMEs) in emerging and developing countries. Therefore, multilateral rules in the World Trade Organization (WTO) and most of the recent regional and bilateral trade agreements include provisions on NTMs. In this context, the analysis of the commercial impact of NTMs as well as technical cooperation with developing countries to build government and business capacities are becoming increasingly important.

The International Trade Centre (ITC) is actively engaged in this research and cooperation. ITC is conducting large-scale NTM surveys of companies in developing countries. Gathering information about NTMs from companies addresses business people who deal with trade impediments every day.

NTMs cover a wide range of policies such as technical regulations, sanitary and phytosanitary measures (SPS), quantitative restrictions, additional charges, financial measures, certification requirements and other conformity assessments. The ITC survey not only focuses on NTMs imposed by governments, but also looks at procedural obstacles (POs) that may hamper compliance with these NTMs. Delays, institutional costs, excessive paperwork and lack of testing facilities are among the most common POs. The survey also considers inefficiencies in the trade-related business environment (TBE).

ITC, in close cooperation with local partners, is conducting NTM surveys in about 25 countries worldwide, with developing and least developed countries in sub-Saharan Africa among the main target regions. Mauritius is one of the first countries in the region to benefit from this programme from 2010 to 2012, together with Burkina Faso, Kenya, Madagascar, Malawi and Rwanda, among others.

## Country context of Mauritius

Mauritius is a small island nation in the Indian Ocean, home to 1.3 million people, 57% of whom reside in rural areas.<sup>1</sup> With a gross domestic product (GDP) per capita of US\$ 7,590, Mauritius has one of the highest per capita incomes in Africa and is classified as an upper middle-income country. Since 2000, the GDP of Mauritius has grown at an average rate of around 4% annually, which is lower than the sub-Saharan African average of 5.5%. However, Mauritius tops the list among African countries and ranks 23rd overall in the World Bank's Doing Business ranking, which measures the conduciveness of a country's regulatory environment for starting and operating a company.

Over the years, Mauritius has evolved from an agriculture-based economy to a diverse economy focusing on textiles, tourism and financial services. The service sector contributes to over 70% of GDP and employs more than 60% of the labour force, while textiles and sugar remain the country's most important export products.

Mauritius' exports have traditionally been heavily dominated by sugar. However, the country has been able to successfully diversify its export sectors in recent years.<sup>2</sup> Clothing and textiles now dominate exports (47%), while sugar represents around 14% of total exports. Preferential market access has been one of the main factors contributing to the successful development of the manufacturing sector in Mauritius, where exporters have relied heavily on markets with trade preferences.

---

<sup>1</sup> World Bank, World Development Indicators (2010).

<sup>2</sup> BBC Country Profile, Mauritius (2012).

Mauritius benefits from duty-free market access under the European Union's Interim Economic Partnership Agreement (previously known as the Cotonou Agreement) and the African Growth and Opportunity Act (AGOA). Mauritius has been a member of the WTO since the organization's founding in 1995. It is also a member of two regional Free Trade Agreements (FTAs): the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC). Under the Generalized System of Preferences (GSP) scheme, Mauritius enjoys tariff preferences from a number of developed countries. Most of these trade agreements have general provisions for the monitoring and elimination of non-tariff barriers to trade with a view to identifying and addressing barriers to export. Ongoing economic problems in Europe, Mauritius' largest market, have led to a slowdown in its exports since its peak in 2008.

Mauritius does not have any substantial mineral resources. As a result, petroleum products make up 22% of imports.

## NTM survey implementation

In collaboration with the Ministry of Foreign Affairs, Regional Integration and International Trade of Mauritius, ITC launched and implemented the NTM survey between February and September 2011.

To promote local capacity building consistent with the mandate of this project, ITC retained a local consulting firm, StraConsult Ltd, which was selected through the United Nations (UN) tendering procedure. StraConsult Ltd conducted the interviews and collected the survey results. StraConsult's interviewers were trained by ITC on NTMs and the survey methodology. Contacting the companies for interviews relied on a business registry compiled by ITC, based on information from local partners, including Enterprise Mauritius, Small and Medium Enterprises Development Authority (SMEDA) and the Mauritius Chamber of Commerce and Industry (MCCI).

There were two phases of interviews with exporting and importing company representatives. First, short telephone interviews collected essential information on company characteristics and determined whether or not the company was affected by burdensome regulations or procedures in the last 12 months. The survey comprised 416 telephone interviews out of a total of 1,096 firms in the business register. From this sample, 170 companies were identified as having experienced burdensome regulations. Second, face-to-face interviews were conducted with those companies facing obstacles to trade and willing to participate; 112 face-to-face interviews were conducted, i.e. 66% of the telephone screened companies reporting being affected and that agreed to participate in face-to-face interviews. For every product and partner country, companies provided detailed information on the NTMs and POs encountered.

According to the NTM survey sampling methodology, interviews covered a representative share of Mauritius's main export and import sectors, excluding minerals and petroleum. Mauritius' most important export sectors were featured, such as clothing (28%), processed food and agro-based products (12%), textiles, yarns, fabrics (8%), fresh food and raw agro-based products (7%) and 'other manufacturing' (45%).

## Aggregate results and cross-cutting issues

The total percentage of Mauritian enterprises reporting burdensome NTMs and POs was 41% in the initial telephone screen interviews. This is lower than the average share of companies affected by burdensome NTMs in neighbouring COMESA members and sub-Saharan Africa countries surveyed so far.

Survey results revealed that 27% of Mauritian exporters were affected by NTMs and other trade-related issues, while 36% of importing companies faced burdensome NTMs and other obstacles to trade. Compared to other developing countries surveyed, Mauritian exporters claim to be less affected by trade barriers. Shares of exporters affected by NTMs in the other surveys were: Burkina Faso (63%), Malawi (82%), Paraguay (69%), Peru (42%), Rwanda (71%), Sri Lanka (70%) and Uruguay (56%).

In general, ITC NTM surveys carried out in 11 countries demonstrate that of all challenging NTMs reported by exporting companies, about 75% are usually applied by the partner countries and 25% are applied by

the home country. In Mauritius, 16% of NTMs were applied by the home country, while 84% were applied by partner countries.

## Agriculture

The survey revealed that out of 51 exporting agricultural companies<sup>3</sup> that participated in the telephone screening, 23 companies reported that they were affected by NTMs. Subsequently, 16 companies that participated in face-to-face interviews reported they were affected when exporting. The survey also revealed that 27 out of 55 importing companies in the agricultural sector that were telephone screened, were affected by NTMs.<sup>4</sup> In the agricultural sector, 16 affected importing companies participated in face-to-face interviews. In terms of share of participating companies reporting affects and not reporting affects, the agriculture sector experienced more impact from NTMs compared with the clothing and 'other manufacturing' sectors.

Among the burdensome regulations encountered by the exporters, 87% were imposed by partner countries (mainly European Union member states and COMESA) and only 13% were applied by Mauritius. Most NTMs reported by exporting companies, as applied by partner countries, were conformity assessment measures accounting for 65% (47 out of 72), such as product certifications and testing measures. Technical requirements followed, where 21% of the companies reported burdensome affects, for example labelling requirements and storage conditions.

Some companies reported certification measures, which involved destination countries requiring Hazardous Analysis and Critical Control Point (HACCP) and sanitary and phytosanitary (SPS) certificates, for example for fruit and fish products. Product certifications were viewed as too strict or difficult to comply with. Associated POs included numerous documents, delays in administrative process and arbitrary behaviour of certifying officials in Mauritius, as well as lack of recognition of national certificates in the partner country. However, exporters complained less about the requirement itself. This was the case primarily for testing, where there were no complaints about the test itself in this sector. The complaints concerned limited or inappropriate facilities in Mauritius to conduct the tests.

The majority of reports of difficulties in partner countries concerned Mauritius' main export destination, the European Union. POs associated with export quotas and licences were also reported as burdensome NTMs applied by Mauritian authorities impacting agricultural exports.

All regulations perceived by importers in this sector as burdensome were applied by Mauritius. To a lesser extent compared to partner countries, agriculture importers perceived conformity assessment and technical requirements applied in Mauritius to be the most burdensome measures, accounting for 41% and 37%, in each category. However, Mauritian authorities may consider that strenuous administration of requirements for agriculture exports will better facilitate entry into the destination market.

## Textiles and clothing

Companies reporting burdensome NTMs in the textiles and clothing sector are largely from the clothing (apparel) subsector, reflecting the dominance of the subsector in Mauritian exports. The survey showed that out of 99 exporting companies that participated in telephone screening, 23 reported that they were affected by NTMs; 13 companies reporting NTMs participated in face-to-face interviews. Thirty-four out of 101 importing companies in the textiles and clothing sector reported they were affected by NTMs during the telephone screenings. Twenty-two affected importing companies in the textile and clothing sector participated in face-to-face interviews.

---

<sup>3</sup> Including companies that both export and import.

<sup>4</sup> Including companies that both export and import.

Exporters in the textile and clothing sector perceived that partner countries applied the most burdensome NTMs, particularly EU member states. This is no surprise as the European Union is Mauritius' largest export market, representing 57% of the sector's total exports.

In the textiles and clothing sector, 45% of reported NTMs applied by partner countries were rules of origin and related certificate of origin measures, largely to meet eligibility requirements for preferential access. Only a few rules of origin complaints involved difficulty to comply with the requirements, whereas most were due to POs such as inconsistent or arbitrary behaviour of officials and delays during transportation. The second most burdensome measure was technical requirements, accounting for 19% share of cases, specifically labelling (e.g. product labels with information for consumers).

Conformity assessment was 16% of total reported NTMs affecting exports in this sector. Two cases were reported as testing measures; the other two were inspection requirements. Product certification was also reported as applied by Mauritius. In addition, export licences and permits linked to eligibility for GSP or AGOA preferences were applied. These were identified as associated with POs. Most problems faced on the domestic side were POs such as administrative delays or arbitrary behaviour of officials, which included lack of responsiveness to inquiries on the status of permit applications.

The survey revealed that 77% of surveyed importing companies in the textile and clothing sector were affected by charges, taxes and other para-tariff measures at home. The majority of these reported NTMs were merchandise handling or storage fees, followed by customs surcharges and customs valuation. Pre-shipment inspection (PSI) and other entry formalities, specifically import monitoring and surveillance requirements and other automatic licensing measures, were also reported.

### **'Other manufacturing' sector**

In the 'other manufacturing' sector, 28 out of 121 exporting companies that participated in telephone screening reported burdensome NTMs; 16 companies participated in face-to-face interviews. Seventy-three out of 210 importing companies that participated in telephone screening encountered difficulties from NTMs; 49 affected importing companies participated in face-to-face interviews. Compared with survey results for agriculture and textile and clothing, the 'other manufacturing' sector reported the least amount of impact from NTMs.

The most frequently applied NTMs affecting Mauritian exports in this sector applied by partner countries were technical requirements (28%). Conformity assessment followed, accounting for a significant share of NTMs at 22%. Charges, taxes and other para-tariff measures, including intellectual property measures, accounted for 16% of the cases each. PSI and other entry formalities, rules of origin and related certificate of origin and finance measures amounted to 9%, 6% and 3% respectively.

With respect to imports, the survey showed that technical requirements, PSI and other formalities, as well as conformity assessment were the most frequently reported NTMs applied by Mauritian authorities in this sector, with shares of 39%, 24% and 19% respectively. Charges, taxes and other para-tariff measures share were 10% of total NTMs.

### **Public-private dialogue**

In close collaboration with the Ministry of Foreign Affairs, Regional Integration and International Trade, ITC organized a full-day stakeholder meeting in Mauritius. The aim was to present and validate survey results, discuss the public sector's perspective and explore concrete policy recommendations. More than 60 public and private sector representatives participated in the meeting, held in Port Louis, 24 January 2013 (see appendix V).



## Policy options – domestic action

Policy options suggested in this report are not intended to serve as the only ones available or expected to be considered. These options are intended to stimulate further discussion among authorities and stakeholders.

### **Conduct a systematic stocktaking of NTM issues to discuss internally, taking into consideration feedback from the stakeholder meeting in order to develop an action plan**

With respect to the NTMs, POs and TBEs identified in this report, government could intervene by conducting an examination across all cases and incidences, which can be raised internally with agencies. Problems can be clustered along the lines of this report, especially where they were reported to be too strict or difficult to comply with or where they were associated with POs/TBEs. Policy options can be considered among relevant agencies and included in the action plan. Agencies can work together to develop a mechanism for determining whether problems have already been addressed, where further work is needed and where tracking for future monitoring is required. When cases involved partner countries, especially in COMESA or Southern Africa Development Community (SADC), authorities can consider them for bilateral or international action. The stocktaking can be conducted on a sustained basis to aid in tracking progress and further monitoring.

### **Improve conformity assessment and testing facilities**

Technical requirements and conformity assessment measures were the most reported NTMs for the agriculture and 'other manufacturing' sectors. In the case of textiles and clothing, these measures ranked second and third, respectively, to rules of origin impediments.

With respect to agriculture, the EU maintains a number of SPS and food safety regulations, notably the General Food Law and rules for control of imported products from third countries. Mauritian exports of fish and agricultural products must comply with EU HACCP system requirements to ensure food safety and hygiene. In addition, some exporters must comply with a variety of private standards in the European Union, most notably Global G.A.P. (formerly EUROGAP) standards. The Mauritian Standards Bureau (MSB) bases its certification system on the MS 133:2010 – HACCP system and the Codex Alimentarius Guidelines for Principles of Food Hygiene and Good Manufacturing Practices (GMP).

For all sectors, the government can do more to increase competitiveness through technologies and improve efforts to minimize the POs and NTMs identified in this report. For example, the government can closely examine the high number of exporter reports of delays in administrative procedures and the numerous documents required. In addition, when equipment breaks down or is insufficient for testing, such as fumigation for wood-based packaging exports, the government could invest in better facilities and equipment.

Today, competitiveness indicators increasingly include the degree of compliance with SPS and technical barriers to trade (TBT) requirements as a measurement. A growing number of consumers are putting value on the level of compliance and are willing to pay for it. Mauritian agribusiness is developing, which requires more value added standards. In addition, processed foods are well placed for high-end markets that demand sustainable improvements in hygiene and food safety controls. These factors must be followed throughout the Mauritian supply chain and be linked to proactive analysis of emerging requirements in target markets, which should enhance Mauritian export competitiveness. This requires information on upcoming regulatory changes, for example in the European Union. As proposed by one observer, the establishment of an Agri-Food Export Promotion Agency in Mauritius might help, as well as regularly keeping up with challenges from private standards.

Two observers<sup>5</sup> suggested the following steps to improve government facilitation of meeting standards in partner countries and improving the TBE:

- Develop a national food control strategy and comprehensive food legislation covering food safety from farm-to-fork;
- Establish unified enforcement practices;
- Accredite official laboratories;
- Adopt a preventative approach and transparency;
- Separate the functions of risk assessment from risk management;
- Delineate responsibilities for food safety control.

To address certification costs, Mauritian agricultural exporters might consider group certifications. Government might also assist with training farmers in meeting Good Agricultural Practices (GAP) certification, which is endorsed by the Food and Agriculture Organization of the United Nations (FAO) and a number of agencies in the European Union and the United States. Government can also assist with analyses of chemical residue by accredited laboratories.

In June 2011, ITC held a joint workshop with the International Organization for Standardization (ISO) on linking trade promotion organizations and national standards bodies for export success. Mauritius Standards Bureau (MSB) presented a paper that highlighted developments in Mauritius based on HACCP and other standards. In addition, MSB pointed out that only seven MSB laboratories were ISO/IEC 17025 accredited, which has become a major issue for exporters. A project to have all MSB laboratories accredited was announced and expected to be implemented. MSB also announced that it had established a National Food Safety Management System Certification scheme in collaboration with an Australian company, which facilitated the certification of a number of food exports.

As reported in the survey results, MSB acknowledged that another constraint is the lack of facilities to maintain and repair laboratory equipment. Sometimes equipment must be shipped to South Africa or Singapore for maintenance, which is costly and causes delays.

The government may also wish to follow-up on the discussions held at the joint ITC/ISO workshop, either independently or with ITC, to verify that all laboratories are accredited and functioning with proper facilities.

In addition to the agriculture sector, Mauritius can leverage its experience achieving higher quality standards in textile and clothing products. Increasingly, many vertically integrated developing country textile and apparel exporters are advocating for policies that link their sector with global value chains. This also improves their ability to meet conformity assessment and technical requirements. At the 2011 ITC/ISO joint workshop, MSB raised concerns that it is losing its market share in the textiles and clothing area because many export manufacturing companies have established in-house quality control laboratories, which have been bilaterally recognized by overseas purchasing concerns. This cannot be avoided because the standardization system allows for private standardization and accreditation, which is reinforced under the WTO TBT Agreement.

However, MSB and the government can still pursue the necessary recognition and improvement of its facilities to advance technological standards for the textile and clothing sector. Mauritius has embarked on this path. In a world with diminishing or fluctuating preferences and more demands for technical standards, Mauritius, in collaboration with partner countries, can do more to promote high standard textile and clothing products and take advantage of the renewal of the AGOA third country fabric rule to improve export opportunities to the United States. This may involve tapping new investment opportunities and collaboration with non-traditional sources in Africa and abroad. Mauritius can draw on its historical efficiencies and

---

<sup>5</sup> Harris Neeliah and Shalini Amnee Neeliah. 'The changing agri-food export composition: strategic options for sanitary and phytosanitary (SPS) compliance in Mauritius', *International Conference on International Trade and Investment*, 19–21 December 2011; 12/2011, p.4.

consumer satisfaction to distinguish the Mauritian textile and clothing sector in a more competitive global market place.

With regard to all three sectors, the Mauritian government might monitor to what extent constant changes in regulations, labelling requirements and type of testing requirements in destination markets based on advance technology is excessive, amounting to an unnecessary burden on Mauritian products. Developing countries, after having reached a certain level of technological advancement that satisfies standards for health, safety and environmental protection in a destination market, should not be expected to suddenly reach higher technological advancement.

For the textile and clothing and 'other manufacturing' sectors, Mauritius can strengthen initiatives to exceed the required standards as an objective to promote higher levels of technical excellence, which could improve competitiveness and meet consumer demands. However, the threshold standard to enter the market with safe products should not be too high; i.e. it should not surpass legitimate safety and policy objectives of a destination market.

To address survey results in 'other manufacturing' concerning activities of PSI agents and requirements in destination markets, the Mauritian government might monitor those activities against minimum requirements of the WTO PSI Agreement.

### **For the agriculture and fish sector, invest in preparing and implementing codes of practice for GAP, GMP, traceability, HACCP and ISO 22000**

A Mauritian expert on SPS good practices<sup>6</sup> has suggested that for Mauritius to improve its competitive advantage in the fish sector, it should not rely only on scale and competitive prices, but target its food safety determinants of competitiveness. This entails local producer involvement in upgrading production and adopting the new 'farm-to-table' concept, which introduces a systematic preventative approach that increases food safety and industry responsibility.

Greater investment in preparing and implementing codes of practice for GAP, GMP, traceability, HACCP and ISO 22000 was recommended. Group certifications could help Mauritian agricultural exporters address certification costs.<sup>7</sup> Government might assist in training farmers to meet GAP certification and analyses of chemical residue by accredited laboratories.<sup>8</sup>

Furthermore, government can help exporters view compliance with SPS measures in agriculture as a competitive tool and enhance information to help exporters keep abreast of regulatory changes in destination markets.

### **Streamline administrative procedures for issuing permits and certifications at all agencies**

Administrative procedures must be streamlined for export licensing and permits required by Mauritius, whether for domestic policy reasons or to meet rules of origin requirements in destination countries for preferential trade treatment. Delays caused by lack of information in processing of permits increases export costs and threatens overall competitiveness. Streamlined procedures will also assist in obtaining certifications needed to verify rules of origin. To address complaints about the number of documents required, Mauritius could explore to what extent the problem is related to obtaining documents from different ministries, which increases delays. A one-stop shop for key certifications required for exports by sector could help to further streamline the process. Mauritius has introduced single window to facilitate required documentation. The effective implementation of the single window can be examined in the context of issues raised in this report. In addition, agencies might examine whether the single window currently in operation covers both exports and imports.

---

<sup>6</sup> Ibid, p. 24-25.

<sup>7</sup> Ibid, p. 25.

<sup>8</sup> Ibid.

### **Introduce line agency hotlines and an MCCI (non-tariff barrier) NTB website for follow-up on the status of applications for permits and certificates and for reporting NTBs**

Government can establish a central hotline to improve responsiveness to exporters when checking the status of applications for permits and certifications. The hotline can also facilitate collecting information on NTBs impacting exports and imports. Hotlines could be set up in each of the agencies identified in this report. In addition to the COMESA-EAC-SADC tripartite NTB website (where companies report NTBs within the community) and consultative mechanism, MCCI could develop an internal site to track Mauritian cases that involve domestic agencies.

### **Introduce a facility to increase industry awareness of new requirements demanded by destination markets and enable assessment of domestic administrative procedures**

Some complaints concerning NTMs concerned excessive delays, difficulty with documents and the number of required documents. While some of the certifications or permits were required to facilitate entry into destination markets, the hindrances were attributed to Mauritius. This suggests government agencies may have difficulties with how exporters or importers are preparing documents. Clarifying requirements of destination countries might be required. However, Mauritian officials may be trying to ensure exports are not rejected. Some problems may result from overzealous implementation of partner country requirements. An internal mechanism to allow brainstorming and problem solving within and among government agencies may alleviate PO/TBE problems. This same internal mechanism can be used to conduct frequent forums or sessions with exporters to identify problems and better inform exporters of facilities available in the agencies that can expedite administrative procedures. The government can also conduct training sessions with exporters to demonstrate ways to complete required documents expeditiously.

### **Enable better access to information on websites and ensure they are functioning**

One PO identified was that websites available to exporters frequently malfunctioned. The government can address this issue. The government could create a central website with links to other sites offering information about destination requirements by sector.

## **Policy options – international action**

### **Buttress proposals and increase participation at the WTO and ISO**

Government could carefully review cases of difficult technical requirements and conformity assessment, considered onerous for Mauritian exporters. For example, Mauritius may use these results to buttress its proposals and positions in the context of TBT at the WTO, both in the Doha non-agricultural goods market access (NAMA) negotiations platform and the TBT Committee and the Trade Facilitation negotiations. In December 2011, before the Eighth WTO Ministerial Conference, proposals were introduced with respect to food security and the World Food Programme (WFP). Recently, food security proposals were tabled by India and other developing countries in the Committee on Agriculture and the negotiating special session for agriculture. These proposals, which draw on earlier proposals from developing countries, including the Africa Group, should be monitored for standards and market access issues impacting Mauritian exports.

Food safety is becoming a leading issue in a number of forums. Mauritius can further monitor emerging standards bilaterally and multilaterally at ISO and WTO regarding new EU regulations, for example the EU Directive 2008/121/EC on textiles names. These regulations include conformity assessment for testing the verity of the information on the labels as to fibre content and tolerance levels when washing. Some measures may require new facilities or Mauritius may raise concerns about difficulties to comply. In the latter instance, to minimize the impact on exporters, Mauritius can offer modifications to proposed regulations in the context of the TBT Committee or bilaterally.

However, where certain tests are required, (for example, fumigation of wood based packaging materials) Mauritius should carefully examine whether those requirements are consistent with international standards or whether they are disguised protection for the importing country industry.

MSB has been actively participating in ISO Technical Committee meetings addressing technical standards for all three sectors analysed in this report. MSB acts either as an observer or participant. More might be done to analyse how MSB participation can help with some of the NTM issues raised in this report and improve access to technical know-how and opportunities for further assistance and collaboration to reduce barriers resulting from NTMs. MSB improves technologies and equipment for testing, which demonstrates it is able to keep abreast of new technologies.

### **Improve recognition and accreditation – MSB and Mauritius Accreditation Service (MAURITAS) initiatives**

To address lack of recognition and testing standards, Mauritius can aggressively pursue accreditation and recognition of its testing and certification procedures in primary destination markets. In addition to implementing WTO SPS standards, Mauritius implements World Organisation for Animal Health (OIE), Codex Alimentarius Commission (CAC) and International Plant Protection Convention (IPPC) standards.

Mauritius can use its participation in the agriculture-relevant ISO Technical Committees to advance efforts to reinforce its SPS infrastructure, which will help ensure export competitiveness across all actors in the supply chain and enable exporters to meet requirements in destination markets, particularly in the European Union. Improvements in Mauritian accreditation and testing methods are key to boosting competitiveness.

MSB and MAURITAS can examine problems raised in the survey and explore policy options to improve the recognition and accreditation needed for better access in relevant target markets. However, the European Union should collaborate with relevant Mauritian institutions to ensure they can keep pace with advancements in developed markets. It is important that developing countries like Mauritius are not burdened with catching up in the race of ever-escalating, higher standards that may exceed legitimate policy objectives.

### **Raise issues with COMESA and SADC partners bilaterally and regionally**

Obstacles encountered with COMESA and SADC partners should be addressed. COMESA destinations comprise only 6% of the share of Mauritian agricultural exports, but 29% of burdensome NTMs were found to originate with COMESA. The government can raise issues identified in this report bilaterally with relevant destination countries or in the regional context.

Specifically, requirements to use PSI agencies should be monitored and implemented consistent with international standards and the WTO PSI Agreement. Complaints of onerous internal charges, fees and taxes imposed either in transit or at the final destination should be examined for inconsistency with WTO and regional arrangements. This is especially important as both COMESA and SADC are committed to eliminating NTBs in their customs territories.

### **Improve the TBE to address intellectual property protection issues**

The government can raise cases concerning intellectual property compliance in destination markets bilaterally or through discussions at the World Intellectual Property Organization (WIPO) and the WTO Trade-Related Aspects of Intellectual Property Rights Agreement (TRIPs) Council. However, some of the countries cited in the survey are LDCs, where Mauritian companies felt a conducive business environment was lacking due to weak enforcement of intellectual property rights for books and printed matter. Many LDCs are not yet able to effectively implement international rules and are under transition periods at the WTO, thus delaying implementation. Laws may be in place, but more should be done to assist those countries with enforcement issues, which also improves the overall trade environment.

## Outlook

By assessing the most important obstacles to trade experienced by Mauritian enterprises, the ITC NTM survey can help lay the foundation for further government action. Participants at the stakeholders meeting in Port Louis, 24 January 2013 (see appendix V) actively contributed clarifications as well as built on recommendations. These recommendations could help to enhance Mauritius' progress to address NTMs and increase awareness.



# Introduction to non-tariff measures

## The growing role of non-tariff measures in trade

Over several decades, trade liberalization has emerged as a key development tool based on evidence that benefits accrue to countries actively engaged in world trade. Notwithstanding the global setbacks resulting from the 2008 financial crisis, developing, least developed and emerging economies have begun to realize gains through actively participating in the multilateral trading system. Concessions through a series of multilateral, regional and bilateral trade instruments, north-south and south-south, as well as non-reciprocal concessions, have led to extraordinary reductions in the use of average global tariffs for protectionist interests. Many developing countries dependent on tariff revenue have benefitted from liberalization. This groundbreaking market access success has led to unprecedented growth in international trade, leading to shared welfare gains and a higher quality of life.

However, the positive effects of lower tariffs have been overshadowed by a shift towards misuse of non-tariff measures (NTMs). While some NTMs are important to guarantee consumer health, environmental protection or national security, evidence suggests that countries are reverting to NTMs as alternative protectionist instruments to control access to their markets. NTMs reduction and disciplines have been negotiated within the General Agreement on Tariffs and Trade (GATT), now WTO, since the Tokyo Round (1973-1979). NTMs are here 'defined by what they are not'<sup>9</sup> and comprise an array of policy measures other than tariff measures. For example, TBT, SPS measures, certification or testing requirements, quotas, import or export licences, additional taxes and surcharges, financial measures, rules of origin and many others, may be considered NTMs. Depending on how they are applied, these measures may or may not amount to trade barriers.

Exporters and importers in developing and least developed countries have raised concerns about NTMs. These traders have registered challenges to sometimes-complex requirements and administrative obstacles. At the same time, developing and least developed country firms often face inadequate domestic trade-related infrastructure obstacles. Inadequate access to information about applicable regulations and other services to promote exports impact on the international competitiveness of enterprises. Consequently, NTMs applied by partner countries as well as domestically can have a negative impact on market access and keep firms from seizing the opportunities created by globalization.

## Non-tariff measures – classification and other obstacles to trade

Because the concept of trade obstacles is complex and diverse, it is useful to consider the terminology and classification of NTMs before proceeding to a more detailed analysis in the context of this study.

First, the term NTM can be defined as: 'policy measures, other than ordinary customs tariffs, that can potentially have an economic effect on international trade in goods, changing quantities traded, or prices or both'.<sup>10</sup> NTM is a neutral concept and does not necessarily imply a particular direction of impact. Second, an NTM is not synonymous with the frequently used term, non-tariff barrier (NTB). NTB implies a negative impact on trade. The Multi-Agency Support Team (MAST) and the Group of Eminent Persons on Non-Tariff Barriers (GNTB) propose that NTBs are a subset of NTMs that have a 'protectionist or discriminatory intent'.<sup>11</sup> Given that trade policies may be applied for legitimate reasons, such as protection of human, animal and plant health, this report does not make any a priori judgement about intentions and broadly uses the term NTMs. By the nature of its design, the survey captures only NTMs that cause major impediments for trading companies. Consequently, NTMs examined in this report refer to 'burdensome NTMs'.

---

<sup>9</sup> Deardorff, A.V. and R.M. Stern (1998): *Measurement of Non-Tariff-Barriers*. Ann Arbor, MI: University of Michigan Press.

<sup>10</sup> Multi-Agency Support Team (2009): 'Report to the Group of Eminent Persons on Non-Tariff Barriers', unpublished.

<sup>11</sup> Ibid.



The diverse and growing nature of NTMs across countries requires a unique classification system. The ITC survey is based upon an international classification developed by the MAST, with some minor adaptations to the ITC business survey approach.<sup>12</sup> Before proceeding to further expand on the classification itself and data collection, it is important to clarify some broad distinctions.

NTMs applied by importing countries are divided into technical and non-technical measures, as follows:

Technical measures refer to product-specific requirements such as tolerance limits of certain substances, labelling standards or transport conditions. Such measures comprise technical requirements (TBT or SPS) and conformity assessment, for example, certification or testing procedures to verify compliance with the underlying requirement.

Non-technical measures mostly include the following categories: charges, taxes and other para-tariff measures in addition to ordinary customs duties; quantity control measures such as non-automatic licences or quotas; PSIs and other formalities, e.g. automatic licences; rules of origin; finance measures, e.g. terms of payment or exchange rate regulations; and price control measures.

Other than the foregoing import-related measures, measures applied by exporting countries are categorized differently.

To go beyond government imposed NTMs and to provide a better understanding of the problems that companies face, the survey also examines POs and the TBE.<sup>13</sup> POs refer to practical challenges directly associated with implementation of NTMs. For example, typical POs are problems caused by a lack of adequate testing facilities to comply with technical measures and excessive documentation in the administration of licences. POs are always linked to a specific NTM regulation.

Problems not related to any NTM regulations, for instance, delays and costs resulting from poor infrastructure or unpredictable behaviour of customs officials at the ports are referred to as TBEs in this report.

## **Non-tariff measures and procedural obstacles – the company perspective**

In the past, different methods of evaluating NTM measures have been employed. One early and very simple approach has been the use of mere incidence and NTM coverage ratios. For example, Laird and Yeats (1990)<sup>14</sup> found a dramatic increase in the incidence in NTMs in developed countries between 1966 and 1986. There was a 36% increase in the incidence of NTMs for food products and an 82% increase for textiles. Such studies relied on extensive databases that mapped NTMs per product with applying countries. Formerly the largest database in terms of official government-reported NTMs, the Trade Analysis and Information System (TRAINS), published by the United Nations Conference on Trade and Development (UNCTAD) contains incomplete data and updates are irregular. Coming together in a major multiagency initiative, the ITC, UNCTAD and the World Bank currently collect data for a new global NTM database with a particular focus on TBT and SPS. However, completeness of an NTM incidence database does not reveal much about the actual impact of NTMs on the business sector. Such databases also do not furnish information about related POs.

Quantification techniques and direct assessment are two approaches to estimating the impact of NTMs. A number of academic studies have estimated the quantitative impact of NTMs on either trade quantities or prices. The studies either target very specific measures and individual countries (e.g. Calvin & Krissoff, 1998;<sup>15</sup> Yue et al., 2006<sup>16</sup>) or statistically estimated the average impact emerging from large samples of

---

<sup>12</sup> For further details about the MAST NTM classification, see Annex II.

<sup>13</sup> For further details about the systematic classification of POs and problems caused by an inefficient TBE, which are used for the survey, refer to Annex III.

<sup>14</sup> Laird, S. and A. Yeats (1990): 'Trends in Nontariff Barriers of Developed Countries, 1966-1986'. *Review of World Economics* 126(2), 299–325.

<sup>15</sup> Calvin, L. and B. Krissoff (1998): 'Technical Barriers to Trade: A Case Study of Phytosanitary Barriers and US –Japanese Apple Trade'. *Journal of Agricultural and Resource Economics* 23(2), 351–366.

countries and NTMs (e.g. Disdier et al., 2008;<sup>17</sup> Dean et al., 2009;<sup>18</sup> Kee et al., 2008,<sup>19</sup> 2009<sup>20</sup>). Deardorff and Stern (1998<sup>21</sup>) and Ferrantino (2006<sup>22</sup>) conducted excellent surveys that together with other academic studies present useful insight into the quantitative effects of NTMs. Nonetheless, some studies at times are too specific or too general to provide a precise and realistic sense of NTM impact to the business sector and national policymakers. At the same time, when quantitatively estimating the effects of NTMs, it is difficult to distinguish the impact of the NTM itself from related POs or inefficiencies of the TBE.

Through large-scale company surveys on NTMs, POs and the TBE, this report establishes results based on the alternative direct assessment approach. Consequently, it fills gaps in methods mentioned earlier, presents a detailed qualitative impact analysis and directly addresses key stakeholder experiences. The survey is designed to allow companies to specifically report the most burdensome NTMs and the particular way in which the NTMs impact company export performance or restrict imports of needed inputs.

Because exporters and importers are challenged by NTMs and other obstacles every day, they are in the best position to communicate the specific difficulties they confront. A business perspective on the issue of NTMs is essential. It is also important to understand key government level concerns with NTMs, POs and TBEs. This can assist in elaborating national strategies capable of addressing and surmounting obstacles to trade.

A number of earlier business survey results on NTMs were collected in a study by the Organisation for Economic Co-operation and Development (OECD, 2005<sup>23</sup>). The study reflects the consensus that technical measures, additional charges and general customs procedures are the most burdensome trade restrictions. Quotas and other quantitative restrictions that were prevalent several years ago ranked only fifth out of 10 evaluated categories in the study. While this comprehensive survey gives a useful overall sense of business sector NTM concerns, the core 23 surveys largely cover only a restricted set of partner countries and products. Also, the share of surveys in developing countries is small. The NTM project of ITC, funded by the United Kingdom Department for International Development (DFID), examines all major export sectors, all importing partners and strives to progressively cover a great number of developing countries.

---

<sup>16</sup> Yue, C., J. Beghin and H.H. Jensen (2006): 'Tariff Equivalent of Technical Barriers with Imperfect Substitution and Trade Costs'. *American Journal of Agricultural Economics* 88(4), 947–960.

<sup>17</sup> Disdier, A.-C., L. Fontagné and M. Mimouni (2008): 'The Impact of Regulations on Agricultural Trade: Evidence from the SPS and TBT Agreements'. *American Journal of Agricultural Economics* 90(2), 336–350.

<sup>18</sup> Dean, J.M., J.E. Signoret, R.M. Feinberg, R.D. Ludema and M.J. Ferrantino (2009): 'Estimating the Price Effects of Non-Tariff-Barriers'. *B.E. Journal of Economic Analysis & Policy* 9(1), Article 12.

<sup>19</sup> Kee, H.L., A. Nicita and M. Olarreaga (2008): 'Import Demand Elasticities and Trade Distortions'. *Review of Economics and Statistics* 90(4), 666–682.

<sup>20</sup> Kee, H.L., A. Nicita and M. Olarreaga (2009): 'Estimating Trade Restrictiveness Indices'. *Economic Journal* 119(534), 172–199.

<sup>21</sup> Deardorff, A.V. and R.M. Stern (1998): *Measurement of Non-Tariff-Barriers*. Ann Arbor, MI: University of Michigan Press.

<sup>22</sup> Ferrantino, M. (2006): 'Quantifying the Trade and Economic Effects of Non-Tariff Measures'. *OECD Trade Policy Working Papers*, No. 28. Paris, France: OECD Publishing.

<sup>23</sup> Organisation for Economic Co-operation and Development (2005): *Looking Beyond Tariffs: The Role of Non-Tariff Barriers in World Trade*. Paris, France: OECD Publishing.

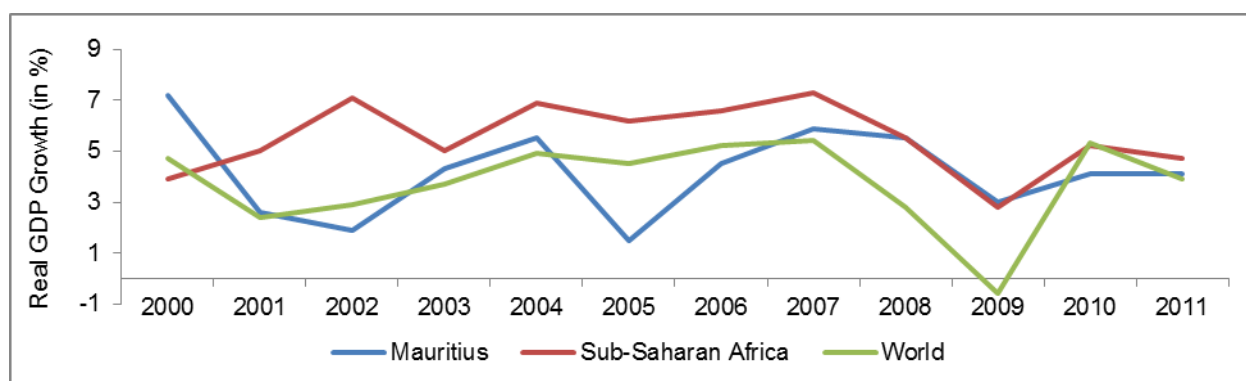
## Chapter 1 Country context

### 1. Country snapshot – economic overview, sector composition and infrastructure

Mauritius is a small island nation located approximately 870 kilometres east of Madagascar in the Indian Ocean. It is home to 1.3 million people, 57% of whom reside in rural areas.<sup>24</sup> Mauritius is classified as an upper middle-income country. The country's gross domestic product (GDP) per capita of US\$ 7,590 is one of the highest per capita incomes in Africa. An estimated 8% of the population live below the poverty line, which is well below the African average.<sup>25</sup>

Since 2000, Mauritius' GDP has grown at an average rate of around 4% annually, which is higher than the world average of 3.7%, but lower than the sub-Saharan African average of 5.5%. However, Mauritius tops the list among African countries and ranks 20<sup>th</sup> overall in World Bank's *Doing Business* report 2013, which measures the conduciveness of the regulatory environment for starting and operating a company.

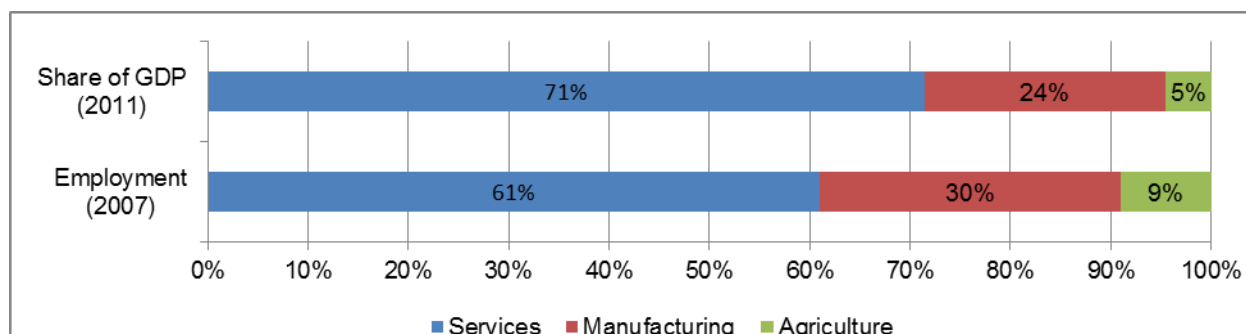
**Figure 1. Gross domestic product growth rates in Mauritius, sub-Saharan Africa and the world, 2000 to 2011**



Source: IMF World Economic Outlook.

Over the years, Mauritius has transformed itself from an agriculture-based economy to a diverse economy focusing on textiles, tourism and financial services. The service sector now contributes to more than 70% of the GDP and employs over 60% of the labour force. Textiles and sugar remain the biggest export products of Mauritius.

**Figure 2. Sectoral composition of gross domestic product and employment**



Source: CIA Factbook, 2012.

<sup>24</sup> World Bank, World Development Indicators (2010).

<sup>25</sup> CIA Factbook (2006).

Compared to its regional neighbours, Mauritius has well-developed port, air and road transport infrastructure. Road transport is the most common form of transportation in Mauritius. The country has more than 2,066 kilometres of road, 98% of which is paved. Similarly, Mauritius has made great progress in its information and communications technology (ICT) infrastructure compared to other sub-Saharan African countries.

**Table 1. Information and communications technology, and transport infrastructure in Mauritius and sub-Saharan Africa, 2010**

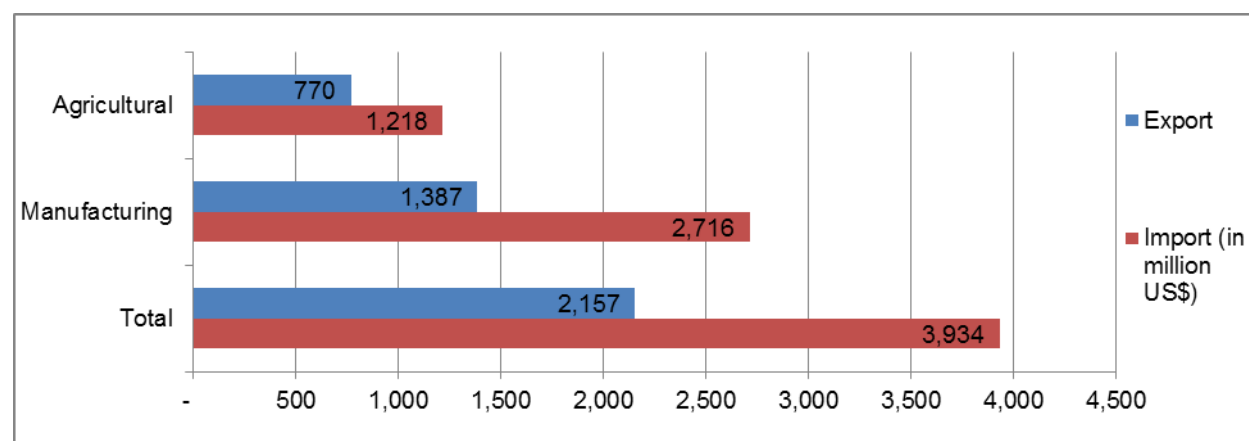
Indicator (per 100 people)	Mauritius	sub-Saharan Africa
Mobile cellular subscription	92.9	44.9
Telephone lines	30.2	1.4
Internet users	28.7	11.3
Fixed broadband Internet subscribers	6.2	0.2
Quality of port infrastructure (rating scale: 1-7) <sup>26</sup>	4.7	3.8
Roads, paved (% of total roads)	98%	18.8%

Source: World Bank, World Development Indicators (2012).

## 2. Aggregate trade patterns

Mauritius's exports have traditionally been heavily dominated by sugar. However, in recent years Mauritius has been able to successfully diversify its export sectors<sup>27</sup>. Textiles and clothing now dominate the exports (47%), while sugar makes up around 14% of total exports. Ongoing economic problems in Europe, Mauritius's biggest market, have led to a slowdown in its exports since 2008. As the country does not have any substantial mineral resources, petroleum products comprise 22% of imports.

**Figure 3. Exports and imports by sector, 2011**



Source: ITC calculations based on Trade Map data, 2012. (Excluding minerals and arms.)

Mauritius's agriculture exports comprise a few of its traditional products such as sugar and seafood. Its manufacturing sector is more diverse, but is heavily dominated by clothing and apparel.

<sup>26</sup> Rating scale: 1= extremely underdeveloped; 7= well developed and efficient by international standards.

<sup>27</sup> BBC Country Profile: Mauritius (2012).

**Table 2. Export product diversification**

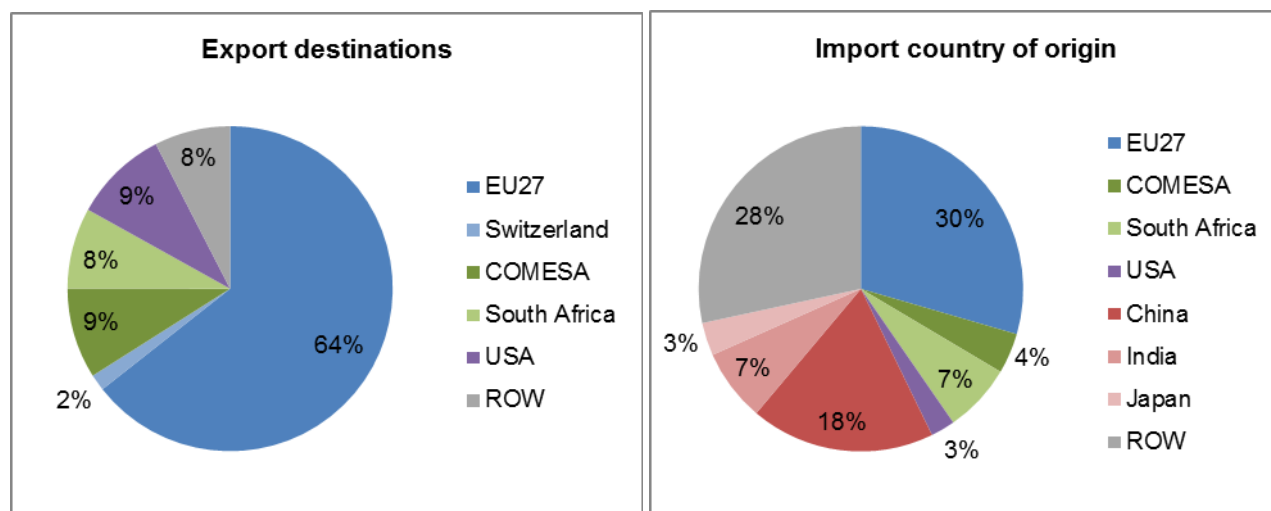
Export sector	Number of HS 2-digit product chapters accounting for 95% of exports*	Number of HS 6-digit product accounting for 95% of exports*
Agriculture	9	24
Manufacturing	22	244

Source: ITC calculations based on Trade Map data, 2012 (excluding minerals and arms).

\*The Harmonized System (HS) classifies about 5,300 products at the 6-digit level and 99 chapters at the 2-digit level.

The European Union is the biggest destination market for Mauritius’s exports, importing mainly sugar, as well as clothing and apparel. Exports to its second biggest market, the United States, are dominated by clothing apparel. India is the largest supplier of petroleum products to Mauritius. Excluding the import of minerals and arms, the European Union is the biggest supplier of agricultural and manufactured products. A large proportion of manufactured goods are also imported from China. Other Asian countries, such as India, Japan and Indonesia, are also big suppliers of manufactured products.

**Figure 4. Export destinations and import country of origin, 2011**

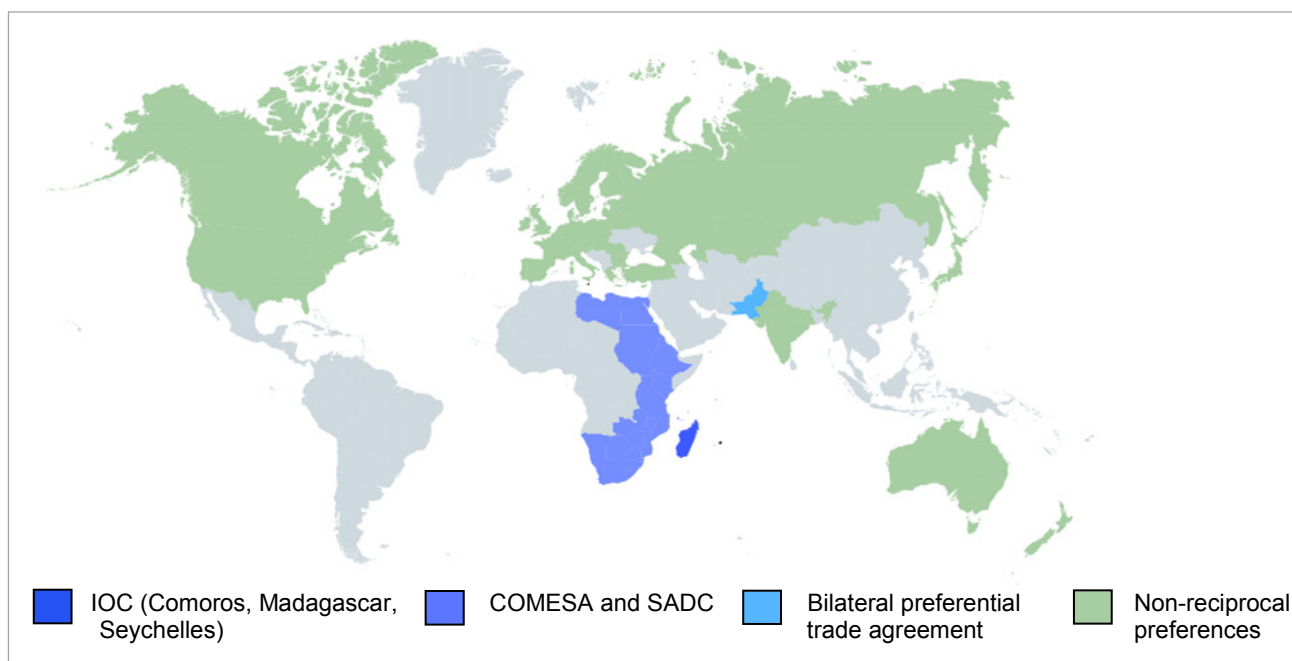


Source: ITC calculations based on Trade Map data, 2012 (excluding minerals and arms).

Note: ROW = rest of the world

### 3. Trade policy and tariff market access

Mauritius has been a member of World Trade Organization (WTO) since the organization’s founding in 1995. It is also a member of two regional free trade agreements (FTAs): the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC). Mauritius benefits from tariff preferences from a number of developed countries under the Generalized System of Preferences (GSP) scheme, targeted at selected least developed and developing economies.

**Figure 5. Map of trade agreements and preferences granted to Mauritius**


Source: ITC illustration based on Market Access Map data, 2012. To the best of ITC knowledge, this figure reflects the situation as of August 2012. Non-reciprocal preferences are granted to Mauritius among others in the framework of the GSP.

Most-favoured-nation (MFN) duties on exports of agricultural products are 29.6%, applied by Mauritius' biggest market, the European Union. However, Mauritius benefits from duty-free market access in the European Union under the Interim Economic Partnership Agreement (previously known as the Cotonou Agreement) and in the United States under the African Growth and Opportunity Act (AGOA). Through regional free trade agreements (FTAs), Mauritius enjoys duty-free access to most regional markets. Among its top five markets, it only faces high tariffs (57.2%) from Seychelles, although around 80% of exports are exported duty free. Mauritius benefits from preferential treatment, which means it can export almost all of its non-agricultural products duty-free to its major markets.

**Table 3. Tariff market access in major markets**

Mauritius's major export market		MFN duty of traded tariff lines, weighted average	Preferential tariff, weighted average	Duty-free imports in terms of value
Agricultural products	1. European Union	29.6%	0.0%	100.0%
	2. Madagascar	11.6%	0.0%	100.0%
	3. United States	1.5%	0.2%	96.3%
	4. Seychelles	57.2%	57.2%	79.3%
	5. Botswana	0.6%	0.0%	100.0%
Non-agricultural products	1. European Union	12.8%	0.0%	100.0%
	2. United States	12.2%	0.0%	99.4%
	3. South Africa	33.8%	0.0%	100.0%
	4. Madagascar	12.5%	0.0%	100.0%
	5. Zimbabwe	3.2%	0.0%	100.0%

Source: WTO World Tariff Profile, 2011.

## Chapter 2 NTM survey methodology and implementation

In cooperation with local partners, ITC conducted a large-scale company survey on non-tariff measures (NTMs) and other obstacles to trade. The objectives were to increase transparency and to better understand the trade impediments faced by the Mauritian business sector. This chapter provides information on country-specific survey implementation, sampling methodology, basic characteristics of the survey sample and course of analysis. Appendices cover further details.

- Appendix I provides a thorough explanation of the global methodology, which is the core part of the analysis, identical in all surveyed countries.
- Appendix II explains the NTM classification
- Appendix III lists procedural obstacles, thus presenting the taxonomy to arrange reported measures into an organized hierarchical system.
- Appendix IV lists interviewed experts and stakeholders.
- Appendix V presents the agenda of the stakeholders' consultation held in Port Louis, 24 January 2013.

### 1. Survey implementation and sampling methodology

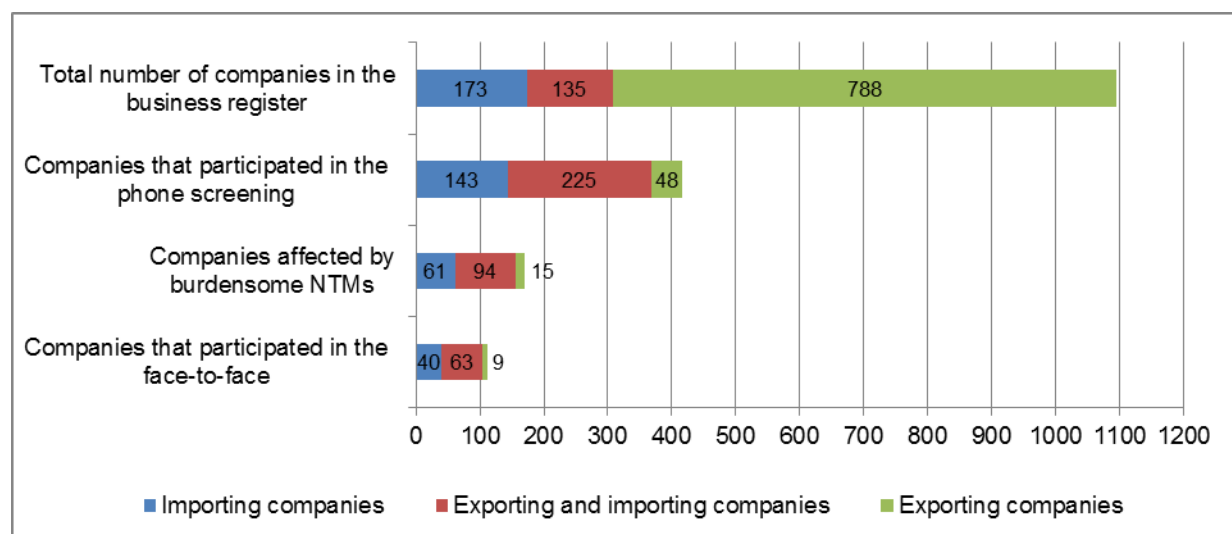
#### 1.1. Timeline and principal counterparts

In collaboration with the Ministry of Foreign Affairs, Regional Integration and International Trade of Mauritius, ITC launched and implemented the NTM survey between February and September 2011. To promote capacity building, consistent with the mandate of this project, ITC retained local consulting firm, StraConsult Ltd, a private company selected through a United Nations tendering procedure. StraConsult Ltd conducted the interviews and collected the survey results. StraConsult's interviewers were trained by ITC on NTMs and the survey methodology. To facilitate implementation of the survey, ITC assembled a comprehensive business registry of 1,096 exporting and importing firms based on information from Enterprise Mauritius, Small and Medium Enterprises Development Authority (SMEDA); and the Mauritius Chamber of Commerce and Industry (MCCI).

The registry was used to select a stratified random sample of 416 firms that were interviewed by telephone.<sup>28</sup> From this sample, 170 companies were identified as having experienced burdensome regulations that seriously impacted their export or import operations, e.g. through high costs or very strict requirements; 112 of them were interviewed face-to-face.

---

<sup>28</sup> See appendix I for more methodological details.

**Figure 6. Companies that participated in the survey**

Source: ITC NTM survey.

## 1.2. Business registry, sample frame and selection strategy

Mauritian companies that exported or imported in 2009 were chosen from lists maintained or prepared by Enterprise Mauritius, the Small and Medium Enterprises Development Authority (SMEDA) and MCCI. The Ministry of Foreign Affairs, Regional Integration and International Trade provided the data to ITC. StraConsult compiled the registry from these lists and ITC completed and categorized the data by sector. The main export sectors were based on the ITC classification comprising 13 agricultural and manufacturing sectors.<sup>29</sup> Minerals and arms are excluded because export of minerals is generally not subject to regular trade barriers and arms are beyond the scope of ITC NTM surveys.

The majority of enterprises in the registry are based in Port Louis, the capital. Other areas included Bambous, Beau-Bassin, Coromandel, Curepipe, Forest Side, Goodlands, Pailles, Petite Riviere, Phoenix, Plaine Lauzun, Pointe aux Sables, Quatre Bornes, Riche Terre, Rose Hill, Terre Rouge, Tombeau Bay and Vacoas.

## 2. Phone interviews and representativeness

According to the NTM survey sampling methodology (see appendix I), telephone interviews covered a representative share of Mauritius's main export sectors. The survey encompassed over 90% of Mauritius' exports, excluding minerals and petroleum. A total of 416 telephone interviews were conducted with exporters and importers, (see figure 6). Mauritius' most important export sectors were featured, including clothing (28%); processed food and agro-based products (12%); textiles, yarns and fabrics (8%); fresh food and raw agro-based products (7%); and 'other manufacturing' (45%).

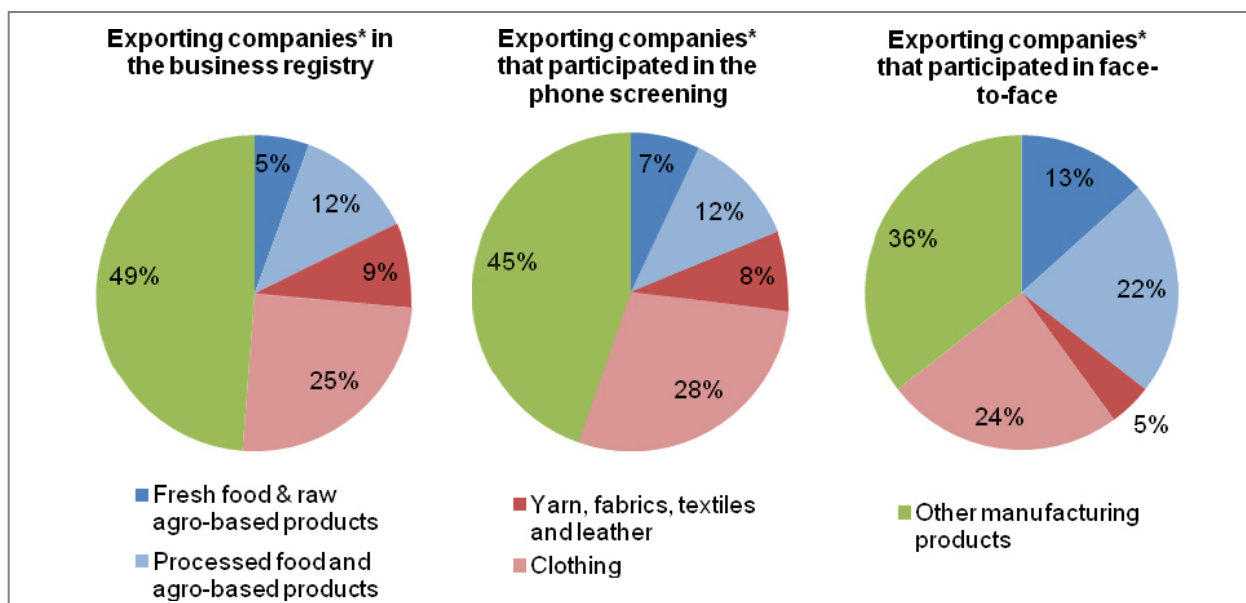
For purposes of this survey, the definition of the agricultural sector is broad, including raw and processed agro-based goods, fishery products and food. The textiles and clothing and processed food/agro-based sectors were the highest in terms of share of export value. These sectors also factored high in exporter participation in survey interviews. The 'other manufacturing' category includes chemicals, wood, wood products and paper, metal and other basic manufacturing, non-electric machinery, computer, telecommunications, consumer electronics, electronic components, transport equipment and miscellaneous manufactures. The 'other manufacturing' category appears to lead other sectors in numerical survey results (figure 7, right panel). This includes thirteen metals and wood firms who

<sup>29</sup> See Appendix I. The list of products in SITC Rev 2 product classification composing the ITC sector classification is available in ITC (2007). The initial classification also includes minerals, totaling 14 sectors.



participated in telephone interviews. In addition, the ‘other manufacturing’ category joins the fresh food and raw agro-based sector as small contributors to the value of Mauritian exports compared with the clothing and processed foods sectors. The proportion of representativeness of the fresh food and raw agro-based, processed food and agro-based, yarns, fabrics, textiles and leather sectors are similar between the business register and participation in telephone interviews (5% to 7%, 12% and 9% to 8%, respectively).

**Figure 7. Survey representativeness by main export sector**



Source: ITC NTM survey data. \*Including companies that both export and import.

Importers participating in phone screens represented clothing, yarn/fabrics/textiles, leather products, fresh food and raw agro-based food and processed food sectors and the combined ‘other manufacturing’ sector. ‘Other manufacturing’ encompasses wood; chemicals; non-electric machinery; computer, telecommunications, consumer electronics; electronic components; transport equipment; and miscellaneous manufacturing. In all sectors but clothing, more importers participated in telephone interviews than exporters in the same corresponding sector categories.

### 3. Face-to-face interviews and company characteristics

The number of face-to-face interviews was determined by the number of companies that reported NTMs during the telephone interview phase and by companies’ willingness to participate. For Mauritius, 66% of the companies interviewed by telephone and that reported they were affected by NTMs participated in face-to-face interviews. This provided a good basis for survey analysis (see figure 6). The export sectors most responsive to participating in face-to-face interviews were the ‘other manufacturing’ (36%), clothing (24%) and processed foods (22%) sectors. Fresh foods followed these sectors at 13% share of responses (figure 7, third panel). Agriculture and food and ‘other manufacturing’ are equally represented in the face-to-face interviews at 36%. Textiles and clothing combined represented 29%. Yarns, fabrics and textiles were at the lowest response rate for exports, with only two respondents (5%).

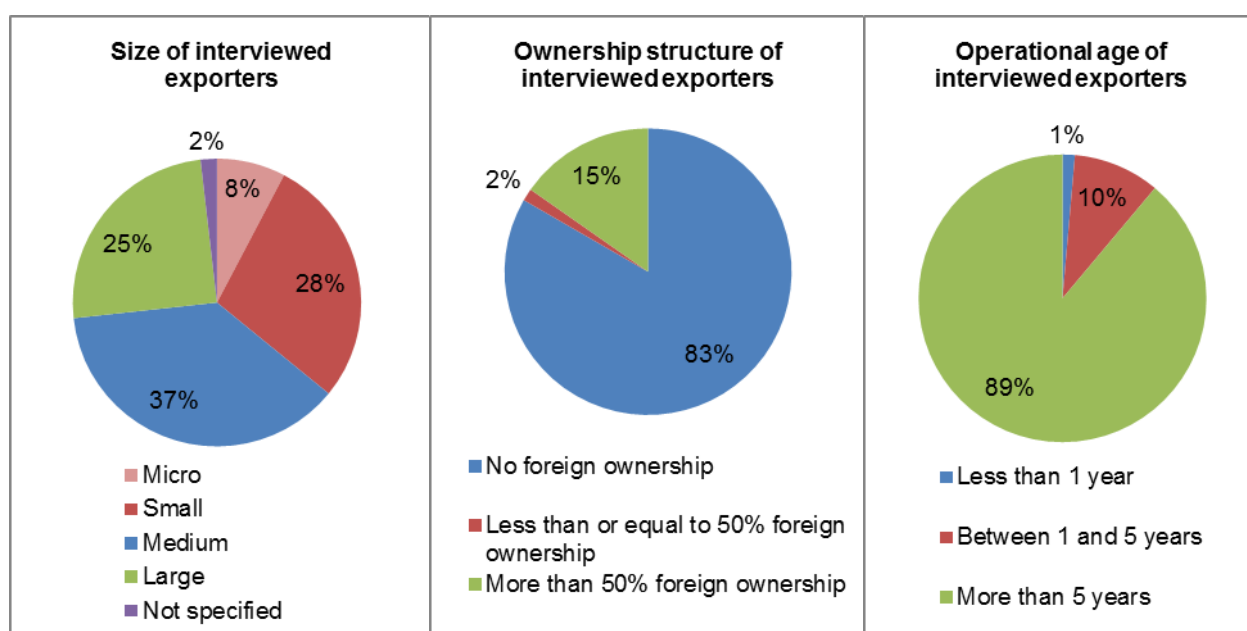
Of the enterprises engaged in importing that participated in the survey, yarns and fabrics, processed foods and ‘other manufacturing’ as a group were predominantly represented. The actual numbers in the individual sectors comprising the ‘other manufacturing’ category are low compared to the other two sectors. In addition to miscellaneous manufacturing, the two computer importers that participated in telephone interviews did not participate in face-to-face interviews.

Chief characteristics of Mauritian exporting companies participating in face-to-face interviews are presented in figure 8. Medium-sized enterprises comprised the largest share at 37% of interviewed exporting firms. Large and small companies comprised 25% and 28% respectively.

In the initial sampling of telephone interviews, it was intended that companies of all sizes be extracted proportionate to their respective company population. During the telephone interviews companies were asked to specify their size (small, medium or large). Because of the lack of relevant information in the business registry, Mauritius' national definition could not be used for company size. Instead, as with other ITC NTM survey reports, the World Bank definition was used<sup>30</sup>, based on information given during the face-to-face interviews.

Face-to-face interviews also captured other basic characteristics. The majority of exporters interviewed, 83%, were fully Mauritian-owned. Only one out of 72 exporters (2%) reported partial foreign ownership (less than 50%), while 11 firms were predominantly foreign owned (15%). Of the surveyed exporting companies, 89% had been operating for more than five years.

**Figure 8. Characteristics of exporting companies, face-to-face interviews**



Source: ITC NTM survey.

<sup>30</sup> Micro: fewer than 5 employees; small: between 5 and 20 employees; medium: between 21 and 100 employees; large: more than 100 employees.

## 4. Captured data and evaluation approach

Information on the characteristics of firms, including size, operational age, foreign ownership and sector affiliation was collected during face-to-face interviews. Firms were further classified as either 'producing' or 'forwarding' companies and as exporting or importing enterprises. Firms were asked to provide information on their exports and imports at the product or HS 6 level,<sup>31</sup> the destination country of exports or their imports' country of origin. Each pair of product and partner country is referred to as 'product-partner trade flow'. For each product-partner trade flow, company representatives were asked to provide detailed information on the NTMs and procedural obstacles (POs) they encountered. This includes the category of the NTM as classified in Appendix II, the country applying the measure and the authorities causing POs. Company representatives were asked whether POs are associated with a reported NTM or if the challenge was due to general inefficiencies in the trade-related business environment (TBE).

The final phase of data analysis involved calculating frequency and coverage statistics across several dimensions, including product and sector, main NTM category (e.g. technical measures, quantity control measures, etc.) and company characteristics (e.g. size). Most frequency and coverage statistics are based on 'cases'. A case is the most disaggregated unit of analysis. Every company participating in face-to-face interviews reported at least one case of burdensome NTMs and, if relevant, POs and challenges associated to the TBE.

A 'case' of NTM is defined by the type of NTM and the country applying it, the product affected and a company reporting the measure. For example, should there be three products affected by the same NTM applied by the same partner country and reported by one company, results would include three cases. If two different companies report the same problem, it would then count as two cases. However, the counting of cases differs depending on whether the NTM is applied by the exporting or importing country. The scenario where several importing partner countries apply the same type of measure to Mauritius' exports is recorded as several cases.

The details of each case, including the actual name of the government regulation and its strictness, may vary as regulations mandated by different countries are likely to differ. By contrast, when the exporting country applies an NTM to a product exported by one company to several countries, this will be recorded as a single NTM case – as it is considered to be a single policy. Following the same logic, companies importing a good from several different countries facing NTMs imposed by Mauritian authorities will also be counted as a single case.

Cases of POs and problems with the business environment are counted the same way as NTMs. PO and trade-related business environment (TBE) statistics are provided separately from NTMs, even though in certain instances they are closely related. For example, extended delays may result from pre-shipment inspection (PSI) requirements. While POs are directly related to a given NTM, inefficiencies in the TBE occur irrespective of NTMs. The NTM survey does not explicitly capture this difference. Nevertheless, it can often be distinguished on a case-by-case basis.

---

<sup>31</sup> In several cases products are inaccurately reported at the HS 6 level, but may be traced to the HS 4 level.

## Chapter 3 Survey results on companies' experiences with NTMs

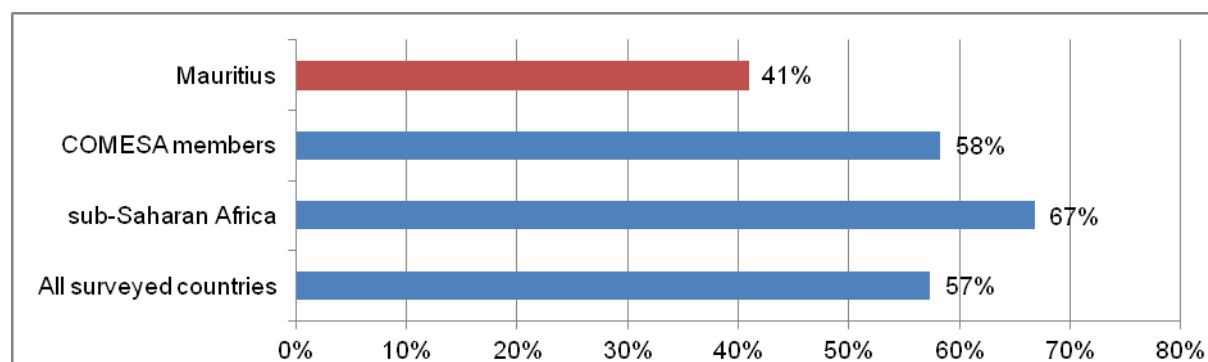
This chapter analyses the findings of the NTM survey in Mauritius. It begins with aggregate country-level results, focusing on the most affected sectors, major problems and their location. This is followed by a more specific analysis of the challenges reported by exporting and importing companies in every sector.

### 1. Aggregate results and cross-cutting issues

This section examines aggregate survey results and explores problems confronted by trading companies in Mauritius. The first subsection compares trade impediments experienced in different Mauritian export sectors. The second section explores the types of challenges encountered, and where. The third subsection summarizes the NTMs and other obstacles affecting Mauritian importers. The fourth subsection spotlights cross-cutting POs and inefficiencies of the TBE, both in Mauritius and abroad.

During the telephone interviews, 41% of the enterprises reported burdensome NTMs and POs. This is lower than the average share of companies affected by burdensome NTMs in neighbouring COMESA members, sub-Saharan Africa countries and all surveyed countries so far, as shown in figure 9 below.

**Figure 9. Share of companies affected by burdensome non-tariff measures and other obstacles to trade in surveyed countries<sup>1/</sup>**



Source: ITC NTM surveys, 2009-2012.

1/ Burkina Faso, Côte d'Ivoire, Egypt, Guinea, Jamaica, Kazakhstan, Kenya, Madagascar, Malawi, Mauritius, Morocco, Paraguay, Peru, Rwanda, Senegal, Sri Lanka, State of Palestine, Trinidad and Tobago, Tunisia and Uruguay.

Survey results revealed that 27% of Mauritian exporters were affected by NTMs or other trade-related issues, while 36% of importing companies faced burdensome NTMs and other obstacles to trade. Compared to other developing countries surveyed so far, Mauritian exporters claim to be less affected by trade barriers. Shares of exporters affected by NTMs in the other surveys so far include: Burkina Faso (63%), Malawi (82%), Paraguay (69%), Peru (42%), Rwanda (71%), Sri Lanka (70%) and Uruguay (56%).

In general, ITC NTM surveys demonstrate that of all challenging NTMs reported by exporting companies, about 75% are usually applied by the partner countries and 25% are applied by the home country. Comparatively, in Mauritius, 16% of NTMs are reported to be applied by the home country, while 84% are reported to be applied by partner countries.

#### 1.1. Affected industries

The survey showed that for exports, 50% of processed and agro-based food; 37% of fresh and raw agro-based food; 26% of clothing; 14% of yarns, fabrics, textiles and leather; and 23% 'other manufacturing' companies reported impact from NTMs and other trade obstacles (figure 10). For purposes of this report, sectors will be aggregated into three main categories agriculture, textiles and

clothing, and 'other manufacturing'. 'Other manufacturing' combines a number of subsectors (wood, wood products, and paper; metal and other basic manufacturing; non-electric machinery; computer; telecommunications; consumer electronics; electronic components; transport equipment; chemicals; and miscellaneous manufactures), which accounts for the high participation in the survey. Agriculture therefore ranks as the most affected sector, followed by textiles and clothing. However, the other manufacturing sector was the most affected aggregate sector when viewed in terms of absolute number of companies affected – 28 out of a total of 74 affected companies, about 38%.

Following other manufacturing and miscellaneous manufacturing, the chemicals subsector was the subject of most of the responses and complaints concerning NTMs. This will be elaborated further in this chapter. Agriculture, comprising processed food and agro based products and fresh food and raw agro-based products, represents a more disaggregated sector compared to 'other manufacturing'. Therefore, despite the comparative lower numbers of participation and responses, the results proportionate to the sector and its importance as a key driving export sector are relevant. This is examined later in the chapter.

With respect to agriculture, worldwide export markets impose measures on food and other products for human consumption and for those related to environmental protection. This may explain why Mauritian exporters in these sectors reported a high number of barriers. More advanced countries, and increasingly less advanced countries, have implemented a number of measures to control imports destined for human consumption. Products from Mauritius do not escape these measures and are similarly impeded by NTMs.

The European Union maintains a number of sanitary and phytosanitary (SPS) and food safety regulations, notably the General Food Law and rules for control of imported products from third countries.<sup>32</sup> Mauritian exports of fish and agricultural products must comply with the EU's Hazardous Analysis and Critical Control Point (HACCP) requirements to ensure food safety and hygiene.<sup>33</sup> HACCP originated in the United States for astronaut food safety and has become an international code adopted by a number of countries. In addition, some exporters must comply with a variety of private standards in the European Union, most notably Global G.A.P. (formerly EUROGAP)<sup>34</sup> standards.

There are fewer Mauritian exports to the United States, therefore less impact reported by US NTMs and Pos. However, it is worth noting that in 2011 the United States adopted a new Food Safety Modernization Act. The European Union, a strong exporter to the United States, is concerned about the auditing, inspection and foreign supply verification procedures mandated in the act.

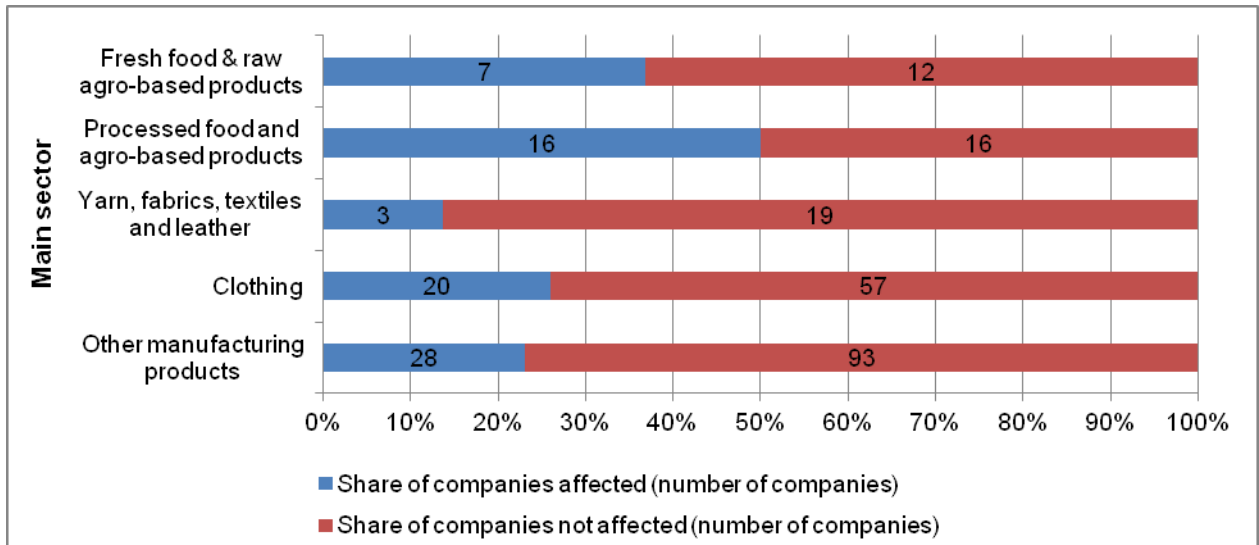
---

<sup>32</sup> Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002; Regulation 882/2004/EC.

<sup>33</sup> Regulation (EC) 852/2004.

<sup>34</sup> Established in 2006 by EU food retailers setting certification standards.

**Figure 10. Aggregate results of exporting companies interviewed by telephone, by main sector**



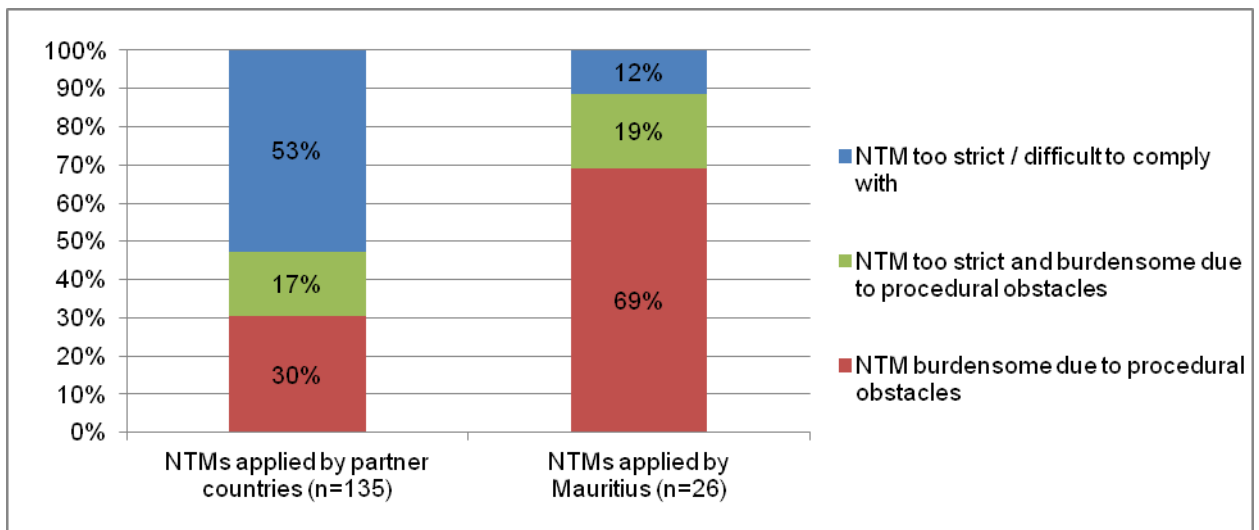
Source: ITC NTM survey.

Note: This figure is based on the telephone interviews. Companies that both export and import are counted once – together with exporting companies.

The survey probed further into the reasons why exporters perceived NTMs as burdensome. As shown in figure 11, 161 exporters were surveyed on why the NTMs were burdensome. Their responses included: NTM burdensome due to POs, NTM too strict and burdensome due to POs and NTM too strict or difficult to comply with.

About 53% of exporters found the NTMs applied by partner countries were too strict or difficult to comply with. A total of 47% (17% plus 30%) reported that to various degrees, the burden was from POs rather than the NTMs themselves. The high incidence of complaints about the restrictiveness and difficulty to comply with such measures may entail the complexity of the measures in the destination market, lack of sufficient recognition of Mauritian testing and inadequate information and facilities to ensure compliance. By contrast, the reverse was the case for NTMs applied in Mauritius (figure 11). More exporters (69%) found that NTMs applied in Mauritius were restrictive due to POs. This might be explained by the fact that some NTMs applied in Mauritius are to ensure compliance with requirements in destination markets. Examples are included in this chapter.

**Figure 11. Type of obstacles at export – why is the non-tariff measure burdensome?**



Source: ITC NTM survey.

## 2. Non-tariff measures and procedural obstacles affecting exports

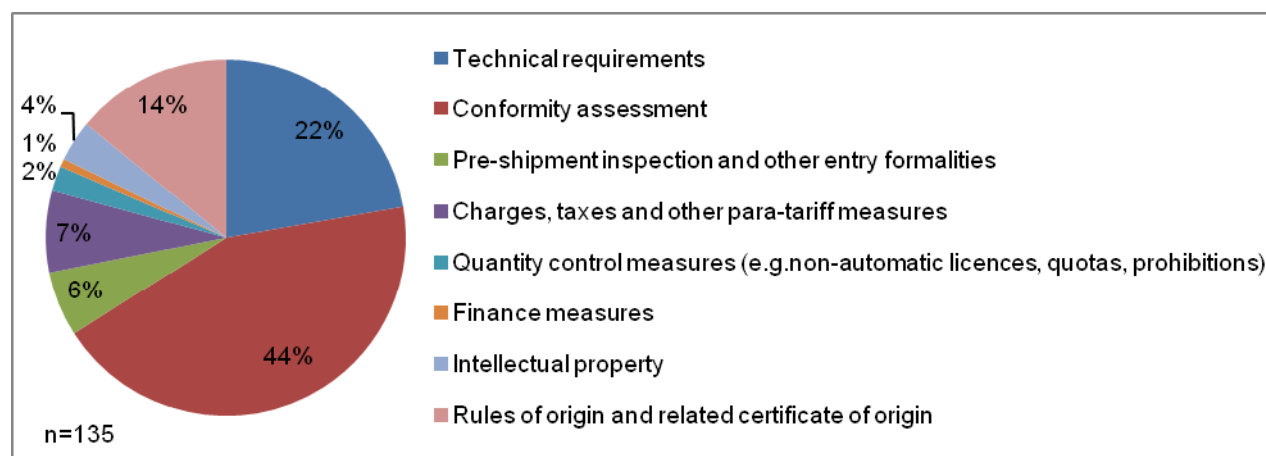
The NTM survey differentiates between burdensome NTMs, POs and inefficiencies in the TBE. NTMs are mandatory regulations introduced by the competent authorities in exporting or importing countries. For the full NTM classification see appendix II. POs refer to the manner in which regulation is applied or implemented, see appendix III. Generic problems not related to specific regulation, but affecting companies' export or import activities are referred to as inefficiencies in the TBE. In the following sections, predominant burdensome NTMs, POs, TBEs and where they occurred will be introduced and analysed.

Similar to other ITC NTM survey results, the Mauritian survey demonstrated that most POs and TBEs occurred on the domestic side, while more NTMs were generally applied by partner countries. However, the impact of domestic regulation was found to be lower in Mauritius compared to other countries surveyed so far.

### 2.1. Non-tariff measures applied by partner countries

Mauritius exporters reported that NTMs applied by partner countries amounted to a total of 135 cases defined at the product and destination market level. Conformity assessment accounted for 44% of cases and surfaced as the most frequently reported form of NTM experienced by exporters, followed by technical requirements (22%), see Figure 12. To date, most ITC country NTM survey results place conformity assessment as the most frequently reported NTM. Rules of origin, charges, taxes and other para-tariff measures follow at 14% and 7% of the cases respectively.

**Figure 12. Most frequent categories of non-tariff measures applied by partner countries**



Source: ITC NTM survey.

Mauritian exports encountered the highest absolute incidence of burdensome NTMs in the European Union (table 4). France accounted for the highest percentage share of reported NTMs at 23.7% (in addition to a few cases for its territories, Reunion Island and Mayotte), followed to a lesser degree by the United Kingdom and Germany (table 4, column 7). By contrast, a modest number of cases (10) were reported for other EU countries such as Italy, Spain, the Netherlands, Romania, Denmark and Sweden. The face-to-face interview sampling captures more frequently the product-partner export flows to large markets.

The European Union is the largest market for Mauritian exports. Although the United States follows the European Union as a main export destination, only three cases from one company were reported, resulting in a very low NTM impact rating. This may be explained by the low level of exports to the United States, primarily certain apparel exports subject to less favourable conditions under the US preference regime renewals compared to those in the European Union.

Some trading partners where Mauritius enjoys preferential trade reflected a high number of reported NTMs. For example, Mauritian exporters reported burdensome NTMs when exporting to COMESA

and SADC partners (**Table 4**). Quite strikingly, Kenya, a COMESA partner, accounts for the majority of reported NTM cases in Africa (22.2%). Because Kenya is a regional trading partner for Mauritius, there should not be such a high incidence of NTMs in this destination. These results are further aggravated because Kenya also places second as the most reported destination applying NTMs impacting Mauritian exporters.

Asia is not a prominent export destination for Mauritian companies. Large Asian economies, such as China and Japan, together accounted for only about 1.3% of exports from Mauritius by value. The few Mauritius companies exporting to Asia that participated in the survey also reported few obstacles when exporting to Chinese Taipei, Hong Kong, China, Japan, the Republic of Korea and Singapore.



**Table 4. Non-tariff measures applied by partner countries on Mauritian exports**

Selected partner countries and country groups	Export value		Surveyed companies		Reported NTM cases	
	Mauritian export value in 2011 (\$US 000)	Share in total Mauritian export value	Number of surveyed companies exporting to this destination	Share of affected companies among those exporting to this destination (%)	Number of NTM cases reported to be applied in this destination	Share in total number of reported NTM cases (%)
<b>EU</b>						
United Kingdom	480 629	22.3	12	41.7	7	5.2
France	378 919	17.6	36	41.7	32	23.7
Reunion Island	-	0.0	4	75.0	8	5.9
Mayotte	8 272	0.4	4	50.0	6	4.4
Germany	47 127	2.2	5	60.0	5	3.7
Other EU <sup>a/</sup>	430 440	20.0	26	30.8	10	7.4
<b>SADC</b>						
South Africa	173 559	8.1	11	27.3	6	4.4
Seychelles	30 127	1.4	14	21.4	4	3.0
Other SADC	8 399	0.4	9	0.0	0	0.0
<b>COMESA</b>						
Madagascar	138 422	6.4	16	25.0	5	3.7
Kenya	9 750	0.5	10	90.0	30	22.2
Other COMESA	7 782	0.4	10	10.0	1	0.7
<b>Other countries</b>						
United States	202 036	9.4	9	11.1	3	2.2
Switzerland	35 342	1.6	3	33.3	1	0.7
Japan	13 957	0.7	3	33.3	1	0.7
Rest of the world	192 011	8.9	28	50.0	16	11.9
<b>Total</b>	<b>2 156 772</b>	<b>100.0</b>	<b>200</b>	<b>36.5</b>	<b>135</b>	<b>100.0</b>

**Source:** ITC NTM survey. (Excluding minerals and arms.)

**Note:** Companies exporting to several destinations are counted once for every destination. Therefore the total in this table is higher than the total number of companies interviewed.

<sup>a/</sup>Other EU export value refers to all member states excluding the United Kingdom, France (including Reunion Island and Mayotte) and Germany. Individual countries reported to be applying NTMs include the United Kingdom, France, Germany, Italy, Spain, the Netherlands, Belgium, Portugal, Romania, Poland, Sweden, Denmark and Slovakia. They jointly account for US\$ 1,372,457,000 of Mauritius' export value.

## 2.2. Non-tariff measures applied by Mauritius on exports

Since NTMs are applied to exports of a particular product irrespective of the destination market, the product-dimension is what truly determines an NTM case. This is different from import-related measures imposed by partner countries to exports, where NTM cases are counted for each destination market. Hence, the absolute number of NTM cases for export and import measures is not comparable. On the whole, exporters reported 26 cases of NTMs applied by domestic authorities compared to 135 applied by partner countries (figures 12 and 13).

In contrast with NTMs encountered in partner countries, where conformity measures were the highest reported measure, Mauritian exporters reported more cases of export quotas and export licensing attributed to Mauritius (figure 13). This result differs from those of many other surveyed countries where conformity assessment related measures led for both partner countries and domestically. In particular, licensing or export permits required by Mauritian authorities accounted for 50% of NTM

cases reported by exporters out of a total of 26 cases. Export quotas, export inspection and certification required by Mauritius represented respectively 12%, 11% and 11% of all cases encountered by exporters. Export restrictions applied by domestic authorities on their own products are often policy tools deployed primarily to manage scarce resources, commodities or foodstuffs subject to critical shortages or may be necessary to apply standards for the classification of products.<sup>35</sup>

For example, Mauritian exporters of sweetened yogurt and waters reported a number of export quotas applied by Mauritian authorities, in particular the Mauritian Sugar Syndicate. Sugar is obviously a key export commodity and is measured, in that regard, as spillover into processed foods containing sugar as an additive. In 2002 and 2005, Mauritius' sugar production declined due to drought and other disruptive climate conditions.<sup>36</sup> According to Mauritius' last WTO Trade Policy Review (TPR) in 2008, export permits are required for products considered strategic or sensitive to the economy, for example sugar and rice.<sup>37</sup> Mauritius does allow a few parastatal organizations to regulate exports.<sup>38</sup> For example, exporters of certain fish products reported export quotas imposed by the Seafood Hub. These export restrictions are also intertwined with POs such as delays in administrative procedures and unusually high fees and charges.

**Figure 13. Most frequent categories of non-tariff measures applied by Mauritius on exports**



Source: ITC NTM survey.

### 2.3. Procedural obstacles and inefficiencies affecting exports

Exporting companies reported 168 cases of POs and TBEs, 65 occurring abroad and 103 domestically. The category, 'large number of different required documents', was reported as the most frequent obstacle for partner countries, representing 23% of POs encountered abroad, compared with 9% of that particular PO encountered in Mauritius (figure 14). The obstacles most frequently reported by exporters attributed to Mauritius were 'delay in administrative procedures' and 'inconsistent or arbitrary behaviour of officials', 27% and 22% respectively. The category 'difficulties with translation of documents from or into other languages' followed with a 21% share.

Of those POs exporters attributed to Mauritius, many were linked to the application of an NTM. POs explain why the measures represent an impediment. For example, an importing country can require the fumigation of containers (NTM applied by the partner country), but fumigation facilities are expensive in the exporting country, resulting in a significant increase in export costs for the company (POs located in the home country). The companies can also report generic problems not related to any regulation, but affecting their export or import, such as corruption and lack of export infrastructure. These issues are referred to as problems related to TBEs.

<sup>35</sup> See for example, WTO General Agreement on Tariffs and Trade, Article XI.2 (a) and (b).

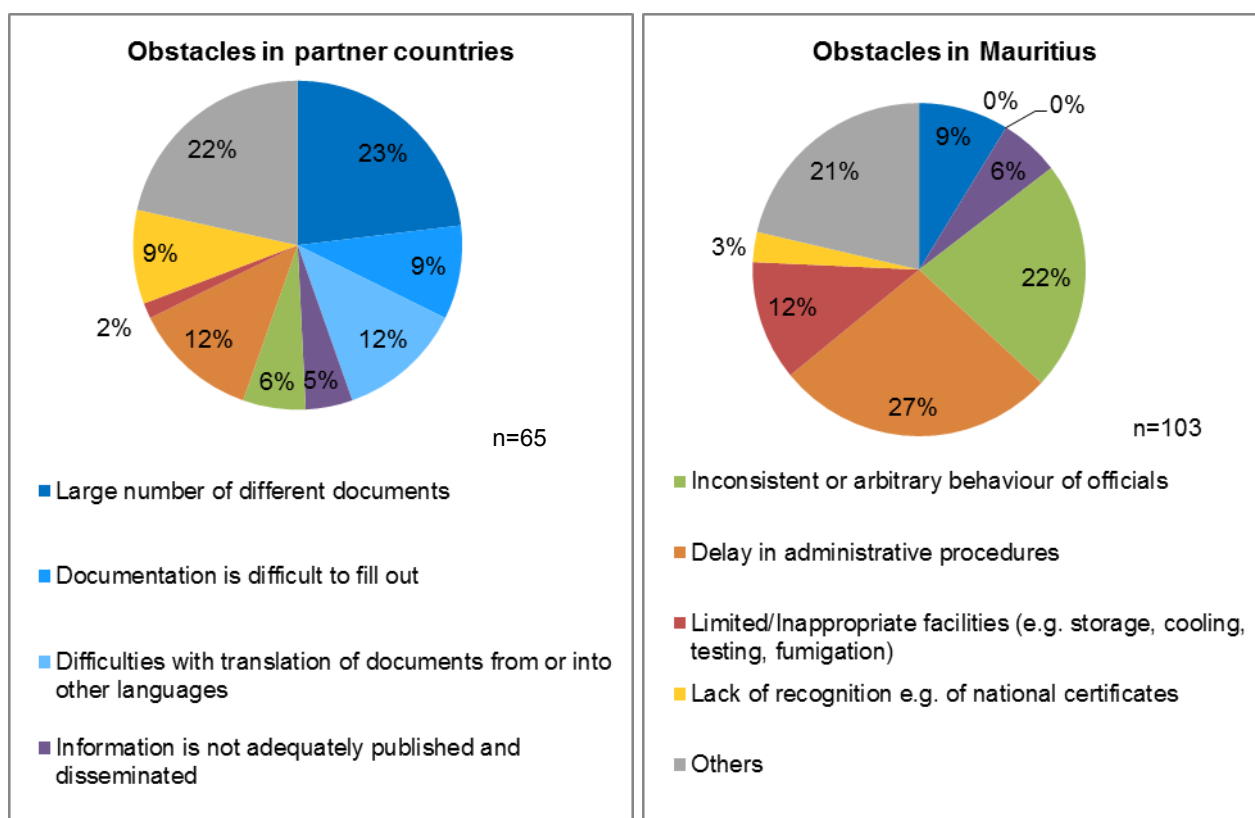
<sup>36</sup> WTO Trade Policy Review (TPR) – Mauritius, Report by the Secretariat, WT/TPR/S/198/Rev.1, p.6, June 2008.

<sup>37</sup> Ibid, p.60.

<sup>38</sup> Ibid, p.76.

Export licensing and certifications on certain manufactured and agriculture exports were conspicuous. The several complaints about obstacles occurring in relation to licensing and certification NTMs on fish product exports, one of Mauritius' leading diversified exports, were equally distributed between Mauritian authorities and partner countries. Follow-on obstacles, namely 'delays and inconsistent behaviour of officials', were also linked to licensing and certification NTMs and happened both in Mauritius and partner countries. Moreover, reports of 'limited/inappropriate facilities (e.g. storage, cooling, testing, fumigation)' were more frequently ascribed to domestic POs than those in partner countries. Such categories accounted for 12% and 2% of the reports for domestic and partner country POs, respectively. Obstacles classified as 'documentation that is difficult to complete' and 'lack of recognition (e.g. of national certificates)' both ranked 9% of the reports attributed to partner countries (figure 14).

**Figure 14. Most frequent categories of procedural obstacles and inefficiencies for exports in the trade-related business environment in partner countries and domestically**



Source: ITC NTM survey.

### 3. Most common non-tariff measures and other obstacles affecting imports

Mauritian importing companies registered 146 cases of domestic NTMs impacting their imports, thus overshadowing the count of 26 cases for exporters. This result may not be unusual considering imports are usually more impacted by domestic measures than are exports.

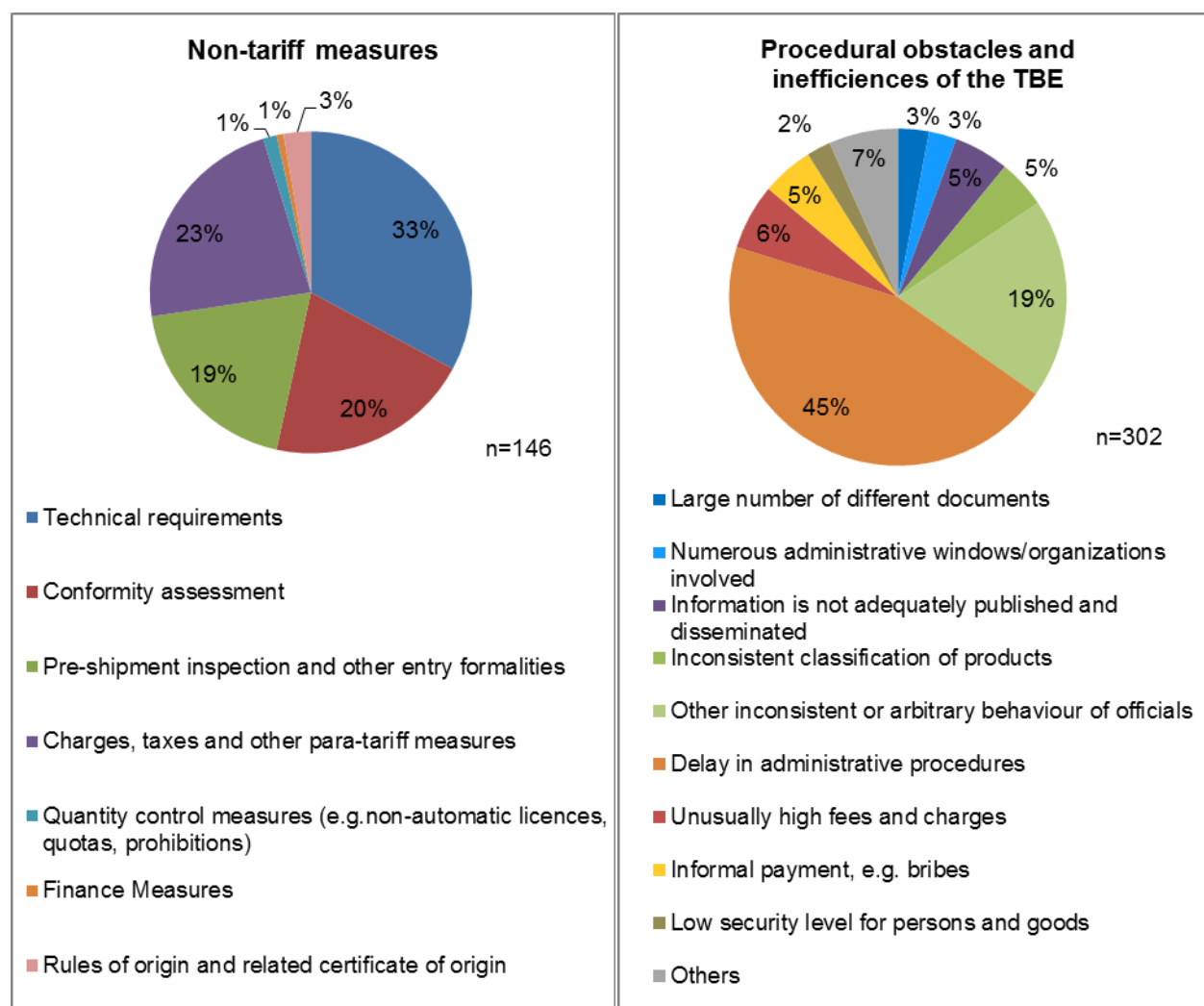
The main NTMs arising from importer reports concerned technical requirements, charges and taxes, conformity assessment and PSI and other entry formalities (figure 15). Technical requirements emerge as a serious barrier for importers accounting for 33% of all reported NTM cases. Charges, taxes and other para-tariff measures follow at 23%. In contrast with many other NTM surveyed countries in terms of both imports and exports, conformity assessment does not feature as the chief

obstacle for Mauritian importers. Instead, it registers 20% of all reported cases, followed by PSI and other entry formalities, which account for 19% (figure 15).

Mauritius reports of NTMs on imports differed significantly from those experienced on exports in two respects. While most NTMs experienced by exporters were applied by partner countries, exporters reported burdensome impact from export quotas, licensing, permits, inspection and certifications applied by Mauritius. Depending on the sector (agriculture, textiles and clothing, or 'other manufacturing') the measures were required by the partner to prove eligibility for preferences or were used as policy instruments by Mauritius for sensitive sectors. Importers usually register more impact from NTMs applied by their home country. However, some Mauritian importers experienced NTMs applied by partner countries on their own exports to Mauritius, including measures such as technical requirements, conformity assessment and rules of origin.

As figure 15 shows, about 10 types of POs and TBEs were reported. The highest number of reported cases was in the category of delays in administrative procedures (45%). The lowest number of cases was reported in the category of 'low security level for persons and goods' (2%). Importers ranked 'other inconsistent or arbitrary behaviour of officials' second (19%) in the number of PO and TBE cases. NTM characteristics reported by importers differed from those reported by exporters. However, in terms of the most reported POs and TBEs applied in Mauritius, exporters and importers converged in their accounts of delay in administrative procedures (figures 14 and 15).

Many POs experienced by importers included 'delay in administrative procedure' obstacles linked to 'permits and authorization requirements'. Equally, these types of obstacles were identified linked to automatic licensing or other import monitoring and surveillance measures. In the case of manufactured imports, the linkage between administrative delays and consumer protection, environment and security related authorization NTMs impacted chemicals cases. Specifically, applications for a required licence to trade in dangerous chemicals were cited.

**Figure 15. Categories of non-tariff measures and other obstacles affecting imports**


Source: ITC NTM survey.

#### 4. Recurring challenges

Similar to the results of many other countries surveyed, both Mauritian exporters and importers identified delays associated with administrative procedures as the most frequent PO encountered domestically and in partner countries. Overall, delays in administrative procedures, such as to obtain export permits, were registered in 27% of the cases impacting exports and 45% for those impacting imports (figures 14 and 15, right panels). Some delays were also experienced associated with exports to partner countries, but overshadowed by the number in Mauritius.

POs and TBEs issues arise at home or in a partner country. The majority of obstacles encountered by importers and exporters were in Mauritius (103 of total of 170 cases for exports and 277 of total of 302 cases for imports). This was no surprise as the survey is intentionally calibrated to include Mauritian companies more likely to be familiar with domestic barriers.

Ministries reported among the highest with regard to obstacles affecting exports were the Ministries of Commerce, Health, Fisheries as well as customs, with shares of cases at 18%, 13.5%, 11.7% and 9.9%, respectively (table 5). Importers identified customs as the most frequently reported agency to cause POs with 39.2% share of reported cases. The Ministry of Commerce followed at 17.5%, closely tracking the share of total results also reported by exporters. Equally, the Ports of Mauritius were reported responsible for 17.5% of PO and TBE cases affecting imports, contrasting with its ranking for

exports at only 4.5%. The Ministry of Health was considered responsible for 5.8% of POs and TBEs affecting imports.

On closer examination of the data, exporters of manufactured goods attributed the category of 'large number of different documents' to the Ministry of Commerce. Agriculture exporters reported a high incidence of 'limited/inappropriate facilities' attributed to the Ministry of Health. The most recurrent obstacles importers encountered with customs were delay in administrative procedures, inconsistent or arbitrary behaviour of officials and large number of documents. Importers associated the first two obstacles with the Ministries of Commerce, Health and Fisheries. These were in the agriculture, textiles and clothing, and manufacturing sectors. Unusually high fees attributed to Ports Mauritius and customs in the 'other manufactures' category also surfaced in a number of import cases.

Interestingly, survey results on measures applied in Mauritius drew one export case involving a non-Mauritian agency, the Oman Embassy (table 5). Mauritian cereal pellet exports to Oman required an SPS certificate approved by the Oman Embassy, where the exporter complained of delays. Oman does not require a particular format for the certifications. However, all agricultural products destined for Oman must obtain authentication from the Oman embassy or consulate in the exporting country.<sup>39</sup>

With respect to partner countries, in the case of exports a number of hindrances bear direct or indirect linkages to NTMs. Generally, 26.9% of reported cases were experienced in Madagascar and 19.4% in Kenya (table 5). For France, Mayotte and Reunion Island, the share was 16.4%, 11.9%, 6%, respectively, largely in the agriculture sector. Shares for Seychelles and Benin were 4.5% and 3%, respectively. Seychelles appeared in all three sectors, agriculture, clothing and other manufacturing. NTMs in Benin occurred in 'other manufacturing.'

Importers mainly identified Asian (i.e. India, China, Thailand) and African countries (table 6). For example, with respect to yarn imported from India, payment/credit facilities were not provided and advance payment was required. Additionally, delays were experienced in receiving rules of origin certificates from the Ministry of Commerce. Importers also recorded cases of delays in the customs process when classifying cotton yarn imports from India, China and Thailand.

---

<sup>39</sup> Oman: Food and Agricultural Import Regulations and Standards – Certification – FAIRS Export Certificate Report May 2010, p. 3. [http://agriexchange.apeda.gov.in/IR\\_Standards/Import\\_Regulation/Oman.pdf](http://agriexchange.apeda.gov.in/IR_Standards/Import_Regulation/Oman.pdf)

**Table 5. Procedural obstacles and inefficiencies in the trade-related business environment encountered in Mauritius**

POs/TBE affecting exports			POs/TBE affecting imports		
Location of obstacles	Number of obstacles reported <sup>40</sup>	Share in total obstacles	Location of obstacles	Number of obstacles reported	Share in total obstacles
Ministry of Commerce	20	18.0%	Customs	114	39.2%
Ministry of Health	15	13.5%	Ministry of Commerce	51	17.5%
Ministry of Fisheries	13	11.7%	Ports of Mauritius	51	17.5%
Customs	11	9.9%	Ministry of Health	17	5.8%
Airports of Mauritius	5	4.5%	Mauritius Standard Bureau	12	4.1%
Ports of Mauritius	5	4.5%	Ministry of Agro-Industry and Food Security	5	1.7%
Mauritius Standard Bureau	3	2.7%	Airports of Mauritius	4	1.4%
Mauritius Sugar Syndicate	2	1.8%	Cargo Handling Corporation Ltd	2	0.7%
Pats Airport	2	1.8%	Bank One (Commercial bank)	1	0.3%
Air Mauritius	1	0.9%	Dangerous Chemical Control Board	1	0.3%
Chamber of Commerce	1	0.9%	Development Bank Of Mauritius	1	0.3%
Freeport Custom Office	1	0.9%	Information, Communication, Technology Authority	1	0.3%
Ministry of Agro-Industry and Food Security	1	0.9%	Lab Of Redit	1	0.3%
National Plant Protection Office	1	0.9%	Mauritius Shipping Corporation	1	0.3%
Old Terminal	1	0.9%	Mauritius Tourism Promotion Authority	1	0.3%
Oman Embassy	1	0.9%	Ministry of Fisheries	1	0.3%
Seafood Hub	1	0.9%	Mauritius Revenue Authority	1	0.3%
SGS S.A. (formerly Société Générale de Surveillance – a private entity)	1	0.9%	Not specified	26	8.9%
Not specified	26	23.4%			
<b>Total</b>	<b>111</b>	<b>100.0%</b>	<b>Total</b>	<b>291</b>	<b>100.0%</b>

Source: ITC NTM survey.

<sup>40</sup> The same case occurring in two different agencies is counted twice. As a result, the number of cases here is higher than the total in other tables.

**Table 6. Procedural obstacles and inefficiencies in the trade-related business environment encountered in partner countries**

POs/TBE affecting exports			POs/TBE affecting imports		
Location of obstacles	Number of obstacles reported	Share in total number of obstacles	Location of obstacles	Number of obstacles reported	Share in total number of obstacles
Madagascar	18	26.9%	India	7	28.0%
Kenya	13	19.4%	Madagascar	4	16.0%
France	11	16.4%	Malaysia	3	12.0%
Mayotte	8	11.9%	South Africa	3	12.0%
Reunion Island	4	6.0%	Mozambique	2	8.0%
Seychelles	3	4.5%	Singapore	2	8.0%
Benin	2	3.0%	Canada	1	4.0%
South Africa	2	3.0%	Hong Kong, China	1	4.0%
Cameroon	1	1.5%	Italy	1	4.0%
China	1	1.5%	Thailand	1	4.0%
Comoros	1	1.5%			
Côte d'Ivoire	1	1.5%			
Senegal	1	1.5%			
Zimbabwe	1	1.5%			
<b>Total</b>	<b>67</b>	<b>100.0%</b>	<b>Total</b>	<b>25</b>	<b>100.0%</b>

Source: ITC NTM survey.

## 5. Agricultural products

This section examines the Mauritian agricultural, food and fisheries sector (hereafter referred to as agricultural products). The sector includes fresh food, raw agro-based products, processed food and agro-based products as general product categories (see appendix II). This section examines the NTMs applied in Mauritius affecting the sector. Tables providing a detailed overview of NTMs and procedural obstacles in the agricultural sector are included at the end of the section.

This section also analyses the importance of exports of raw and processed agricultural and food products, followed by an explanation of the NTMs that have been applied and that impacted this sector, as well as other obstacles.

### 5.1. Importance of the sector

Agricultural exports accounted for US\$ 769.56 million in 2011, comprising 36% of Mauritian total export value (excluding minerals and arms). The annual average growth rate for agricultural exports between 2001 and 2011 was 6%, despite the drop of 10% in 2009 (figure 16). The share of agriculture in total employment was estimated at 9.3% in 2006.<sup>41</sup> Exports of fresh food and raw agro-based products accounted for US\$ 103.9 million in 2011 compared to US\$ 20.4 million in 2001 with an annual growth rate of 36%. Exports of processed food and agro-based products were much higher, reaching US\$ 665.6 million in 2011 compared with US\$ 368 million in 2001, with an annual increase of 6.4%.

Despite falling production, sugar cane continues to be the main crop grown in Mauritius, accounting for about 90% of cultivated land and around half of agricultural income.<sup>42</sup> Mauritius is among the top

<sup>41</sup> WTO, TPR Mauritius, WT/TPR/S/198/Rev.1.

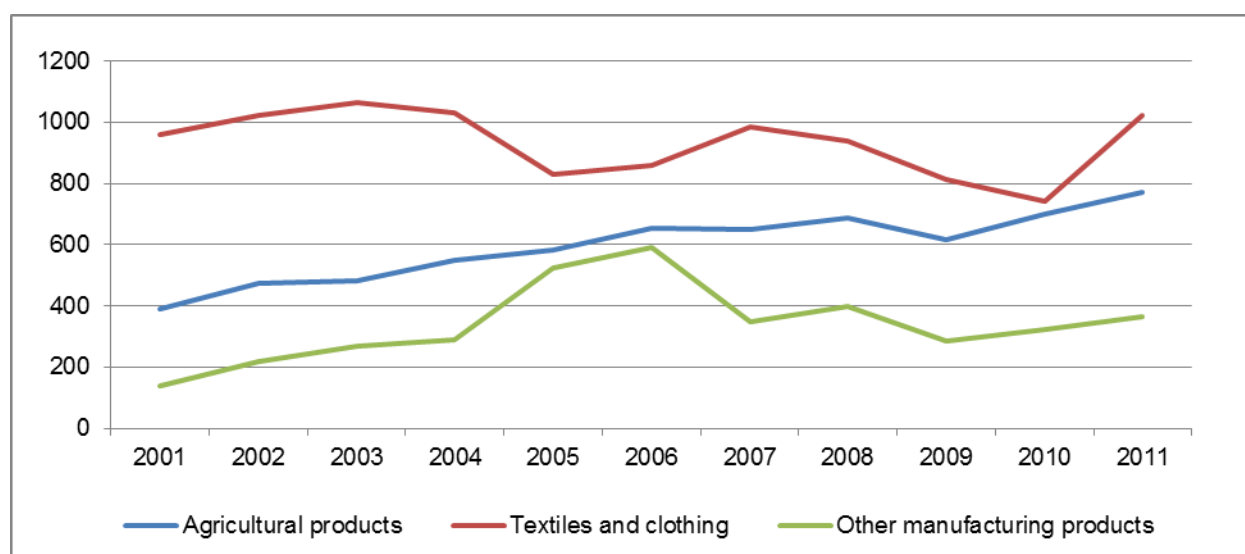
<sup>42</sup> Ibid.



10 largest sugar exporters worldwide, despite its modest contribution to GDP around 3%.<sup>43</sup> Mauritius exports most of its sugar to the European Union, in particular to Italy, Spain, the United Kingdom and France. Mauritius benefits from preferential access to the EU market under various arrangements. These include the Sugar Protocol to the Cotonou Agreement and the Special Preferential Sugar Agreement, which has been replaced by the Complementary Quantity system as of July 2006. The latter had a limited duration of 2008–2009.<sup>44</sup> Mauritius also benefits from preferential access to the US market under US sugar tariff quotas. Mauritius is also benefiting from the SADC Sugar Protocol and GSP schemes.

Other cash crops include tea, tobacco and flowers. Food crops include tomatoes, potatoes, pumpkins and cucumbers. The fisheries subsector remains small, but it is burgeoning.<sup>45</sup>

**Figure 16. Development and composition of Mauritian exports**



**Source:** ITC calculations based on Trade Map data.

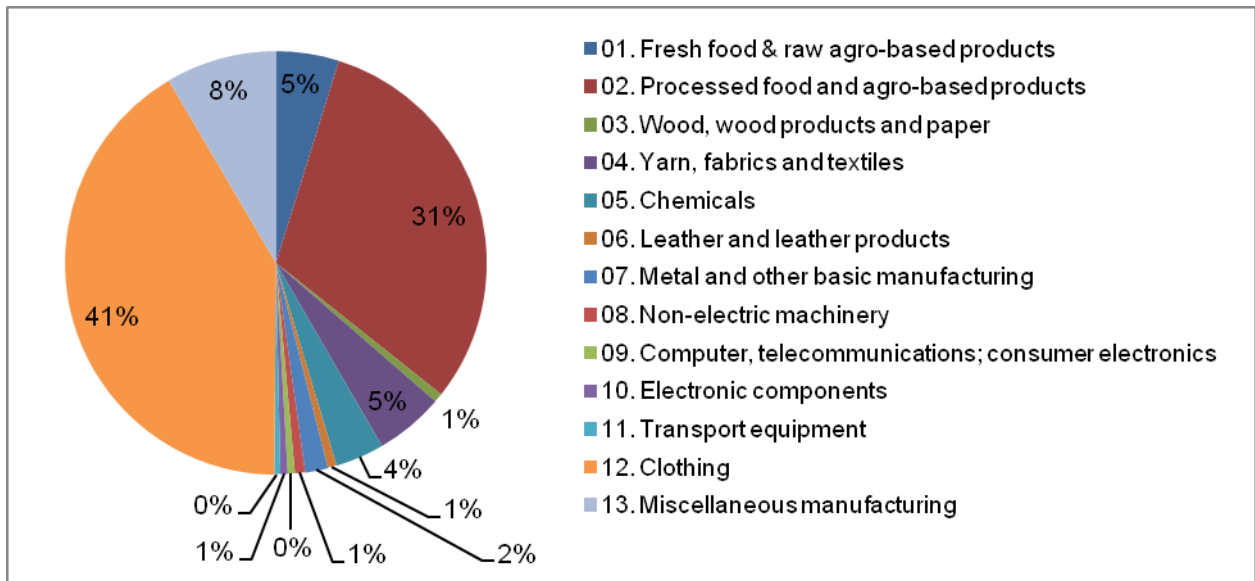
Following the textiles and clothing sector, the agriculture sector dominates the composition of Mauritian exports (Figure 17). Processed agro-food makes up the largest share of agricultural sector exports and accounted for 31% of Mauritian exports in 2011, whereas fresh agro-food accounted for 5%.

<sup>43</sup> Ibid.

<sup>44</sup> Ibid.

<sup>45</sup> Ibid.

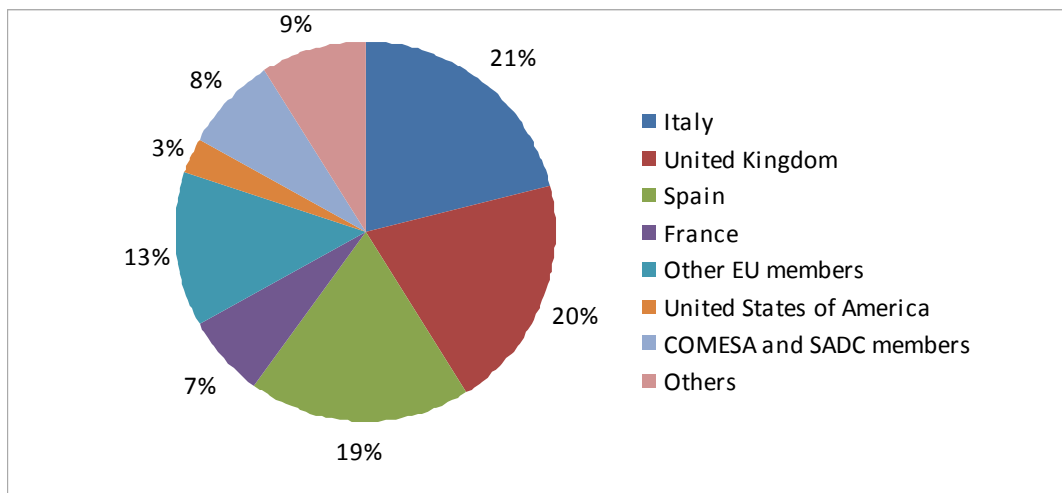
**Figure 17. Mauritian export products, 2011**



Source: ITC calculations based on Trade Map data.

The European Union is the primary market for agricultural products. Most of these exports were destined for Italy accounting for 21% of export value, followed by the United Kingdom and Spain, with shares of 20% and 19%, respectively. This result is due to large exports of sugar cane and the preferential arrangements in these markets. Exports to the United States accounted for 3% of export value. COMESA and SADC members represent another important export destination of Mauritian agricultural products. About 60% of these exports went to Madagascar. This could be explained by the fact that trade between the two countries is on a duty-free basis under the Indian Ocean Commission Agreement (IOC). Around 8% of Mauritian agricultural exports go to South Africa.

**Figure 18. Key markets for agricultural exports, 2011**



Source: ITC NTM survey.

## 5.2. Affected companies

The survey revealed that 45% of companies exporting agricultural products<sup>46</sup> that participated in telephone interviews reported they were affected by measures. Subsequently, 16 companies that said they were affected when exporting participated in face-to-face interviews. The survey also revealed

<sup>46</sup> Including companies which both export and import.

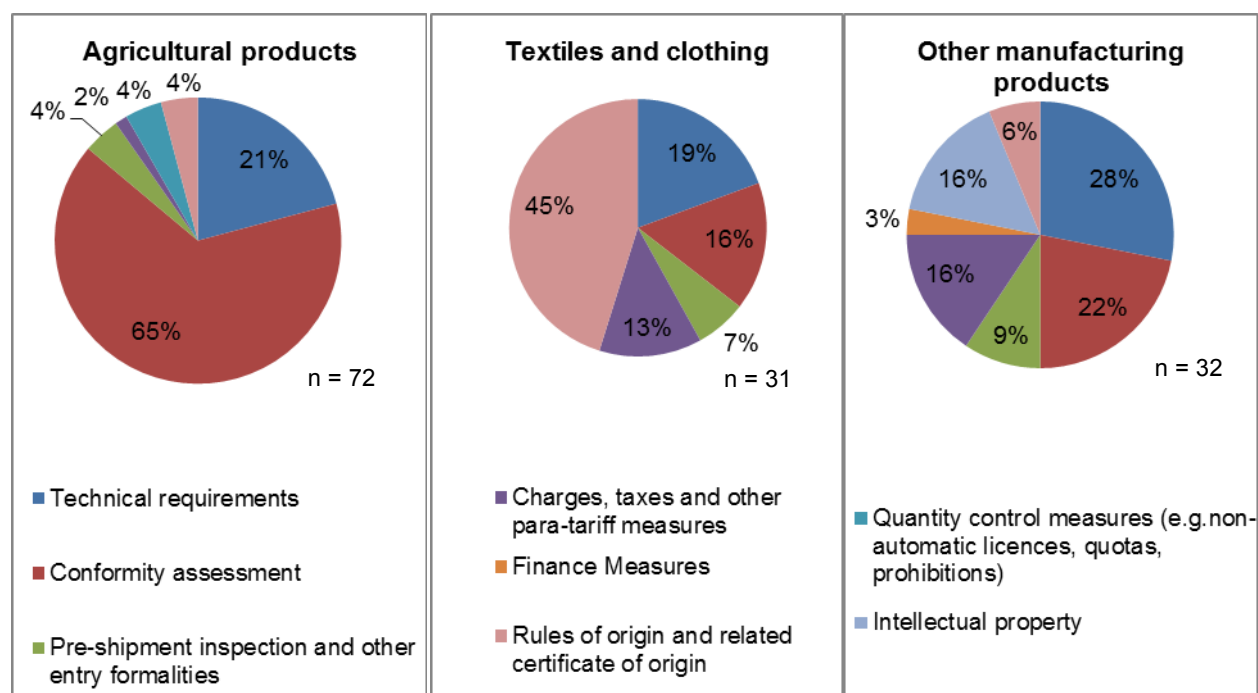
that 49% of companies importing agricultural products were affected by NTMs, compared to 36% of importers on average.<sup>47</sup> In the agricultural sector, 16 affected importing companies participated in face-to-face interviews. The agriculture sector experienced more impact from NTMs when exporting, compared with the shares for clothing and other manufacturing (Figure 19).

Among the burdensome regulations encountered by Mauritian agriculture exporters, 87% were imposed by partner countries (mainly the European Union and COMESA), while only 13% were reported to be applied in Mauritius. Most NTMs reported by exporting companies as applied by partner countries were conformity assessment measures accounting for 65% (47 cases out of 72) of the share (Figure 19), such as product certifications and testing measures. Technical requirements, which include labelling requirements followed at 21%.

All measures deemed burdensome by importers were reported to occur in Mauritius. Similarly, but to a lesser extent compared to partner countries, agriculture importers perceived conformity assessment and technical requirements to be the most burdensome measures applied in Mauritius, accounting for 41% and 37%, respectively (Figure 20).

A detailed analysis shows that the main problem with conformity assessment measures was product certification for both exporters and importers. Other main Mauritian exporting sectors, principally clothing, reported different types of burdensome measures. These will be analysed later in this report.

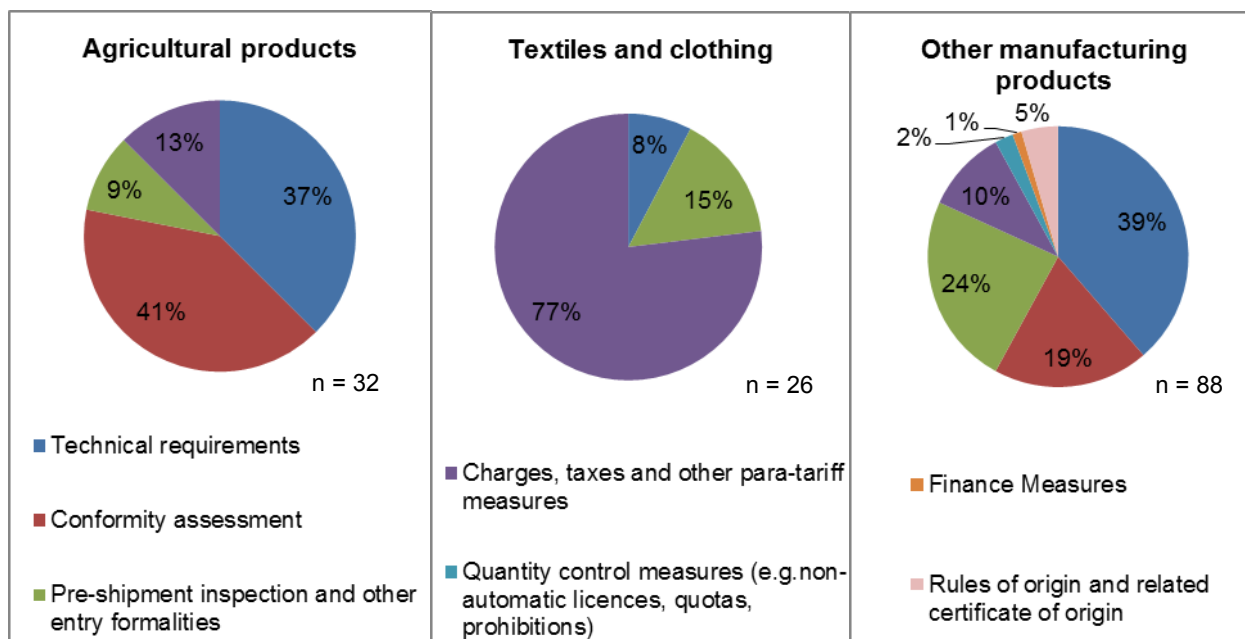
**Figure 19. Non-tariff measures applied by partner countries affecting exports, by main sector**



Source: ITC NTM survey.

<sup>47</sup> Including companies which both export and import.

**Figure 20. Non-tariff measures applied by Mauritian authorities affecting imports, by main sector**



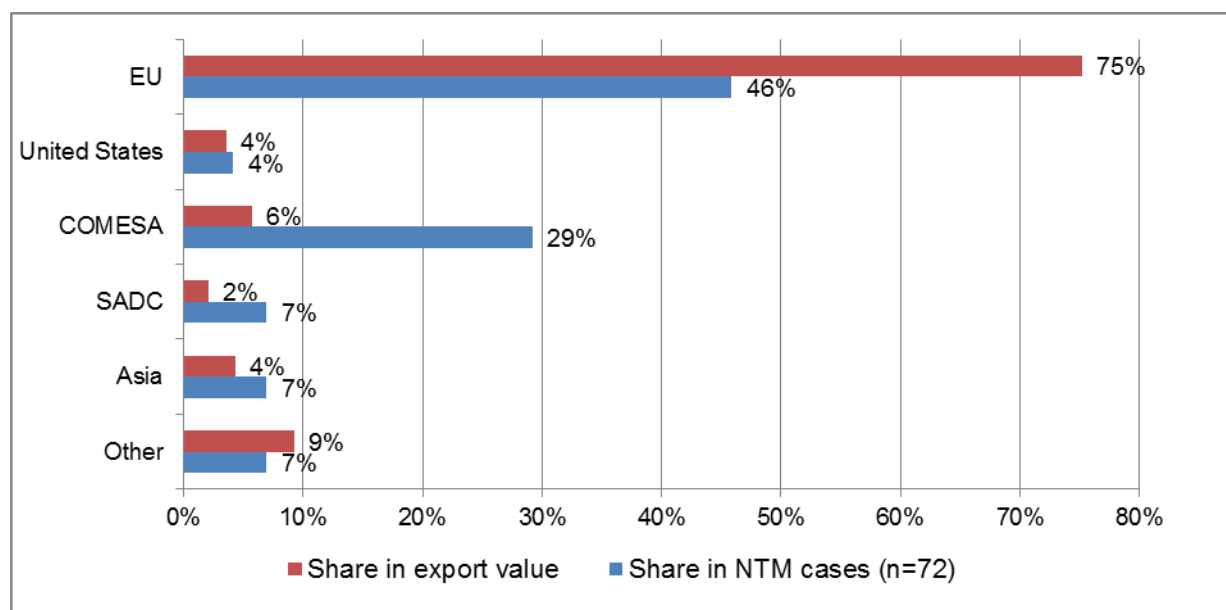
Source: ITC NTM survey.

### 5.3. NTMs affecting agricultural exports, applied by partner countries

Most of the burdensome NTMs applied by partner countries affecting exports in the agricultural sector were in Mauritius' main export markets, namely the European Union. Figures 19 and 21 illustrate the categories of NTMs applied by partner countries in main sectors. The share of Mauritian exports of agricultural products to the EU market accounted for about 75% of total agricultural exports, most of which were the sugar sector. In this market, the share of NTM cases reported to be applied in the sugar sector was 46% (33 out of 72). Given that the survey sampling was random with respect to partner countries, it naturally captured more export trade flows to large markets and thus a greater absolute number of NTMs.<sup>48</sup>

The second largest market impacting Mauritian exports with burdensome NTMs was COMESA. COMESA destinations comprise only 6% of the share of Mauritian agricultural exports, but result in 29% of burdensome NTMs. SADC, Asia and 'other' markets were reported to apply 7% of burdensome measures each.

<sup>48</sup> The survey is stratified by sector and company size, but not by partner country. If the number of companies exporting to the European Union is high in the population of exporting firms, then the number of interviewed companies exporting to these markets will also be high.

**Figure 21. Share of exports and burdensome non-tariff measures applied by main markets to Mauritian agricultural products, 2011**

Source: ITC NTM survey.

### 5.3.1. Conformity assessment measures

About 65% of NTMs applied by partner countries affecting exports of Mauritian agricultural exports

'Testing takes a lot of time. This delays delivery of sanitary and phytosanitary certificates.'

[Exporter of fruits and nuts, ITC NTM survey](#)

were conformity assessment measures. Agricultural exports are logically the most affected by conformity assessment measures compared to exports in other sectors. Food safety and health are tied up with conformity assessment and sanitary and phytosanitary (SPS) policy tools. As a result, it is expected that conformity assessment measures required by partner countries would rank high for agricultural products compared with textile and clothing and 'other manufacturing', where the measure ranks 16% and 22% respectively.

Conformity assessment measures reported in the agricultural sector include testing and product certification, among others. In the case of agricultural exports, most of these NTMs were reported in the fresh fish and preserved fruit sectors (table 7). Exporting companies targeted product certification measures, accounting for 32 cases, 11 cases of testing measures and one case of inspection requirements among others. Some reported certification measures involved requiring HACCP and SPS certificates with fruit exports. However, exporters complained less about the requirement itself, but more about the associated delays to receive certificates and the large number of documents required.

EU countries were primarily reported to be the source of most NTMs in this sector, followed by COMESA countries. For example, France was reported to impose 11 NTMs most of which are testing measures and product certification measures (four cases each), followed by Kenya with nine cases in total, seven of which concern are product certification measures. Germany and Reunion Island were reported to apply four burdensome measures each. In the case of Germany, testing measures were mainly involved, while for Reunion Island, product certification measures were cited. The United States was reported to apply three burdensome testing measures and Madagascar, three product certification measures. These measures were faced primarily while exporting preserved fruits and

'All products need to be tested, but proper equipment is needed, for testing and facilities [in Mauritius] are limited.'

[Exporter of fresh fruits to France, ITC NTM survey.](#)

sugars, molasses and honey (table 7). The destination requires certificates and testing to safeguard health of consumers, and some agriculture exporters agreed that testing is understandable. However, they noted that facilities in Mauritius are limited and the equipment is inappropriate for the required tests. For these cases of fruit, jams and honey destined for France, Germany and the United States, when the equipment is unavailable to meet the test requirements of the destination market, the exporter must send the product to South Africa for testing. Some survey respondents suggested that to resolve this problem the facilities and services at the airport should be improved.

Product certifications were viewed as too strict or difficult to comply with. Associated POs to conformity assessment measures were the large number of documents, delays in administrative processes and arbitrary behaviour of certifying officials in Mauritius, as well as lack of recognition of national certificates in the partner country.

For example, in cases of wheat exported to Mayotte and meat to France, Reunion Island and Kenya, exporters required to obtain SPS certifications complained of POs such as lengthy procedures. This was also the case for sweetened water exported to France and Mayotte.

### 5.3.2. Technical requirements

The share of technical requirements applied by partner countries affecting Mauritian exports in the agricultural sector was 21%, compared to the share of the same measure in textiles and clothing at 19% and 28% in 'other manufacturing'. Technical requirements entail labelling requirements, among others (table 7). Specific measures applied by partner countries included seven cases of labelling requirements (e.g. product labels with information for consumers), two cases of import prohibitions (because of national security, protection of human right, environmental protection or prevention of deceptive practices), two cases of special authorization requirements (because of food-borne risks, disease and pests risks) and one case of problems with storage and transport conditions for agricultural exports. Most of these burdensome measures were reported in the fruits and nuts sector and are identified as other technical requirements. Also, technical requirements were reported as burdensome measures in the cereal preparations sector, similar to conformity assessment burdensome measures, in the sugar, molasses and honey sector (Table 7).

Most labelling requirements were encountered when exporting agricultural products to Kenya (six cases out of seven). France was reported to impose the majority of other technical requirements (three cases out of eight), such as import registration or authorization due to food borne risks, tolerance limits for residues or contamination by certain substances and storage and transport requirements. France was followed by Seychelles with two cases and then Australia, Canada and the United Kingdom with one case for each (table 7). Most of the technical regulations, including labelling requirements, were viewed as too strict or difficult to comply with.

'The Ministry of Health takes time to deliver health certificates and the Ministry of Fisheries takes too long to issue the export authorization.'

Exporter of dried, salted, smoked fish, ITC NTM survey

### 5.3.3. Other import-related measures

Fish products were impacted by quotas and rules of origin measures (three cases each, table 7). With respect to fish, dried, salted or in brine and smoked fish destined for France, Reunion Island and the United Kingdom, rules of origin certificates issued by the Ministry of Health and Ministry of Fisheries were identified associated with delays of two days for each ministry. Exporters of prepared or preserved tuna, skipjack and Atlantic bonito (under the fish, crustaceans, molluscs and other aquatic invertebrates category) complained about quotas imposed by France, Italy and Spain (table 7). These quotas involve an export derogation which is a quota allocated to various countries by the European Union. The Mauritius Export Association (MEXA) negotiates the quota with the European Union every year. The complaint was that the deadline to meet the requirements is too short.

## 5.4. Non-tariff measures affecting exports, applied by Mauritius

The survey revealed that Mauritian authorities applied burdensome NTMs that affected agricultural exports. However, there were very few compared to those applied by partner countries. The total

number of these measures applied in Mauritius was 11 cases compared to 72 in partner countries. Most of these measures were certifications required by the exporting country (three cases), export quotas (three cases) and licensing or permit to export (two cases), see table 9. Other measures applied by Mauritius unrelated to requirements in the destination country included other export quantitative restrictions and export taxes and charges.

#### 5.4.1. Certification required by the exporting country

Mauritian authorities were reported to require export certifications for exports of fruit, as well as preserved and fruit preparations (excluding fruit juices). The exports were destined for Australia, France, Japan, United Arab Emirates and the United Kingdom. Specifically, complaints were difficulty to meet MSB criteria for HACCP certifications and by the National Plant Protection office criteria for SPS certifications. In addition, long delays in testing and issuance of the certifications, large number of documents, arbitrary behaviour of officials, numerous administrative windows/organizations involved and other obstacles were POs cited (table 10). Exporters also reported certification requirements for milk, cream and milk products other than butter and cheese (namely yogurt), spices, fish, crustaceans, molluscs and other aquatic invertebrates, sugar confectionery, cereal preparations, alcoholic beverages and feeding stuff for animals (table 9). These measures were reported to be burdensome due to POs such as delay in administrative procedures and numerous administrative windows/organizations (tables 9 and 10).

#### 5.4.2. Export quotas, licences, permits

'The export permit procedure takes longer than before, three days instead of one, resulting in delay of shipments.'

Exporter of wheat or meslin flour, ITC NTM survey

Export quotas applied by Mauritian authorities were reported as burdensome NTMs impacting agricultural exports in three cases. These measures were reported to be burdensome due to POs (table 11). This is no surprise as these products have been designated as strategically important for Mauritius (see box 1). Licensing or permits to export were reported as burdensome NTMs applied by Mauritian authorities impacting agricultural exports in two

cases. Mauritius authorities were reported to require licensing or permit to export for exports of fish and meal, and flour of wheat and flour of meslin. These measures were reported to be burdensome due to POs (table 11). Wheat exporters found that their permits for exports to Mayotte, Madagascar and Seychelles were held up at the Ministry of Commerce for three days instead of the promised one day. As in the case for export quotas, products subject to export licences or permits are designated of strategic importance.

Mauritian ornamental fish firms sustained robust exports to Canada; Chinese Taipei; Germany, Ghana; Hong Kong, China; Japan; Republic of Korea and the United Kingdom. Companies reported burdensome export licensing requirements, together with difficulty to obtain veterinary certifications. Complaints primarily concerned delays of between three to seven days to obtain authorization and inconsistent, arbitrary behaviour of officials.

**Box 1: Main documents for export**

**Invoice:** An invoice is a commercial document issued by a seller to the buyer, indicating the products, quantities, weight and agreed prices for products or services the seller has provided the buyer.

**Packing list:** A packing list is prepared by the seller and commonly includes all the details of the package contents, i.e. number of packages, carton numbers, net weight and gross weight. It may or may not include customer pricing.

**Bill of lading:** A bill of lading, sometimes referred to as a BOL or B/L, is a document issued by a carrier, e.g. a ship's master or by a company's shipping department, acknowledging that specified goods have been received on board as cargo for conveyance to a named place for delivery to the consignee who is usually identified.

**Bill of entry:** A bill of entry, also known as the Single Goods Declaration, is the electronic declaration accepted and assigned with a number by customs. It is proof that goods have been received for export and/or import. A bill of entry shows the description and quantity of the goods.

**Insurance certificate** (if applicable): An insurance certificate is a representation of the insurance policy taken out by the buyer or the seller (depending on the Incoterms) for a shipment.

**Certificate of inspection** (if applicable): A certificate of inspection is required by some importers and/or importing countries. It is a certificate issued by an independent third party attesting the condition of cargo prior to or after the unloading.

**Certificates of origin** (if applicable): Certificates of origin, or COs, traditionally state from what country the shipped goods originate. 'Originate' in a CO refers to the country where the goods are actually made. A preferential certificate of origin is a document attesting that goods in a particular shipment are of a certain origin under the definitions of a particular bilateral or multilateral trade agreement.

This certificate is required by a country's customs authority to enable it to decide whether the imports should benefit from preferential treatment according to specific trading areas, such as COMESA or SADC. It also enables customs to determine whether anti-dumping taxes should be enforced.

**Export permits** (if applicable): Exports of almost all items can be conducted freely except for a few controlled items for which export permits are required. More information on the procedures and documentation for the application for an export permit on the items listed below can be obtained from the Commerce Division of the Ministry of Industry.

**H.S. code description**

01.01-01.06 – Live animals (all species including birds).

02.01.-02.10 – Meat and edible meat offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies (fresh, chilled, frozen).

07.01-07.12 – Vegetables (fresh and dried).

09.10 – Spices (ginger, saffron, turmeric and other spices classified under H. S. Code 09.10).

10.06 – Rice.

11.01 – Wheat or meslin flour.

16.02 – Other prepared or preserved meat, meat offal or blood.

17.01 – Sugar.

17.04 – Sugar confectioneries and products with sugar content.

20.09 – Fruit juices.

Note: While not on this list, HS03 for fish is also subject to export permits.

Source: Excerpted from [www.mcci.org/trade\\_procedures\\_export.aspx#EX](http://www.mcci.org/trade_procedures_export.aspx#EX)

**5.5. Procedural obstacles and inefficiencies affecting exports**

POs restrict trade between countries and deepen the impact of NTMs by restricting trade flows. However, POs and NTMs do not necessarily occur in the same country as one of them could be



imposed by an importing country, while the other by exporting country. Inefficiencies in the TBE refer to generic issues that do not relate to specific regulations, but also affect company trade flows.

Companies reported 52 cases of POs and TBEs that occurred in Mauritian institutions and agencies (table 12). Agricultural exporters must deal with a significant number of institutions in Mauritius. These include airports of Mauritius, Mauritius Standard Bureau, Ministry of Health, Customs, Ministry of Fisheries, Mauritius Sugar Syndicate, Ministry of Commerce, Embassies of trading partners in Mauritius, SGS S.A. (formerly Société Générale de Surveillance – a private entity),<sup>49</sup> Ministry of Agro-Industry and Food Security, Air Mauritius and National Plant Protection office. Most of domestic POs reported in the agricultural sector were delays in administrative procedures (about 31%). These delays occurred mainly at the Ministry of Fisheries and Ministry of Health with four cases for each, followed by two cases that occurred in each of the Mauritius Sugar Syndicate and the Mauritius Standard Bureau. Delays were cited in the procedure for completing a Bordereau de Suivi Cargaison (BSC) or cargo tracking note for yogurt and wheat exports to Madagascar took too long and was difficult. Some countries in Africa, including Madagascar, require a BSC.<sup>50</sup>

'A [cargo tracking note] must be completed by the shipper after vessel departure. The procedure is long and difficult. The website always has problems.'

Exporter of yogurt and wheat to Madagascar, ITC NTM survey

Limited or inappropriate facilities (e.g. storage, cooling, testing, fumigation) were reported as POs/TBEs in 11 cases. Most occurred at the Ministry of Health (nine cases). Other inconsistent or arbitrary behaviour of officials was reported as POs/TBEs in 10 cases, nine of which occurred at the Ministry of Fisheries.

Thirty-six cases of POs and TBEs were reported in partner countries. Similar to the majority of POs that occurred in Mauritian institutions, delay in administrative procedures registered 25% of total obstacles applied in partner countries. These restrictive obstacles to trade were encountered in COMESA trading partners, namely: Kenya (six cases), Madagascar (one case) and Zimbabwe (two cases). Also reported were the large number of different documents required for exporting Mauritian agricultural products to France, Mayotte and Reunion Island (seven cases). Lack of recognition, e.g. of national certificates, were reported in France (two cases), Mayotte (two cases) and Reunion Island (two cases).

## 5.6. Non-tariff measures and other obstacles affecting imports

The survey revealed that 49% companies importing agricultural products were affected by burdensome NTMs, compared to 36% of importers on average (table 12). Most of these cases were reported while importing crude animal materials, spices and cereal preparations with four cases for each of these three sectors. The type of NTMs applied by Mauritian authorities varied among different sectors. The majority of burdensome measures were difficulties in meeting the requirements of product certification (nine cases), followed by six cases of other technical requirements and four cases of each of import authorization and registration requirements, as well as charges, taxes and other para-tariff measures.

However, eight cases of NTMs applied by Mauritian authorities reported by importing companies of agricultural products were considered too strict and too difficult to comply with (table 13). Most of these cases were import authorization and registration requirements (three cases), followed by other technical requirements reported in two cases. Twenty-four NTM cases were reported to be burdensome due to POs. The majority were product certifications (eight cases) associated with other inconsistent or arbitrary behaviour of officials and delay in administrative procedures.

Delay in administrative procedures was reported twice as associated POs and inconsistent classification of products and other inconsistent or arbitrary behaviour of officials were reported once

<sup>49</sup> SGS provides inspection, verification, testing and certification services. With more than 59,000 employees, SGS operates out of more than 1,000 offices and laboratories around the world.

<sup>50</sup> See <http://shippingandfreightresource.com/2010/10/19/cargo-tracking-note-what-is-it/>

each. Other technical requirements were reported twice. Numerous administrative windows/organizations and delays in administrative procedures were identified as types of associated POs (see table 14).

## 5.7. Summary and policy options

### 5.7.1. Summary

Burdensome NTMs were reported to affect about 25% of surveyed exporting and importing companies in the agricultural sector. Twenty-seven out of 55 companies that participated in telephone interviews reported they were impacted by export obstacles. The most frequent NTMs applied by partner countries were conformity assessment accounting for 65%, followed by technical requirements accounting for 21% of burdensome NTMs. Similarly, conformity assessment was reported to be the most burdensome measures applied by Mauritian authorities for importers, accounting for 41%.

The survey revealed that most of the burdensome NTMs applied by partner countries affecting exports in the agricultural sector were in its main export market, the European Union. The share of NTM cases applied by the European Union was 46%, mainly in the sugar sector. The European Union is considered to be the most restrictive market for Mauritian agricultural products, followed by COMESA. The number of reported burdensome NTMs accounted for 6% of exports of agricultural products, but 29% of burdensome NTMs. The US' share was 4%. COMESA, SADC and Asian markets are all considered to be restrictive markets for agricultural exports as the share of burdensome NTMs exceeded the share of agricultural exports in each of these markets.

Mauritian authorities applied burdensome measures that affected 11 exporters in the agricultural sector. These measures were largely certifications and some export permits required by the importing country. Others were export quotas and licensing or permits to export imposed by Mauritius. Companies reported 52 cases of POs and TBEs that occurred in Mauritian institutions and agencies; 36 cases of POs and TBEs were reported to occur in partner countries, which were mainly delays in administrative procedures.

On the import side, companies faced NTMs applied by Mauritian authorities, affecting the animal materials, spices and cereal preparation sectors. NTMs included product certification measures, other technical requirements, import authorization and registration requirements, charges, taxes and other para-tariff measures.

### 5.7.2. Policy options – overview

Policy options suggested in this report are not intended to serve as the only ones available or expected to be considered. These options are intended to stimulate further discussion among authorities and stakeholders.

Most of the impact found in these survey results for agriculture settles on NTMs and POs/TBEs associated with conformity assessment measures and technical requirements. More can be done to increase recognition of NTMs, develop adequate facilities and services to increase accreditation in the destination markets and reduce delays and complications related to required documentation. The most reported NTMs to affect Mauritian agricultural exporting companies were conformity assessment and technical requirement measures. This could mean that there is a difficulty in demonstrating compliance with standards applied by importing countries. It could mean that there is a lack of adequate domestic testing and certification procedures in Mauritius.

The literature has shown that for developing countries dependent on traditional agricultural exports to weather the shift away from preferences and to navigate the myriad standards confronting their trade, they must become more competitive, especially in non-traditional agriculture exports. Developing countries, including Mauritius, are expanding their agribusiness and branding capacity by investing in value added products.<sup>51</sup> Importing destinations, mainly developed countries, must address consumer

---

<sup>51</sup> Kandeh K. Yumkella, Patrick M. Kormawa, Torben M. Roepstorff, Anthony M. Hawkins, (Eds.), *Agribusiness for Africa's Prosperity*, United Nations Industrial Development Organization, p.40-41 and 123, May 2011.

perceptions of risk. The recent number of food scares around the world does not alleviate the challenges facing developing countries.

A lack of harmonized SPS requirements across destination markets and the emergence of private standards are the most common and important NTMs to address in agriculture. As one observer noted, '[T]he safety component now forms an integral part, together with price and basic quality, of the competitiveness bundle determinants.'<sup>52</sup>

### 5.7.3. Domestic action

#### Non-tariff measures

Mauritius has gradually developed high value agri-food exports and steered away from dependency on the sugar sector. Particularly targeted are sectors such as fish products, processed meat, fruits and vegetables and flowers. Mauritius is already ranked high in terms of initiatives to reduce barriers to its core export sectors, namely clothing and agriculture. For example, the World Bank's 2012 Doing Business ranking for Mauritius is 23 out of 183. Where sugar and clothing no longer enjoy reduced or eliminated guaranteed market share through preferential quotas – and in the case of sugar, guaranteed prices – the government and enterprises must continue to carefully examine policy options to reduce impediments to trade.

In June 2011, ITC held a joint workshop with the International Organization for Standardization (ISO) on linking trade promotion organizations and national standards bodies for export success. MSB presented a paper<sup>53</sup> that highlighted developments in Mauritius to certify based on HACCP and other standards. In addition, MSB pointed out that only seven MSB laboratories were ISO/IEC 17025 accredited, which has become a major issue for exporters. A project to have all MSB laboratories accredited was announced. Follow-up work may be required either with ITC or by the government to verify that all laboratories are accredited and functioning with proper facilities.

At the workshop MSB pointed out that it is losing market share in the textiles and clothing area. This is because many Mauritian exporting companies have established quality control laboratories in-house that have been bilaterally recognized by overseas purchasers. It was also acknowledged, as reported in these survey results, that another constraint is the lack of facilities to maintain and repair laboratory equipment. MSB acknowledged complaints by companies that sometimes equipment must be shipped to South Africa or Singapore for maintenance. This is not only costly, but results in long periods of unavailability of the equipment and delays.

MSB announced that it had established a National Food Safety Management System Certification scheme in collaboration with an Australian company, which is facilitating the certification of a number of food exports.

As indicated in the survey results, more can be done to reduce burdens and obstacles encountered by companies. Even if Mauritius and other developing countries buttress SPS compliance, including laboratory and accreditation mechanisms, the issue of plant, fruit and vegetable pests crossing borders needs to be addressed. The safe use of pesticides poses challenges when complying with requirements in destination markets.<sup>54</sup> Similarly, fish and fishery products standards in destination markets increasingly focus on hygiene at fish landing sites and processing facilities, as well as regulatory control of fish safety.<sup>55</sup>

To support the increasingly competitive fisheries industry, Mauritius has accelerated efforts to enhance the sector through investing in aquaculture initiatives and developing an exclusive economic zone (EEZ) for fisheries.<sup>56</sup> The EEZ has adequate stock of fish varieties, including pelagic and

---

<sup>52</sup> Harris Neeliah and Shalini Amnee Neeliah, 'The changing agri-food export composition: strategic options for sanitary and phytosanitary (SPS) compliance in Mauritius', *International Conference on International Trade and Investment*, 19-21 December 2011; p. 4.

<sup>53</sup> M.Y. Foondun, Head of Quality Assurance Division, Mauritius Standards Bureau. 'Mauritius Country Paper', workshop, Linking Trade Promotion Organisations and National Standards Bodies, 21-23 June 2011, Dar-es-Salaam, Tanzania.

<sup>54</sup> Ibid, p. 5.

<sup>55</sup> Ibid.

<sup>56</sup> FAO, Mauritius Fishery Country Profile. <http://www.fao.org/fi/oldsite/FCP/en/MUS/profile.htm>

demersal species. Artisanal fisheries (lagoon and off-lagoon) are also harvested. The fish aggregating devices fishery (off-lagoon), the offshore demersal fishery off the Mascarene Plateau and the Chagos Archipelago banks, and the tuna fishery in the industrial fisheries Western Indian Ocean zone are the bedrock of Mauritius fishery developments. To harness diversification and development of Mauritian natural agricultural resources in the fish sector, the Ministry of Fisheries established the Seafood Hub as a joint private sector one-stop-shop to facilitate administrative and other services across the value chain.<sup>57</sup>

Mauritian experts in this area have suggested that for Mauritius to maintain its competitive advantage in fish it should not rely solely on scale and competitive prices, but also target food safety determinants of competitiveness.<sup>58</sup> This entails local producer involvement to upgrade production and adopting the new farm-to-table concept, which introduces a systematic preventative approach to increase food industry responsibility. In addition, there should be greater investment in the preparation and implementation of codes of practice for GAP, Good Manufacturing Practices, traceability, HACCP and ISO 22000.<sup>59</sup>

Government can help exporters understand that compliance with SPS measures is a competitive tool and provide information about regulatory changes in destination markets. To address costs, Mauritian agricultural exporters could consider group certifications. Government could also assist with training farmers to meet GAP certification and analyses of chemical residue by accredited laboratories. Increasingly, consumers are putting value on the level of compliance and are willing to pay for it. Sustainable improvements in hygiene and food safety controls must be followed across the Mauritian supply chain linked to proactive analysis of emerging requirements in target markets. This would also enhance Mauritian export competitiveness.

This requires information on upcoming regulatory changes, especially in key markets such as the European Union. It is also important to keep pace with challenges from private standards.<sup>60</sup> Establishing an Agri-Food Export Promotion Agency in Mauritius might help in that regard. However, unlike other countries surveyed, private standards did not stand out in the results for Mauritius. In addition to bolstering industry competitiveness through compliance with accepted SPS practices, the government is watching upcoming technical barriers to trade (TBT) measures that might impact on its niche shrimp processing subsector. For example, recently Mauritius proactively engaged the European Union on its proposed Regulation (EC) No. 889/2008 laying down detailed rules for implementing Council Regulation (EC) No. 834/2007 on production and labelling of organic products.

#### **Procedural obstacles and trade-related business environment issues**

To address POs and other TBEs identified in the survey results, the government could carefully examine specific complaints about delays in particular agencies. The government could also investigate how to address complaints concerning documentation and delays. The inefficiencies may not be due to the number of documents required, but the processing practices. For example, some government agencies are blamed for delays in delivering certifications required by destination markets. But the government could be trying to ensure compliance with the destination country to facilitate getting the product to market.

#### **5.7.4. International action**

Countries such as Mauritius have tried to proactively respond to new regulations implemented in developed country destination markets. However, as developing countries increase compliance with standards, especially WTO SPS, new and more stringent conformity assessment and technical requirements are implemented without regard to the capacity of developing countries to comply and

<sup>57</sup> <http://fisheries.gov.mu/English/Departments/Seafood%20Hub/Documents/The%20Seafood%20Hub.pdf>. The EEZ is about 1.9 million km<sup>2</sup>, with an extended Continental Shelf area of 396,000 km<sup>2</sup> shared jointly by Mauritius and Seychelles. However, the shelf is limited around the islands except for larger shelf areas on certain banks to the far north. The lagoon area around the main island of Mauritius is 243 km<sup>2</sup>.

<sup>58</sup> Harris Neeliah and Shalini Amnee Neeliah, 'The changing agri-food export composition: strategic options for sanitary and phytosanitary (SPS) compliance in Mauritius', *International Conference on International Trade and Investment*, 19-21 December 2011; p. 24-25.

<sup>59</sup> Ibid.

<sup>60</sup> Ibid.

thus maintain their export competitive advantage.<sup>61</sup> Debate in the WTO SPS Committee concerning the proliferation of trade concerns has escalated. In the past, developing countries tended to rely on traditional trade among themselves. Standards were based on traditional processing methods. However, as developing country destination markets are required to comply with WTO and other institutional membership standards, the traditional methods and standards are no longer acceptable, which affects traditional regional supply chains.

To address lack of recognition and testing standards, Mauritius could aggressively pursue accreditation and recognition of its testing and certification procedures in primary destination markets. In addition to implementing WTO SPS standards, Mauritius implements World Organisation for Animal Health (OIE), CAC and International Plant Protection Convention (IPPC) standards. Mauritius has also participated in agriculture-relevant ISO Technical Committees. Some policy options to enhance Mauritian efforts include strengthening its SPS infrastructure to ensure export competitiveness across all actors in the supply chain, which would enable exporters to meet requirements in destination markets in Europe. Two observers suggest the following steps that could improve government facilitation of meeting standards in partner countries and improving the TBE:<sup>62</sup>

- Develop a national food control strategy and comprehensive food legislation covering food safety from farm-to-fork;
- Establish unified enforcement practices;
- Accredite official laboratories;
- Adopt a preventative approach and transparency;
- Separate the functions of risk assessment from risk management;
- Delineate responsibilities for food safety control.

In addition, Mauritius could become more active in the WTO SPS Committee and other bodies to make its voice heard with respect to harmonization of standards in destination markets to lessen the burdensome impact of measures to facilitate the flow of exports.<sup>63</sup> One company suggested that burdensome measures could be negotiated with Mauritian trading partners under new or existing trade agreements.

Regarding COMESA partners, Mauritius could enter into aggressive discussions bilaterally or within COMESA to find solutions. COMESA has already stepped up its initiatives to address non-tariff barriers (NTBs), including creating a database to track specific complaints by traders. However, since the survey results identify a high incidence of problems with Kenya, it might be prudent to first address the issues bilaterally. In particular, recognition issues can be discussed and agreed upon.

---

<sup>61</sup> World Bank, *Food Safety and Agricultural Health Standards: Challenges and Opportunities for Developing Country Exports Poverty*, 2005.

<sup>62</sup> Neeliah and Neeliah, p. 23.

<sup>63</sup> Ibid, p. 24.

## Box 2: A changing landscape

The two major agricultural are the sugar and non-sugar industries. The sugar subsector includes cane plantation and sugar manufacture, while the non-sugar subsector includes tea, tobacco, flower growing, fishing, food crop and animal production. Mauritius will no longer be able to maintain its preference margin on its export markets under the Sugar Protocol and will thus be compelled to compete with the large, low-cost suppliers on the international market such as Argentina, Brazil, India, Zimbabwe and others.

Over the years, the agricultural sector has witnessed many changes, including:

- Emergence of small and medium enterprises in the food processing sector, adding value to local produce;
- Rise of several farmer organizations;
- Recourse to paid services of external consultants by individual growers/processors;
- Emergence of post harvest management;
- Contracts to supply to hotels;
- Opening of several super and hypermarkets, all carrying a fresh vegetable/fruit section, which calls for new marketing arrangements;
- Emergence of new consumption patterns (more processed food, fast foods and quality foods);
- Adoption by several growers of hydroponic production of vegetables, e.g. tomatoes, sweet pepper, cucumbers); protected cultivation of ornamentals; and fruits (strawberries);
- Use of biotechnological tools for to improve crops and diagnose disease.

Agricultural commodities produced at lower prices in other producer countries will compete with local production both for domestic and export markets. Mauritius, a vulnerable island state, will have a relatively difficult time cutting the cost of production to compete with large producer countries that have a comparative advantage.

**Source:** Excerpted from Situation Analysis of Agricultural Research and Training in the SADC Region, (Mauritius) FANR Directorate, SADC Secretariat; and European Commission, July 2008.

**Table 7. Agricultural product exports, burdensome non-tariff measures applied by partner countries**

Affected products	Export value in 2011, 000\$	Share of exports in this sector (%)	Technical requirements		Conformity assessment			Pre-shipment inspection	Internal taxes and charges levied on imports	Quotas allocated to exporting countries	Rules of origin and related certificate of origin	Total
			Labelling requirements	Other technical requirements	Testing	Product certification	Other conformity assessment requirements					
Live animals other than animals of division 03	23 245	3%				1						1
Fish, fresh (live or dead), chilled or frozen	55 148	7%				8						8
Fish, dried, salted or in brine; smoked fish (whether or not cooked before or during the smoking process); flours, meals and pellets of fish, fit for human consumption	936	0%		1		3					3	7
Milk and cream and milk products other than butter or cheese	2 506	0%				1						1
Sugars, molasses and honey	304 532	40%		3	3		1	1				8
Fruit and nuts (not including oil nuts), fresh or dried	4 757	1%		4	1	1						6
Meal and flour of wheat and flour of meslin	10 372	1%				2						2
Other cereal meals and flours	660	0%				1						1
Meat and edible meat offal, prepared or preserved, n.e.s.	268	0%			1	4	1					6
Fish, crustaceans, molluscs and other aquatic invertebrates, prepared or preserved, n.e.s.	277 558	36%								3		3
Sugar confectionery	2 401	0%	2			2						4
Chocolate and other food preparations containing cocoa, n.e.s.	264	0%	1			1						2
Cereal preparations and preparations of flour or starch of fruits or vegetables	11 664	2%	3			3						6
Fruit, preserved and fruit preparations (excluding fruit juices)	195	0%			6	1	1					8
Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter	152	0%	1			1						2
Non-alcoholic beverages, n.e.s.	7 341	1%				3			1			4
Alcoholic beverages	7 546	1%					1	2				3
Other agricultural products	60 012	8%										
<b>Total</b>	<b>769 557</b>	<b>100%</b>	<b>7</b>	<b>8</b>	<b>11</b>	<b>32</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>72</b>
Partner country applying burdensome NTM (number of cases)			Kenya (6), South Africa (1)	Australia (1), Canada (1), France (3), Seychelles (2), United Kingdom (1)	France (4), Germany (3), Kenya (1), United States of America (3)	Hong Kong, China (1), Japan (1), Kenya (7), Republic of Korea (1), Madagascar (3), Chinese Taipei (1), Oman (1), South Africa (1)	France (3), Kenya (1)	China (1), Kenya (2)	Seychelles (1)	France (1), Italy (1), Spain (1)	France (1), United Kingdom (1), Reunion Island (1)	

Source: ITC NTM survey

**Table 8. Export of agricultural products, non-tariff measures applied by partner countries and reasons making them burdensome**

Type of NTM	Number of NTM cases too strict/difficult to comply with	Number of NTM cases burdensome due to PO	Type of associated POs	Number of PO cases in Mauritius	Number of PO cases in partner country
Labelling requirements	7	.		.	.
Other technical requirements	4	4	F1. Limited/Inappropriate facilities, e.g. storage, cooling, testing, fumigation	1	.
			G1. Low security level for persons and goods	1	.
Testing	.	11	C2. Other inconsistent or arbitrary behaviour of officials	.	2
			A5. Numerous administrative windows/organizations involved	.	1
			F1. Limited/Inappropriate facilities, e.g. storage, cooling, testing, fumigation	10	.
Product certification	7	25	A1. Large number of different documents	.	7
			A2. Documentation is difficult to fill out	.	2
			B1. Information is not adequately published and disseminated	.	2
			C2. Other inconsistent or arbitrary behaviour of officials	8	.
			D1. Delay in administrative procedures	2	6
			F3. Technological constraints, e.g. information and communication technologies	.	2
			H5. Lack of recognition, e.g. of national certificates	.	6
Other conformity assessment requirements	4	.		.	.
Pre-shipment inspection	1	2	A4. Large number of checks, e.g. inspections, checkpoints weighbridges	.	1
			D1. Delay in administrative procedures	1	.
Internal taxes and charges levied on imports	1	.		.	.
Quotas allocated to exporting countries	.	3	D3. Deadlines set for completion of requirements are too short	3	.
Rules of origin and related certificate of origin	.	3	D1. Delay in administrative procedures	3	.
<b>Total</b>	<b>24</b>	<b>48</b>		<b>29</b>	<b>29</b>

Source: ITC NTM survey.



**Table 9. Agricultural exports, non-tariff measures applied by Mauritian authorities**

Affected products	Export value in 2011, 000\$	Share of exports in this sector	Certification required by the exporting country	Other export technical measures	Export quotas	Licensing or permit to export	Other export quantitative restrictions	Export taxes and charges	Total
Live animals other than animals of division 03	23 245	3%					1		1
Fish, fresh (live or dead), chilled or frozen	55 148	7%				1			1
Milk and cream and milk products other than butter or cheese	2 506	0%	1		1				2
Meal and flour of wheat and flour of meslin	10 372	1%				1			1
Fruit, preserved, and fruit preparations (excluding fruit juices)	195	0%	2	1					3
Non-alcoholic beverages, n.e.s.	7 341	1%			1				1
Alcoholic beverages	7 546	1%						1	1
Feeding stuff for animals (not including unmilled cereals)	20 741	3%			1				1
Other agricultural products	642 463	83%							
<b>Total</b>	<b>769 557</b>	<b>100%</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>11</b>

Source: ITC NTM survey.

**Table 10. Agricultural exports, types of non-tariff measures applied by Mauritius and reasons making them burdensome**

Type of NTM	Number of NTM cases too strict/difficult to comply with	Number of NTM cases burdensome due to PO	Type of associated POs	Number of PO cases in Mauritius
Certification required by the exporting country	.	3	A1. Large number of different documents	1
			A5. Numerous administrative windows/organizations involved	1
			C2. Other inconsistent or arbitrary behaviour of officials	1
			D1. Delay in administrative procedures	1
			I1. Other obstacles	1
Other export technical measures	.	1	D1. Delay in administrative procedures	1
Export quotas	.	3	B1. Information is not adequately published and disseminated	1
			D1. Delay in administrative procedures	2
			E1. Unusually high fees and charges	1
Licensing or permit to export	.	2	C2. Other inconsistent or arbitrary behaviour of officials	1
			D1. Delay in administrative procedures	2
Other export quantitative restrictions	1	.		.
Export taxes and charges	1	.		.
<b>Total</b>	<b>2</b>	<b>9</b>		<b>13</b>

Source: ITC NTM survey.

**Table 11. Agricultural products exports, procedural obstacles and trade-related business environment issues**

PO or TBE issue	Number of PO/TBE cases reported		
	In Mauritius and agencies involved, if specified		In partner countries
A1. Large number of different documents	2 Airports of Mauritius (1), Mauritius Standard Bureau (1)	7	Mayotte (2), France (2), Madagascar (1), Reunion Island (2)
A2. Documentation is difficult to fill out		2	Madagascar (2)
A4. Large number of checks (e.g. inspections, checkpoints weigh bridges)		1	China (1)
A5. Numerous administrative windows/organizations involved	1 Ministry of Health (1)	1	Kenya (1)
B1. Information is not adequately published and disseminated	2 Not specified (2)	2	Madagascar (2)
C1. Inconsistent classification of products	1 Customs (1)		
C2. Other inconsistent or arbitrary behaviour of officials	10 Ministry of Fisheries (9), Ministry of Health (1)	3	Madagascar (1), Seychelles (2)
D1. Delay in administrative procedures	16 Airports of Mauritius (1), Mauritius Standard Bureau (2), Mauritius Sugar Syndicate (2), Ministry of Commerce (1), Ministry of Fisheries (4), Ministry of Health (4), Oman Embassy (1), SGS (1)	9	Kenya (6), Madagascar (1), Zimbabwe (2)
D3. Deadlines set for completion of requirements are too short	3 Not specified (3)		
E1. Unusually high fees and charges	2 Not specified (1), Sea Food Hub (1)	1	Madagascar (1)
E2. Informal payment, e.g. bribes		1	Madagascar (1)
F1. Limited/Inappropriate facilities (e.g. storage, cooling, testing, fumigation)	11 Ministry of Agro-Industry and Food Security (1), Ministry of Health (9), Not specified (1)		
F2. Inaccessible/limited transportation system (e.g. poor roads; road blocks)	1 Air Mauritius (1)		
F3. Technological constraints, e.g. information and communication technologies	1 Not specified (1)	2	Madagascar (2)
G1. Low security level for persons and goods	1 Airports of Mauritius (1)	1	Madagascar (1)
H5. Lack of recognition e.g. of national certificates		6	Mayotte (2), France (2), Reunion Island (2)
I1. Other obstacles	1 National plant Protection office (1)		
<b>Total</b>	<b>52</b>	<b>36</b>	

Source: ITC NTM survey.

**Table 12. Agricultural imports, non-tariff measures applied by Mauritian authorities**

Type of NTM Affected products	Import value in 2011, 000\$	Share of imports in this sector (%)	Technical requirements		Conformity assessment		Pre-shipment inspection and other entry formalities	Charges, taxes and other para-tariff measures	Total
			Import authorization and registration requirements	Other technical requirements	Product certification	Other conformity assessment requirements			
Meat of bovine animals, fresh, chilled or frozen	17 130	1	1						1
Fish, fresh (live or dead), chilled or frozen	284 971	23	1						1
Milk and cream and milk products other than butter or cheese	81 367	7					1		1
Butter and other fats and oils derived from milk	7 402	1			1				2
Crude animal materials, n.e.s.	12 549	1	1	1			1	1	4
Vegetables, fresh, chilled, frozen or simply preserved (including dried leguminous vegetables); roots, tubers and other edible vegetable products, n.e.s., fresh or dried	31 260	3	1						1
Spices	5 969	0		1		1		2	4
Rice	51 305	4	1				1		2
Meal and flour of wheat and flour of meslin	9 873	1					1		1
Meat and edible meat offal, prepared or preserved, n.e.s.	15 365	1		2					2

## MAURITIUS: COMPANY PERSPECTIVES – AN ITC SERIES ON NON-TARIFF MEASURES

Type of NTM Affected products	Import value in 2011, 000\$	Share of imports in this sector (%)	Technical requirements		Conformity assessment		Pre-shipment inspection and other entry formalities	Charges, taxes and other para-tariff measures	Total
			Import authorization and registration requirements	Other technical requirements	Product certification	Other conformity assessment requirements			
Fish, crustaceans, molluscs and other aquatic invertebrates, prepared or preserved, n.e.s.	16 703	1			2				2
Sugar confectionery	6 348	1			1				1
Cereal preparations and preparations of flour or starch of fruits or vegetables	37 202	3		1	1	2			4
Vegetables, roots and tubers, prepared or preserved, n.e.s.	17 055	1					1		1
Fruit, preserved, and fruit preparations (excluding fruit juices)	6 063	0	1		1				2
Alcoholic beverages	26 624	2			1				1
Feeding stuff for animals (not including unmilled cereals)	27 534	2		1	1				2
Other products	563 361	46							
<b>Total</b>	<b>1 218 081</b>	<b>100</b>	<b>4</b>	<b>6</b>	<b>9</b>	<b>3</b>	<b>4</b>	<b>32</b>	

Source: ITC NTM survey.

**Table 13. Agricultural products imports, non-tariff measures applied by Mauritius and reasons making them burdensome**

Type of NTM	Number of NTM cases too strict/difficult to comply with	Number of NTM cases burdensome due to PO	Type of associated procedural obstacles	Number of PO cases in Mauritius	Number of PO cases in partner country
Import authorization and registration requirements	3	3	C1. Inconsistent classification of products	1	.
			C2. Other inconsistent or arbitrary behaviour of officials	1	.
Other technical requirements	2	4	D1. Delay in administrative procedures	2	.
			A5. Numerous administrative windows/organizations involved	2	.
Product certification	1	8	D1. Delay in administrative procedures	3	3
			C2. Other inconsistent or arbitrary behaviour of officials	1	.
Other conformity assessment requirements	1	3	D1. Delay in administrative procedures	6	3
			C2. Other inconsistent or arbitrary behaviour of officials	1	.
			D1. Delay in administrative procedures	2	.
			E1. Unusually high fees and charges	1	.
Pre-shipment inspection and other entry formalities	.	3	H5. Lack of recognition e.g. of national certificates	1	.
			A5. Numerous administrative windows/organizations involved	1	.
			D1. Delay in administrative procedures	2	.
			B1. Information is not adequately published and disseminated	2	.
Charges, taxes and other para-tariff measures	1	3	C1. Inconsistent classification of products	1	.
			C2. Other inconsistent or arbitrary behaviour of officials	1	.
			D1. Delay in administrative procedures	2	.
			E2. Informal payment, e.g. bribes	1	.
<b>Total</b>	<b>8</b>	<b>24</b>	<b>F3. Technological constraints, e.g. information and communication technologies</b>	<b>33</b>	<b>6</b>

Source: ITC NTM survey.

**Table 14. Agricultural products imports, procedural obstacles and inefficiencies in the trade-related business environment**

Procedural obstacle (or TBE)	Number of PO/TBE cases		In partner countries
	In Mauritius (and agencies involved, if specified)		
A5. Numerous administrative windows/organizations involved	3	Customs (1), Not specified (2)	
B1. Information is not adequately published and disseminated	2	Not specified (2)	
B2. No due notice for changes in procedure	1	Bank One (commercial bank) (1)	
C1. Inconsistent classification of products	2	Customs (1), Ministry of Fisheries (1)	
C2. Other inconsistent or arbitrary behaviour of officials	10	Customs (5), Development Bank Of Mauritius (1), Ministry of Commerce (1), Ports of Mauritius (3)	
D1. Delay in administrative procedures	23	Customs (7), Lab Of Reduit (1), Mauritius Standard Bureau (2), Ministry of Agro-Industry and Food Security (3), Ministry of Commerce (2), Ministry of Health (7), Ports of Mauritius (1)	7 Madagascar (1), Malaysia (2), Mozambique (2), India (2)
E1. Unusually high fees and charges	1	Not specified (1)	1 Madagascar (1)
E2. Informal payment, e.g. bribes	2	Customs (1), Not specified (1)	
F3. Technological constraints, e.g. information and communication technologies	2	Mauritius Standard Bureau (2)	
G1. Low security level for persons and goods			1 Madagascar (1)
H5. Lack of recognition, e.g. of national certificates	1	Ministry of Health (1)	
<b>Total</b>	<b>47</b>		<b>9</b>

Source: ITC NTM survey.

## 6. Textiles and clothing

The textiles and clothing sector is comprised of yarn, fabrics and textiles and clothing products, as defined in appendix II. Tables providing a detailed overview of NTMs and procedural obstacles in this sector are provided at the end of the section. This section also examines the importance of textiles and clothing exports, followed by an explanation of the NTMs and POs that have been applied by Mauritius and partner countries.

### 6.1. Importance of the sector

Over the last 10 years, the textiles and clothing sector has been the highest export sector for Mauritius. However, the clothing subsector dominates Mauritius' export profile. Yarn and fabric production has been mainly for local producers. Larger factories are vertically integrated where apparel producers also manufacture their own yarn and fabric. The textiles and clothing sector accounted for 47% of Mauritian total exports value in 2011, excluding minerals and arms. The annual average growth rate for textiles and clothing exports between 2001 and 2011 was positive and accounted for 2% despite a sharp decline of 19.75% in 2005 and another decline of 13.2% in 2009 (see figure 16). The decline in exports in 2005 was a result of multilateral liberalization with the expiry of the WTO Agreement on Textiles and Clothing (ATC) quota regime. The regime and its predecessor under the General Agreement on Trade and Tariffs (GATT), the Multifibre Arrangement (MFA) served as effective guaranteed market share for small suppliers in face of the natural market dominance of China, Hong Kong, India and Pakistan.

Hong Kong enterprises that invested in Mauritius over the years also ended their operations as a result of the expiration of the ATC quotas.<sup>64</sup> The exports of textiles and clothing were primarily through Mauritius's export processing zones (EPZ). Textiles and clothing manufacturing accounted for about 80% of total EPZ employment (especially women) and 70% of EPZ export earnings in 2006.<sup>65</sup> However, despite the negative annual growth rate of the textiles and clothing sector's exports in recent years, exports picked up quickly in 2011 to reach 37.7% positive annual growth. This could be explained by the various steps taken by Mauritius to sustain the development of the sector, such as restructuring enterprises and promoting vertical integration to increase high value and value-added products. At the same time, the government has exempted imported inputs for the industry from tariffs and set up a 10-year National Equity Fund to enhance the performance of textiles and clothing companies.

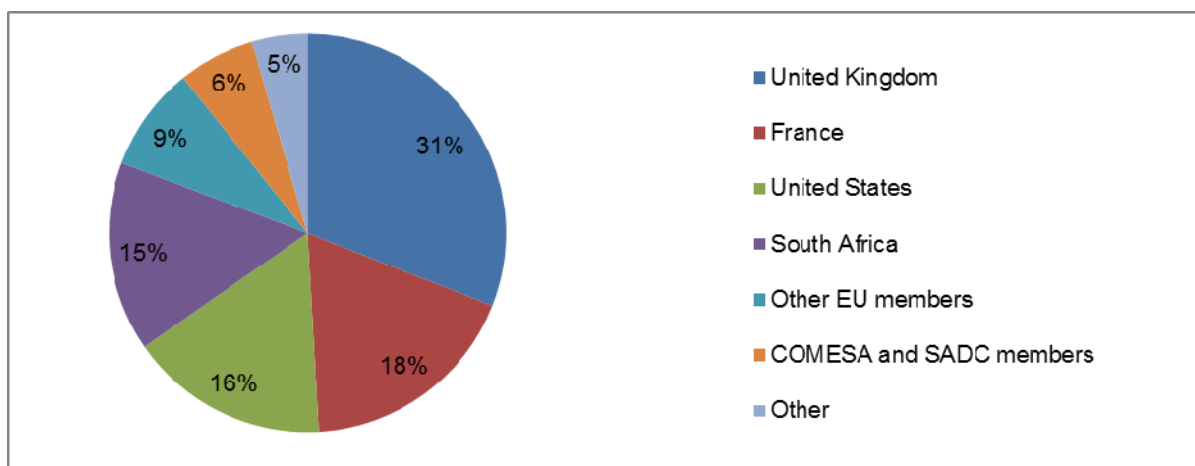
Because of the erosion of trade preferences after the MFA quota scheme and the reduction of textile tariffs during the Uruguay Round of trade negotiations, exporters had to find creative ways to maintain an export advantage under existing GSP schemes. As in the agricultural sector, the European Union is the primary market for textiles and clothing exports, which benefit from preferences provided under the EU's GSP programme and the transition arrangement replacing the Cotonou Agreement until Economic Partnership Agreements (EPAs) are concluded (figure 22). About 31% of total textiles and clothing exports went to the United Kingdom and 18% were exported to France.

The share of exports to the United States was 16%, benefiting from the GSP scheme and the African Growth and Opportunity Act (AGOA). However, Mauritius was not benefiting from the third-country fabric derogation under AGOA. To meet US AGOA requirements in that regard, many Mauritian firms had to delocalize their operations from Mauritius to other African countries such as Mozambique or Madagascar. The AGOA rule of origin was that yarn used must be from any of 48 designated African nations. In addition, as the Mauritian work force became more educated, pursuing ICT and other professions, Mauritian apparel companies set up in nearby countries to reduce production costs. After the United States, South Africa was the next largest export destination and accounted for 15% of Mauritius's textiles and clothing exports.

---

<sup>64</sup> WTO TPR, 'Mauritius, Report by the Secretariat'. Although Hong Kong had its own quotas in EU and US markets, the MFA and ATC system attracted international quota swapping. In addition, enterprises in countries with high quota fill rates, such as China, Hong Kong and Singapore, circumvented this problem by setting up operations in other countries.

<sup>65</sup> Ibid.

**Figure 22. Key markets for textiles and clothing exports, 2011**

Source: ITC calculations based on Trade Map data.

## 6.2. Affected companies

Textiles and clothing companies are largely from the clothing (apparel) subsector, reflecting the dominance of the subsector in Mauritian trade. The survey revealed that 23% of exporting companies interviewed by telephone reported they were affected by NTMs; 56.5% of those companies participated in face-to-face interviews. The survey also showed that 35% of importing companies in the textiles and clothing sector reported impact from NTMs. Of those importing companies, 64% participated in face-to-face interviews.

Forty-five per cent of NTMs applied by partner countries on textiles and clothing exports concerned rules of origin and related certificate of origin measures (figure 19). The second major burdensome category reported was technical requirements, accounting for 19% (six cases), specifically labelling (e.g. product labels with information for consumers). Conformity assessment was reported in five cases forming a share of 16% of total burdensome measures affecting exports of this sector; two of these measures were reported as testing measures and two other cases as inspection requirements. Product certification was reported by one company.

The survey revealed that 77% of surveyed importing companies in the textiles and clothing sector were affected by charges, taxes and other para-tariff measures (figure 20). The majority of these reported NTMs were merchandise handling or storing fees (seven cases), followed by six cases for each customs surcharges and customs valuations. PSI and other entry formalities, more specifically import monitoring and surveillance requirements and other automatic licensing measures, were reported in four cases (15%). Two reported cases concerned technical requirements (8%): authorization requirements based on national security, protection of human health or safety, environmental protection or prevention of deceptive practices.

## 6.3. Non-tariff measures applied by partner countries affecting exports

More companies reported NTMs attributed to partner countries, 31 compared to 6 in Mauritius (tables 15 and 17). The survey revealed that most of the burdensome NTMs applied by partner countries affecting exports in the textiles and clothing sector were in the European Union, the main export market for Mauritius (figure 23). The share of Mauritian exports in the textiles and clothing sector to the European Union accounted for 57% of the total sector's exports. The perception may be that the EU market is considered restrictive, with 65% NTMs in exports of textiles and clothing sector reported, 20 cases out of 31. However, as with agricultural products, it is possible that the high number of reported NTMs occurring in the EU market does not necessarily reflect that it is the most restrictive market for textiles and clothing exports. The more exports, the more instances of NTM impact reported.

Table 15 shows that the main instances of reported burdensome measures correspond to the product with the largest trade volume, i.e. articles of apparel and textile fabrics, whether or not knitted or

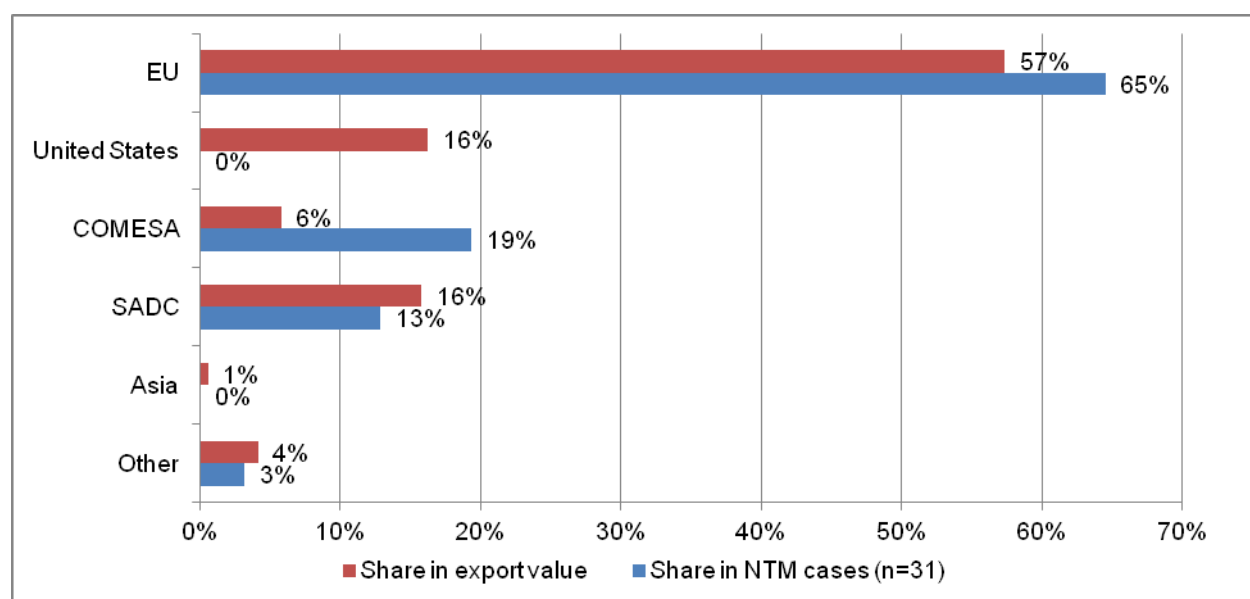


crocheted. This suggests that it may not be that the products are disproportionately targeted, but that the incidence is in proportion to the trade. The results could also be due to the random survey sampling that naturally captured more export trade flows to large markets and thus resulting in greater absolute number of NTMs reported.

The incidence for exports to the United States was 16%. Textiles and clothing trade to the United States is lower, but increasing with the renewal of AGOA third-country fabric benefits. The low volume to the United States may be explained by the reluctance of investors, thus, producers to export to after the expiry of guaranteed quotas under ATC and that AGOA. In addition, AGOA must be renewed periodically. For example, the current AGOA will be up for renewal in 2015. Moreover, Mauritian exporters benefit from more certainty and predictability from established channels and types of stores in the European Union, where they can better meet the demand.<sup>66</sup> Importers in the United States tend to be larger establishments more inclined to import from South East Asia and China, which can meet the size of US orders.<sup>67</sup>

The next destination market in terms of the number of reported burdensome NTMs was COMESA. COMESA is considered to be very restrictive for Mauritian textiles and clothing exports, with a share of 6% of the sector total and 19% of NTMs. SADC is also considered relatively restrictive with a 13% share of NTMs. The restrictiveness in these customs union partners is troubling in that exporters surveyed feel that partners are violating the agreements. About 3% of NTMs have been reported in other markets, while no NTMs were reported in the United States and Asia.

**Figure 23. Share of exports and burdensome non-tariff measures applied by main markets to Mauritian textiles and clothing products, 2011**



Source: ITC NTM survey.

Table 16 shows that concerning NTMs attributed to partner countries, Mauritian exporters perceived a number of issues with labelling, conformity assessment and rules of origin requirements. In the case of labelling and conformity assessment, the issue is difficulty to comply with the measure imposed by the partner countries. However, most of the cases of rules of origin are problems associated with POs in Mauritius. Perceptions of most burdensome NTMs for textiles and clothing were rules of origin, followed by technical requirements (including labelling requirements) and conformity assessment (figure 19).

<sup>66</sup> Interview with H.E. Shree Baboo Servansing, Mauritian Ambassador to international organizations, Geneva, Switzerland, 2 January 2013.

<sup>67</sup> Ibid.

### 6.3.1. Rules of origin and related certificate of origin requirements

Rules of origin and related certificate of origin requirements were reported as the most burdensome measure impacting the textiles and clothing sector at 45% of total NTMs (14 cases out of 31) and is attributed to partner countries. This is compared to only 4% of this type of measure reported in the agricultural sector and 6% in other manufacturing sector. All of the recorded measures were in the clothing subsector. These measures occurred while exporting to EU countries (table 15).

France was reported to apply eight cases of rules of origin measures in a restrictive manner; one case for each of the following countries was also reported: Denmark, Germany, Italy, Spain, Switzerland and the United Kingdom. With respect to four cases, rules of origin measures were perceived to be too strict or too difficult to comply with (table 16). Specifically, the complaints from exporters of certain jackets, track suits and t-shirts were that bills of import required by France were too strict for matching with the fabrics before a certificate of origin can be obtained. In 10 cases of pullover and jersey exports to Denmark, France, Germany, Italy and Switzerland, the complaint concerned POs applied in Mauritius. In particular, delays in transportation and inconsistent or arbitrary behaviour of some officers at Ports of Mauritius were cited. The results depicted in table 16 suggest a higher overall impact from POs linked to the manner in which the domestic authorities in Mauritius are complying with the rules of origin requirement of the partner country.

### 6.3.2. Technical requirements

'The label has to be in 12 different languages, which is difficult to comply with.'

Exporter of men and women's apparel, ITC NTM survey

Technical requirements were reported to affect all three main sectors in Mauritius. In the case of textiles and clothing, these measures are the second most reported. However, the share of NTM affect is 19%, the lowest compared to the agriculture and other manufacturing sectors, which were 21% and 28%, respectively (figure 19). The higher shares in agricultural products and the other manufacturing

products are likely explained by higher consumer safety concerns compared to textiles and clothing. About 9% of the textiles and clothing NTMs reported for this measure were labelling requirements, e.g. product labels with information for consumers.

Labelling requirements in the textiles and clothing sector were reported while exporting articles of men's/boy's and women's/girls garments to the EU market. Reports of these measures were equally distributed between France, Sweden and the United Kingdom, two cases for each (table 15). They were reported as being too strict or too difficult to comply with (table 16). There are consumer protection and preference reasons for labelling requirements on textiles and apparel. Mauritian exporters found it difficult to comply with labels required in 12 languages when exporting to EU destinations.

### 6.3.3. Conformity assessment

Conformity assessment accounted for 16% of reported burdensome NTMs (5 cases out of 31). This result contrasts with 65% NTMs applied by partner countries impacting exports in the agricultural sector and 22% of NTMs impacting exports of other manufacturing products (figure 19). The impact is less in the textiles and clothing sector likely due to the low incidence of consumer concern about compliance with standards.

Conformity assessment burdensome measures were reported in three subsectors: men's or boy's coats, articles of apparel or textile fabrics, and footwear sectors. Of the partner countries applying these measures, Kenya was reported in four cases, while the Netherlands was reported in one case (table 15). Conformity assessment measures were considered burdensome as they were too strict or difficult to comply with (table 16). It is unclear whether the exports to Kenya were destined for re-export to the European Union. However, conformity assessment measures in textiles and clothing relate more to testing the accuracy of the information on the labels as to fibre content and tolerance levels when washing. The EU Directive on Textiles names is a case in point (Directive 2008/121/EC). The Directive stipulates conformity assessment provisions concerning whether the textiles conform with the information on the label. In addition, the Directive elaborates rules on certain fibre composition requirements and tolerance levels for different fibres (box 3). Technical regulations and

conformity assessment measures linked to labelling requirements are the subject of a proposal to the WTO from the United States and the European Union, co-sponsored by Mauritius, Sri Lanka and Ukraine. The proposal is in the context of the WTO non-agricultural goods market access (NAMA) negotiations to amend the WTO Technical Barriers to Trade Agreement to better facilitate and harmonize labelling requirements.<sup>68</sup>

### Box 3: Conformity assessment in the European Union

Checks on whether the composition of textile products is in conformity with the information supplied on the label are carried out by the methods of analysis specified in two supplementary Directives:

- Directive 96/73/EC (Official Journal L 032, 03/02/1997 p. 0001 - 0037) of the European Parliament and of the Council of 16 December 1996 on certain methods for the quantitative analysis of binary textile fibre mixtures
- Council Directive of 26 February 1973 on the approximation of the laws of the Member States relating to the quantitative analysis of ternary fibre mixtures (73/44/EEC Official Journal L 083, 30/03/1973 p. 0001 - 0018)

DIRECTIVE 2008/121/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL, 14 January 2009, on textile names, excerpt of Article 13:

1. Checks on whether the composition of textile products is in conformity with the information supplied in accordance with this Directive shall be carried out by the methods of analysis specified in the Directives referred to in paragraph 2. For this purpose, the fibre percentages in Articles 4, 5 and 6 shall be determined by applying to the anhydrous mass of each fibre the appropriate agreed allowance laid down in Annex V, after having removed the items referred to in Article 12.

2. Separate directives shall specify the methods of sampling and analysis to be used in Member States to determine the fibre composition of products covered by this Directive.

Source: [http://ec.europa.eu/enterprise/sectors/textiles/documents/directive-2008\\_en.htm](http://ec.europa.eu/enterprise/sectors/textiles/documents/directive-2008_en.htm)

#### 6.3.4. Charges, taxes and other para-tariff measures

'South Africa, while in the same preferential trade agreement as Mauritius, does not respect the arrangement. In 2010, to protect their own industry, they have raised custom duties to 45%, whereas it should be 0%.'

Exporters of coats and suits, ITC NTM survey

While insignificant in terms of reports, two complaints about the application of para-tariff measures and frequent changes to regulations attributed to South Africa is worth noting. As discussed earlier, Mauritian agricultural and textiles and clothing exporters encounter problems in countries where there is a customs union arrangement. The complaints involve accusations of South Africa using para-tariff measures to protect local manufacturers.

#### 6.4. Non-tariff measures affecting exports, applied by Mauritius

'Delay in receiving export permit as officers in Ministry of Commerce do not answer phone calls.'

Exporters of men's and boy's shirts and trousers, ITC NTM survey

Exporters reported very few NTM cases applied in Mauritius. Those attributed to Mauritius are linked to requirements in destination partner countries. The only type of measures reported were licensing or permits to export.

<sup>68</sup> TN/MA/W/93/Rev.2.

The survey showed that in six cases, Mauritian authorities applied NTMs on its clothing subsector exports (table 17). The measures were either licences or permits to export textiles and clothing to the United States, Portugal and South Africa. Many of the export licences and permits are also required in the destination countries for the exports to qualify for GSP and AGOA preferences. The Ministry of Commerce administers these instruments in Mauritius.<sup>69</sup> Complaints are that the ministry delays issuing the permits and does not answer phone calls. This is a case where the measure is a problem due to the PO.

### 6.5. Procedural obstacles and inefficiencies affecting exports

As explained earlier, POs are hindrances closely associated with NTMs and further confound trade. They exacerbate the effect of a particular NTM or represent the actual problem with the measure. Basic problems unrelated to the actual regulation but impacting company trade flows, are referred to as inefficiencies in the TBE. Companies reported 35 cases of POs and TBEs that impacted Mauritian textiles and clothing exports (table 19). The majority of these obstacles were reported in Mauritian agencies (31 cases compared to four in partner countries). Other inconsistent or arbitrary behaviour of officials at the Ministry of Commerce and Ports of Mauritius was reported in nine cases. Delays in administrative procedures by the Ministry of Commerce were reported in six cases. Other POs applied by Mauritian authorities were delay during transportation (five cases), information not adequately published and disseminated (four cases) and lack of recognition of national certificates (three cases).

Only four PO and TBE cases were reported occurring in partner countries; two were related to documentation being difficult to fill out for France and the other two were obstacles reported in South Africa related to frequent changes in regulations.

### 6.6. Non-tariff measures and other obstacles affecting imports

The survey showed that companies importing textiles and clothing products into Mauritius faced NTMs applied by Mauritian authorities in a total of 26 cases (table 20). Most of these cases were merchandise handling or storing fees imposed on footwear imports. Customs valuation measures were also frequently reported, especially for men's or boy's coats, knitted or crocheted. These measures were mostly considered burdensome due to POs (table 21).

Importers reported a total of 73 POs and TBE cases, 68 in Mauritius, five in partner countries (four in India and one in Madagascar), see table 23. Customs, the Ministry of Commerce and Ports Mauritius were the agencies where most POs occurred in Mauritius.

Charges, taxes and other para-tariff measures were reported as the most burdensome measures applied by Mauritian authorities, in 20 cases (table 20). These measures include customs surcharges (six cases), merchandise handling or storing fees (seven cases), other additional taxes and charges (one case) and customs valuations (six cases). The affected subsectors by these measures deemed

burdensome were footwear, suitcases, assorted men's or boys' apparel, assorted women's or girl's apparel, and cotton fabric.

'Custom surcharges increase all of the time.'

Exporters of various textile, apparel and leather products, ITC NTM survey

Import monitoring and surveillance requirements and other automatic licensing measures were reported as burdensome measures applied by Mauritian authorities in total of four cases (table 20). Affected subsectors by these burdensome measures were textile yarn, cotton fabrics, articles of apparel and made-up articles, wholly or chiefly of textile materials. They were considered burdensome due to POs. Authorization requirement was reported as burdensome in four cases due to related POs (table 20).

<sup>69</sup> See: [www.gov.mu/portal/site/commercesite/menuitem.b6a9dde5ce029b0f03659361e2b521ca/webmaster-mcom@mail.gov.mu?content\\_id=ce6d20b35369f010VqnVCM100000a04a8c0RCRD](http://www.gov.mu/portal/site/commercesite/menuitem.b6a9dde5ce029b0f03659361e2b521ca/webmaster-mcom@mail.gov.mu?content_id=ce6d20b35369f010VqnVCM100000a04a8c0RCRD)

## 6.7. Summary and policy options

### 6.7.1. Summary

Textiles and clothing is a sensitive sector for both importing and exporting countries, which means the sector faces different permutations of tariff and non-tariff measures. However, in the case of Mauritius the NTMs, POs and TBEs reported in this survey, this sector was the least impacted compared with the agriculture and 'other manufacturing' sector. NTMs were reported to impact exporting and importing companies in the textiles and clothing sector. For exports, 31 cases of NTMs were reported, mostly applied by partner countries. The most frequent NTMs reported to affect exporters were rules of origin (45%), technical requirements (mainly labelling requirements) (19%), conformity assessment (16%) and charges, taxes and other para-tariff measures (13%). The survey showed that companies importing textiles and clothing products into Mauritius faced NTMs applied by Mauritian authorities and totalled 26 cases. Those cases were notably charges, taxes and other para-tariff measures (77%), followed by PSI and other entry formalities (15%) and technical requirements (8%).

With respect to partner countries, exporter NTM reports were mainly rules of origin and related certificates of origin. However, measures were connected to POs applied by Mauritius. Difficulties in complying with partner technical requirements, or labelling requirements, conformity assessment, intellectual property and PSI and other entry formalities were reported to be affecting the sector.

The survey revealed that most of the burdensome NTMs applied by partner countries affecting exports in the textiles and clothing sector occurred in EU member states, but also in Kenya (COMESA) and SADC (South Africa). The survey showed that Mauritian authorities applied NTMs to its exports in six cases. The measures were either licensing or permit to export textiles and clothing, which are mainly required to meet partner importing country rules of origin.

Companies reported 35 cases of POs and TBEs that impacted Mauritian textiles and clothing exports. The majority of these obstacles were reported in Mauritian agencies (31 cases compared to four in partner countries).

### 6.7.2. Policy options – overview

Policy options suggested in this report are not intended to serve as the only ones available or expected to be considered. These options are intended to stimulate further discussion among authorities and stakeholders.

This sector is the second most impacted by NTMs, between the ratings for the agriculture and 'other manufacturing' sectors. For many years the sector functioned under the cloak of quota shares and preferences that enabled the growth of a highly invested and efficient industry in Mauritius. In this regard, many of the NTM problems in the past were related to rules of origin in order to tap into the quotas available to Mauritius and to qualify eligibility for preferences. In these survey results, it is evident that Mauritian textiles and clothing exports, primarily clothing, faced some challenges as a result of burdensome NTMs and POs.

Hindrances faced due to NTMs are mainly attributed to peculiarities in partner countries. As found in the survey results, many NTMs are more about POs and to some extent about the ability to comply with standards themselves, such as quality, tolerance levels and tests to confirm the labelling representations about the composition of the fabric. However, where compliance is a problem, this report will enable the government to delve deeper into specific issues. In a few cases where the measures were due to strictness and difficulty to comply, authorities can also explore specific options.

As experienced by the United States and Europe in the decline of their formerly thriving textiles and clothing sector, Mauritius recognizes that investing in and promoting higher-quality and higher-end products is critical to revive the sector and ensure its sustainability. However, any policy striving for higher quality must take into account the issues of consumer perception and durability. Also critical are verifiable standards through technical requirements and conformity assessment measures.

Exports of lower priced textiles and clothing goods continue to thrive in primary markets. Consumer demand has not diminished, but consumers in those markets are increasingly seeking new assurances about the content and characteristics of the products they buy. NTMs faced in the

European Union may not about protectionism because there is no significant industry that can sustain costs of production compared to those in developing countries. The Eastern European countries, formerly the focus of EU outward processing zones for apparel, cannot be considered an instigator of a new kind of protectionism through NTBs. The quota system, a form of NTB, was intended to protect the importing country market, but as a result remote and small countries like Mauritius actually benefited from that form of protectionism. Mauritius and other major and small suppliers of textiles and apparel could count on guaranteed market share in a global textile marketplace distorted by quotas.<sup>70</sup>

### 6.7.3. International action

With the expiry of the quota system, Mauritian textiles and clothing producers can work together with the textile and clothing manufacturers in Europe and the United States, at least in terms of international policy, to eliminate the new NTBs jeopardizing their competitiveness and impacting their shared industry.<sup>71</sup> Euratex, the non-profit organization that promotes the European textile and apparel industry, notes that NTBs risk serving as a substitute for tariffs as the latter are reduced. The association calls for elimination of all NTBs, in particular in the textiles and clothing sector. Progress in this difficult area is central to success in the Doha Development Round of trade negotiations as a whole through specific solutions or an ambitious trade facilitation package.

As noted previously, the main problems with NTMs raised in this report for textiles and clothing exporters were rules of origin, technical requirements, conformity assessment, charges and taxes. Export permits and licences should be added in light of their connection to rules of origin, technical requirements and conformity assessment. With respect to charges and taxes, policy options will rest on the intervention of authorities to determine issues to be raised with agencies identified in these results.

If cases involved partner countries, especially COMESA or SADC trading partners, authorities can assess the actual impact and consider options to bring them to the attention of trading partners. The bilateral and regional vehicles to open dialogue at the highest level of COMESA or SADC partners are optimal ways to address any occurrences of similar NTMs and POs identified in this report. An ITC study on South Africa as a market for clothing, highlighted Mauritius as a 'supplier of choice' for the South African market.<sup>72</sup> Therefore, Mauritius can leverage this information in its bilateral discussions with South African authorities to improve trade facilitation in the sector. However, if bilateral and regional mechanisms do not yield results, multilateral forums common to the partners and Mauritius may also be suitable venues for negotiation.

The often-heard complaint about the implementation of preferential rules of origin connected with what is left of preferences in the sector was not perceived strongly in these survey results. Most of the cases addressed POs and TBEs in Mauritius. With regard to technical requirements, after addressing the trade inhibiting features reported in terms of ability to comply and POs, the policy options are offered below for consideration. It may be possible to turn the incidence of technical requirements around to an advantage by increasing Mauritian compliance, which could boost the competitiveness of exports and demonstrate the sector's technological advancement.

#### Rules of origin, non-tariff measures and procedural obstacles

The survey results demonstrated that the NTM incidence for rules of origin was low, while the main problem was POs associated with delays and perhaps overzealous implementation by Mauritian authorities. Where any preferences are involved, such as under the EU's GSP or the US's AGOA regime, more NTMs are reported in rules of origin requirements. Many textiles and clothing exporters worldwide complain of strict GSP rule of origin requirements. However, these rules are engineered to deter circumvention of the preferences. Many textiles and apparel import-sensitive countries guard carefully against circumvention.

<sup>70</sup> Author's observations as a former government MFA and ATC textile negotiator. See also, Arvind Subramanian, 'The Mauritian Success Story and its Lessons', Research Paper, World Institute for Development Economics and Research, United Nations University, June 2009, p. 13.

<sup>71</sup> Gilles Joomun, 'The Textile and Clothing Industry in Mauritius', in Herbert Jauch and Rudolf Traub-Merz (Eds.), *Textile and Clothing Industry in sub-Saharan Africa*, Freidrich-Ebert-Stiftung (2006), p. 4.

<sup>72</sup> ITC, 'Case study: the evolution of Mauritius as a supplier of choice to South Africa', in *South Africa: A market for clothing from Africa* (2010) pp. 28-30.

Fledgling industries in developed countries only consent to allow the preferences for less developed countries when anti-circumvention measures are strong. For example, AGOA could not have been adopted by the US Congress without assurances in the rules of origin provisions to protect against circumvention by large textiles and apparel exporters, notably from China and India. The rule of origin was that when AGOA beneficiaries manufacture apparel, they must use fabric woven in beneficiary countries or in the United States. However, the rules were later temporarily relaxed for 'lesser developed countries', to allow, up to a cap, use of third-country fabrics originating outside of Africa and the United States (see box 5).<sup>73</sup>

The modified rule was included in an extension of AGOA by the US Congress. Congress responded to complaints from certain African LDCs (e.g. Lesotho) that saw a retreat of investments in their factories, causing job loss and higher production costs if expensive US fabric was used and lower quality if fabrics from the home country or other AGOA-eligible countries were used. US apparel importers and retailers, a strong lobby, supported the new rule. The third-country fabric rule was due to expire in September 2012, but the US Congress extended it until 2015. By legislation adopted in 2008, Mauritius was re-designated as a 'lesser developed country' for AGOA purposes and qualifies under the extended third-country fabric rule until 2015 (box 4).

---

<sup>73</sup> <http://industry.gov.mu/English/agoa/Pages/default.aspx>

**Box 4: Apparel provisions**

AGOA provides duty-free and quota-free treatment for eligible apparel articles made in qualifying sub-Saharan African countries through 2015. Qualifying articles include apparel made of US yarns and fabrics; apparel made of sub-Saharan African (regional) yarns and fabrics until 2015, subject to a cap; apparel made in a designated lesser-developed country of third-country yarns and fabrics until 30 September 2015, subject to a cap; apparel made of yarns and fabrics not produced in commercial quantities in the United States; textile or textile articles originating entirely in one or more lesser developed beneficiary sub-Saharan African countries; certain cashmere and merino wool sweaters; and eligible handloomed, handmade or folklore articles and ethnic printed fabrics.

**Eligible countries**

Preferential treatment for apparel took effect on 1 October 2000. However, for countries to be eligible for apparel benefits, they must have in place an effective visa system to prevent illegal trans-shipment and counterfeit documentation, as well as effective enforcement and verification procedures. Specific requirements of the visa systems and verification procedures were promulgated to African governments via US embassies on 21 September 2000. The Secretary of Commerce is directed to monitor apparel imports on a monthly basis to guard against surges. If increased imports are causing or threatening serious damage to the US apparel industry, the US President is to suspend duty-free treatment for the article(s) in question.

For a list of countries eligible for apparel benefits, including those also eligible for the Special Rule for Apparel, see AGOA Preferences: Country Eligibility, Apparel Eligibility and Textile Eligibility (Category 0 and Category 9).

**Qualifying textile and apparel articles**

The Africa Investment Incentive Act of 2006 amended the textile and apparel provisions of AGOA and is referred to as 'AGOA IV'. AGOA IV provides duty-free and quota-free treatment for eligible apparel articles made in qualifying sub-Saharan African countries through 2015. Qualifying articles include:

- Apparel made of US yarns and fabrics;
- Apparel made of sub-Saharan African (regional) yarns and fabrics, subject to a cap until 2015;
- Apparel made in a designated lesser developed country of third-country yarns and fabrics, subject to a cap until 2015;
- Apparel made of yarns and fabrics not produced in commercial quantities in the United States;
- Certain cashmere and merino wool sweaters;
- Eligible handloomed, handmade, or folklore articles and ethnic printed fabrics;
- Textiles and textile articles produced entirely in a lesser-developed beneficiary country.

**Special Rule for apparel applying to lesser developed AGOA countries**

Under a Special Rule, lesser developed beneficiary countries benefit from an additional preference in the form of duty-free/quota-free access for apparel made from fabric originating anywhere in the world. The Special Rule is in effect until 30 September 2015 and is subject to a cap. Lesser developed countries are those with a per capita gross national product of less than US\$ 1,500 a year in 1998 as measured by the World Bank. Public Law 110-436 of 16 October 2008 redesignates lesser-developed beneficiary country status to Mauritius. Public Law 112-163 of 10 August 2012 extends the AGOA third-country fabric provision through 30 September 2015.

Source: Excerpted from US government Office of Textiles and Apparel (OTEXA) site: <http://web.ita.doc.gov/tacqi/eamain.nsf/d511529a12d016de852573930057380b/1e85488eb01fd2fd852573940049047d?OpenDocument>



In 2011, the European Union introduced new GSP rules of origin, including new provisions for the textiles and clothing sector and mainly for least developed country (LDC) beneficiaries. The rules align to some extent with AGOA in that single transformation allows sourcing of fabric without restriction. It is unclear whether the rules go as far as AGOA to introducing a 'lesser developed country' concept, which Mauritius can benefit from under AGOA.<sup>74</sup> However, the number survey complaints about difficulties to comply with the partner country rules are low compared to reports of burdensomeness due to the POs in Mauritius to obtain the rule of origin certificates.

It is unclear why Mauritian textiles and clothing exports are still destined primarily to the European Union compared to the United States. If it is not a case of any wide difference or ease of rules of origin for Mauritian exports, perhaps remoteness remains a factor. At the same time, global supply chains and transportation channels such as flights to the European Union are more established and easier to access compared to the United States.

#### **6.7.4. Domestic action**

##### **Leveraging technical requirements**

Mauritius can leverage technical requirements and associated labelling standards that tend to be considered as challenges for trade. To remain competitive, all enterprises, regardless of sector, must weigh the barriers, hindrances and obstacles against costs of accessing markets and achieving profit margins. The government's role in trade is to minimize obstacles and facilitate trade for their enterprises, while at the same time regulate in a manner that meets legitimate policy objectives.

The Mauritian government has done much to diversify its economy from dependency on sugar exports that depend on preferences. Discussed in the section on agriculture, sugar preferences have declined. The textiles and clothing sector faced a crisis when guaranteed market share through quotas expired and preferences eroded. In addition, investors from stronger textiles and clothing producers no longer seek to establish facilities in countries like Mauritius to optimize their export channels to take advantage of diminishing EU and US preferences.

It is clear from the results of this survey that there are a few challenges to the sector that can be addressed by policies that use technical requirements as proof of higher standards and quality. Today, developing countries, including Mauritius, must transform from strength in comparative advantage to strength in competitive advantage. China and India still outperform smaller textiles and clothing suppliers. Yet, they are examining technological advancements in this and other sectors, demonstrating their ability to meet technical requirements to match labelling and content expectations of consumers. These factors are targeted now by many developing countries, including LDCs that face similar challenges to distinguish their exports from other LDCs, and thus remain competitive.

The challenge is not easy to surmount. Developed markets have become more reluctant to provide non-reciprocal preferences, even more so by considering reciprocal arrangements and higher quality standards. However, whether with reciprocal trade arrangements or regulations to set and monitor quality standards, those same markets must balance policies with consumer demand that relies on historical satisfaction with products from countries like Mauritius. More developing country textiles and apparel exporters, many vertically integrated, are advancing policies that link their sector with global value chains to improve their ability to meet conformity assessment and technical requirements. Mauritius has embarked on a similar path. Exports from countries benefiting from the AGOA third-country fabric provisions tap into this element of making exports more competitive.

With respect to the textiles and clothing sector the task can be less burdensome, especially as the incentive to overlook the remoteness factor and invest in EPZs has declined because preferences have declined. Studies show that the best policy for the Mauritian government to pursue to remain competitive in the sector and reduce barriers is to minimize the impact of POs at home. At the same time, the government must enter partnerships that will transform Mauritius into a sound export haven of technical standards.<sup>75</sup> Mauritius can leverage its well-regarded expertise in the sector together with initiatives to buttress advanced technologies and promote more SME activity. Initiatives under way to

---

<sup>74</sup> Eckhart Naumann, 'The EU GSP Rules of Origin: An overview of recent reforms', *TRALAC Working Paper*, November 2011.

<sup>75</sup> *Ibid.*

promote vertical integration of companies to enhance the value of exports should continue. However, there is still the need to show how higher-value exports meet relevant technical standards.

Mauritius has embarked on becoming a duty-free island, an ICT hub and a leader in advancements in aquaculture. It has also made advancements towards becoming a competitive exporter of tourism, which includes medical or health tourism. Mauritius can leverage its experience in the textiles and clothing sector to produce more high-end products. In collaboration with partner countries Mauritius can do more to promote high-standard textiles and clothing products. Mauritius can draw on its historical efficiencies and consumer satisfaction to distinguish its textiles and clothing sector in a more competitive global market place. Improvements in Mauritian accreditation and testing methods are key to advancing in standards competitiveness. The government has committed to working closely with trading partners in this regard to help better meet the standards required in the target markets (see box 6).

In the past, Malaysian textiles and clothing exporters were applauded for deploying advanced microfibre technologies for raincoats, jackets, sportswear and other garments. Consumers were responsive to products made of these more technologically advanced fibres because of durability, texture and attractiveness.

When faced with the decline in its production cost advantage and demise of its natural raw silk materials, the Italian silk scarf industry retooled and cultivated manufacturing practices where it had value addition in branding and refinements of imported Chinese silk fabric.<sup>76</sup> During its heyday with plenty of raw material and very little competition from developing country sources, gradual dyeing and printing and applying two other manufacturing processes became its forté.<sup>77</sup> These practices then set the standard for substantial transformation under EU rules of origin. The scarves are well-known brands (Versace, Hermès, etc.) and command high-end positioning in the market.

Both of these scenarios, the Mauritius success story microfibre technologies and the Italian success with high-end silk scarves demonstrate that the more distinguishable textiles and clothing products can be made through advanced technologies, the more chance there is for success. However, verification of content through technical requirements is needed.

### **Box 5: Transitioning to a system based on global competition**

‘The Mauritian economy is now fully embarked on securing its transition from a system based on trade preferences to one based on global competition. All the agencies that form part of the conformity assessment infrastructure will assist in facilitating exchanges with our trading partners through removing TBTs. These include, among others, the national accreditation body. If Mauritian enterprises are to trade in global markets, they will need to demonstrate conformity of potential export products with international standards.’

**Source:** Mauritius Accreditation Service (MAURITAS) [www.mauritas.org/about.php](http://www.mauritas.org/about.php)

The Mauritian government has done well on the international front to tackle some of the onerous labelling problems encountered and reported in this survey through concrete steps by participating in international institutions such as the WTO NAMA NTBs negotiations, in particular the TBT proposal with the United States, the European Union and others<sup>78</sup> to lessen burdensome technical regulations and conformity assessment measures connected with labelling requirements. This negotiation is at an impasse and it is not clear to what extent it will be revived. However, the proposal can still be addressed in the standing body, the TBT Committee, which regularly monitors and examines trade concerns associated with TBT measures posing obstacles to trade.

Notwithstanding the common position of the United States, Mauritius and other co-sponsors to address TBT barriers in textile and clothing labelling, they should continue to discuss their specific

<sup>76</sup> See vignette on author's participation in negotiations and consultations contained in A.D. Greenidge, *Trade Negotiating Techniques in a Nutshell*, to be published 2013.

<sup>77</sup> Ibid.

<sup>78</sup> WTO Document TN/MA/W/93/Rev. 2, 8 November 2010.

trade concerns about the EU Directive on Textiles names (Directive 2008/121/EC) until questions are resolved. It appears that the European Union is engaged in the discussion and looking to address the concerns of WTO members.

Mauritius also appears to be active in a number of Technical Committees (TC), including<sup>79</sup> TC 38 – Textiles, TC 72 – Textile machinery and accessories, TC 72/SC 4 – Dyeing and finishing machinery and accessories and TC 72/SC 1 – Spinning preparatory, spinning, twisting and winding machinery and accessories. Participation as an observer is useful to learn about evolving technologies and standards that might be implemented at home and used to increase competitiveness in the sector. Participation beyond that as an observer would enable Mauritius to contribute to forming and interpretation of international standards.

---

<sup>79</sup> [www.iso.org/iso/home/about/iso\\_members/iso\\_member\\_participation\\_tc.htm?member\\_id=1944](http://www.iso.org/iso/home/about/iso_members/iso_member_participation_tc.htm?member_id=1944)

### **Box 6: International standards and developing countries**

International standards bring technological, economic and societal benefits. They help to harmonize technical specifications of products and services making industry more efficient and breaking down barriers to international trade.

For developing countries, international standards are an important source of technological know-how. Developing countries can use international standards to access knowledge in areas where they may lack expertise and/or resources.

In addition, international standards can improve access to global markets. As they define the characteristics that products and services have to meet on export markets, international standards help developing countries take part fairly in international trade.

#### **Getting involved in developing international standards**

Developing countries can benefit from actively taking part in developing international standards. Standards are developed in an open process and reflect the views of many stakeholders, including technical experts, government representatives, academics and consumers. Being actively involved in this process brings widespread benefits, including:

- Influencing the technical content of standards to ensure they reflect specific need;
- Gaining hands-on experience in standardization work that can help build up national infrastructures;
- Giving early access to information and technological knowledge.
- Playing an active role in the ISO community, promoting the national use of international standards and taking part in their development supports developing countries in realizing their full potential.

**Source:** Excerpted from [www.iso.org/iso/home/about/iso-and-developing-countries.htm](http://www.iso.org/iso/home/about/iso-and-developing-countries.htm)

### **Export licences and permits**

One problem in Mauritius was POs and TBEs regarding the granting of export licences and permits to export clothing. Some examples of such POs and TBEs included delays in administrative procedures combined with inconsistent and arbitrary behaviour of officials.

Concerted steps should be taken to minimize administrative delays in granting export permits and licences required by the destination market. More work can also be done to ensure there is a hotline or other mechanisms for traders to check on the status of their applications.

The best policy approach might be for the government to systematically conduct internal agency evaluations by relevant agencies, together with opening dialogue with traders to identify problems. Specific agencies reported as the most implicated could be part of a regular dialogue with stakeholders. This would help implement actual improvements to sustain the highly vulnerable textiles and clothing sector that was once a driver of the economy.

**Table 15. Textiles and clothing exports, burdensome non-tariff measures applied by partner countries**

Affected products	Export value in 2011, 000\$	Share of exports in this sector (%)	Labelling requirements	Conformity assessment	Pre-shipment inspection	Charges, taxes and other para-tariff measures	Rules of origin and related certificate of origin	Total
Men's or boys' coats, capes, jackets, suits, blazers, trousers, shorts, shirts, underwear, nightwear and similar articles of textile fabrics, knitted or crocheted (other than those of subgroup 845.2)	44 796	4%		1			4	5
Women's or girls' coats, capes, jackets, suits, trousers, shorts, shirts, dresses and skirts, underwear, nightwear and similar articles of textile fabrics, knitted or crocheted (other than those of subgroup 845.2)	95 992	9%				1		1
Articles of apparel, of textile fabrics, whether or not knitted or crocheted, n.e.s.	441 653	43%	6	2		1	7	16
Women's or girls' coats, capes, jackets, suits, trousers, shorts, shirts, dresses and skirts, underwear, nightwear and similar articles of textile fabrics, not knitted or crocheted (other than those of subgroup 845.2)	51 671	5%				1		1
Men's or boys' coats, capes, jackets, suits, blazers, trousers, shorts, shirts, underwear, nightwear and similar articles of textile fabrics, not knitted or crocheted (other than those of subgroup 845.2)	242 881	24%				1	3	4
Footwear	494	0%		2	2			4
<i>Other products</i>	<i>144 092</i>	<i>14%</i>						
<b>Total</b>	<b>1 021 579</b>	<b>100%</b>	<b>6</b>	<b>5</b>	<b>2</b>	<b>4</b>	<b>14</b>	<b>31</b>
Partner country applying burdensome NTM (number of cases)			France (2), Sweden (2), United Kingdom (2)	Kenya (4), Netherlands (1)	Kenya (2)	South Africa (4)	Denmark (1), France (8), Germany (1), Italy (1), Spain (1), Switzerland (1), United Kingdom (1)	

Source: ITC NTM survey.

**Table 16. Export of textiles and clothing, non-tariff measures applied by partner countries and reasons making them burdensome**

Type of NTM	Number of NTM cases too strict/difficult to comply with	Number of NTM cases burdensome due to PO	Type of associated POs	Number of PO cases in Mauritius	Number of PO cases in partner country
Labelling requirements	6	.		.	.
Conformity assessment	5	.		.	.
Pre-shipment inspection	2	.		.	.
Charges, taxes and other para-tariff measures	2	2	B3. Regulations change frequently	.	2
Rules of origin and related certificate of origin	4	10	A2. Documentation is difficult to fill out	.	2
			C2. Other inconsistent or arbitrary behaviour of officials	5	.
			D2. Delay during transportation	5	.
			H5. Lack of recognition, e.g. of national certificates	3	.
			<b>Total</b>	<b>19</b>	<b>12</b>

Source: ITC NTM survey.

**Table 17. Textiles and clothing exports, burdensome non-tariff measures applied by Mauritian authorities**

Affected products	Export value in 2011, 000\$	Share of exports in this sector (%)	Licensing or permit to export	Total
Men's or boys' coats, capes, jackets, suits, blazers, trousers, shirts, dresses, skirts, dresses and skirts, underwears, nightwears and similar articles of textile fabrics, knitted or crocheted (other than those of subgroup 845.2)	44 796	4%	2	2
Women's or girls' coats, capes, jackets, suits, blazers, trousers, shirts, dresses and skirts, underwears, nightwears and similar articles of textile fabrics, knitted or crocheted (other than those of subgroup 845.2)	95 992	9%	1	1
Men's or boys' coats, capes, jackets, suits, blazers, trousers, shirts, dresses, skirts, dresses and skirts, underwears, nightwears and similar articles of textile fabrics, knitted or crocheted (other than those of subgroup 845.2)	242 881	24%	2	2
Women's or girls' coats, capes, jackets, suits, blazers, trousers, shirts, dresses, skirts, dresses and skirts, underwears, nightwears and similar articles of textile fabrics, knitted or crocheted (other than those of subgroup 845.2)	51 671	5%	1	1
<i>Other products</i>	586 239	57%		
<b>Total</b>	<b>1 021 579</b>	<b>100%</b>	<b>6</b>	<b>6</b>

Source: ITC NTM survey.

MAR-14-240.E

**Table 18. Export of textiles and clothing, non-tariff measures applied in Mauritius and reasons making them burdensome (procedural obstacles)**

Type of NTM	Number of NTM cases too strict/difficult to comply with	Number of NTM cases burdensome due to PO	Type of associated POs	Number of PO cases in Mauritius
Licensing or permit to export		6	A4. Large number of checks (e.g. inspections, checkpoints weigh bridges) C2. Other inconsistent or arbitrary behaviour of officials D1. Delay in administrative procedures	2 3 6
<b>Total</b>	<b>0</b>	<b>6</b>		<b>11</b>

Source: ITC NTM survey.

**Table 19. Exports of textiles and clothing, procedural obstacles and inefficiencies in the trade-related business environment**

Procedural obstacle (or TBE)	Number of PO/TBE cases		
	In Mauritius (and agencies involved, if specified)	In partner countries	
A2. Documentation is difficult to fill out		2	France (2)
A4. Large number of checks (e.g. inspections, checkpoints, weighbridges)	2	Customs (2)	
B1. Information is not adequately published and disseminated	4	Not specified (4)	
B3. Regulations change frequently			2
C2. Other inconsistent or arbitrary behaviour of officials	10	Ministry of Commerce (4), Not specified (1), Ports of Mauritius (5)	South Africa (2)
D1. Delay in administrative procedures	7	Ministry of Commerce (6), Not specified (1)	
D2. Delay during transportation	5	Not specified (5)	
H5. Lack of recognition e.g. of national certificates	3	Not specified (3)	
<b>Total</b>	<b>31</b>		<b>4</b>

Source: ITC NTM survey.

**Table 20. Textiles and clothing imports, burdensome non-tariff measures applied by Mauritian authorities**

Type of NTM	Export value in 2011, US\$ '000	Share of exports in this sector (%)	Authorization requirement because of: national security; protection of human health or safety; environmental protection; or prevention of deceptive practices	Import monitoring and surveillance requirements and other automatic licensing measures	Charges, taxes and other para-tariff measures				Total
					Customs surcharges	Merchandise handling or storing fees	Other additional taxes and charges	Customs valuations	
<b>Affected products</b>									
Articles of apparel and clothing accessories of other than textile fabrics; headgear of all materials	5 613	1			1				1
Trunks, suitcases, vanity cases, executive cases, briefcases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling bags, insulated food or beverages bags, toilet bags	9 970	2			1				1
Textile yarn	105 459	26		1					1
Cotton fabrics, woven (not including narrow or special fabrics)	83 453	20		1	1	1			3
Women's or girls' coats, capes, jackets, suits, trousers, shorts, shirts, dresses and skirts, underwear, nightwear and similar articles of textile fabrics, knitted or crocheted (other than those of subgroup 845.2)	5 489	1	1				1		2
Men's or boys' coats, capes, jackets, suits, blazers, trousers, shorts, shirts, underwear, nightwear and similar articles of textile fabrics, knitted or crocheted (other than those of subgroup 845.2)	4 888	1						4	4
Articles of apparel, of textile fabrics, whether or not knitted or crocheted, n.e.s.	29 133	7		1				1	2



MAURITIUS: COMPANY PERSPECTIVES – AN ITC SERIES ON NON-TARIFF MEASURES

Type of NTM	Export value in 2011, US\$ '000	Share of exports in this sector (%)	Authorization requirement because of national security; protection of human health or safety; environmental protection; or prevention of deceptive practices	Import monitoring and surveillance requirements and other automatic licensing measures	Charges, taxes and other para-tariff measures				Total
Affected products					Customs surcharges	Merchandise handling or storing fees	Other additional taxes and charges	Customs valuations	
Men's or boys' coats, capes, jackets, suits, blazers, trousers, shorts, shirts, underwear, nightwear and similar articles of textile fabrics, not knitted or crocheted (other than those of subgroup 845.2)	10 662	3						1	1
Women's or girls' coats, capes, jackets, suits, trousers, shorts, shirts, dresses and skirts, underwear, nightwear and similar articles of textile fabrics, not knitted or crocheted (other than those of subgroup 845.2)	13 388	3	1		2				3
Made-up articles, wholly or chiefly of textile materials, n.e.s.	11 450	3		1		1			2
Footwear	23 439	6			1	5			6
Other products	108 326	26							
<b>Total</b>	<b>411 270</b>	<b>100</b>	<b>2</b>	<b>4</b>	<b>6</b>	<b>7</b>	<b>1</b>	<b>6</b>	<b>26</b>

Source: ITC NTM survey.

**Table 21. Import of textiles and clothing, non-tariff measures applied by Mauritius and reasons making them burdensome**

Type of NTM	Number of NTM cases too strict/difficult to comply with	Number of NTM cases burdensome due to PO	Type of associated POs	Number of PO cases in Mauritius
Authorization requirement because of national security; protection of human health or safety; environmental protection; or prevention of deceptive practices	.	2	B1. Information is not adequately published and disseminated	2
			C2. Other inconsistent or arbitrary behaviour of officials	2
Import monitoring and surveillance requirements and other automatic licensing measures	.	4	D1. Delay in administrative procedures	2
			C2. Other inconsistent or arbitrary behaviour of officials	3
			D1. Delay in administrative procedures	4
			D2. Delay during transportation	2
			E1. Unusually high fees and charges	1
Customs surcharges	2	4	C2. Other inconsistent or arbitrary behaviour of officials	4
			E2. Informal payment, e.g. bribes	4
Merchandise handling or storing fees	.	7	D1. Delay in administrative procedures	7
Other additional taxes and charges	1	.		.
Customs valuations	.	6	C2. Other inconsistent or arbitrary behaviour of officials	6
			D1. Delay in administrative procedures	6
			E2. Informal payment, e.g. bribes	6
<b>Total</b>	<b>3</b>	<b>23</b>		<b>49</b>

Source: ITC NTM survey.

**Table 22. Import of textiles and clothing, inefficiencies in the trade-related business environment**

Type of inefficient TBE issues	Number of TBE cases in Mauritius	Number of TBE cases in partner country	Total
A1. Large number of different documents	0	1	1
B3. Regulations change frequently	0	1	1
C1. Inconsistent classification of products	1	0	1
C2. Other inconsistent or arbitrary behaviour of officials	2	0	2
D1. Delay in administrative procedures	4	1	5
D2. Delay during transportation	2	0	2
E1. Unusually high fees and charges	1	0	1
E3. Need to hire a local customs agent to get shipment unblocked	1	0	1
G1. Low security level for persons and goods	0	1	1
<b>Total</b>	<b>11</b>	<b>4</b>	<b>15</b>

Source: ITC NTM survey.

**Table 23. Import of textiles and clothing, procedural obstacles and inefficiencies in the trade-related business environment**

PO or TBE	Number of PO/TBE cases		
	In Mauritius and agencies involved, if specified		In partner countries
A1. Large number of different documents			1 India (1)
A2. Documentation is difficult to fill out			1 Madagascar (1)
B1. Information is not adequately published and disseminated	2	Ministry of Commerce (2)	
B3. Regulations change frequently			1 India (1)
C1. Inconsistent classification of products	4	Customs (4)	
C2. Other inconsistent or arbitrary behaviour of officials	17	Airports of Mauritius (1), Customs (11), Ministry of Commerce (2), Ports of Mauritius (3)	
D1. Delay in administrative procedures	28	Customs (15), Ministry of Commerce (3), Not specified (7), Ports of Mauritius (3)	1 India (1)
D2. Delay during transportation	4	Not specified (4)	
E1. Unusually high fees and charges	2	Cargo Handling Corporation Ltd (1), Not specified (1)	
E2. Informal payment, e.g. bribes	10	Customs (10)	
E3. Need to hire a local customs agent to get shipment unblocked	1	Not specified (1)	
G1. Low security level for persons and goods			1 India (1)
<b>Total</b>	<b>68</b>		<b>5</b>

Source: NTM survey.

## 7. ‘Other manufacturing’ products

This section examines Mauritian ‘other manufacturing’ products. These include wood, wood products and paper; leather and leather products; metal and other basic manufacturing; non-electric machinery; computer, telecommunications, consumer electronics; electronic components; transport equipment; and miscellaneous manufacturing sectors.

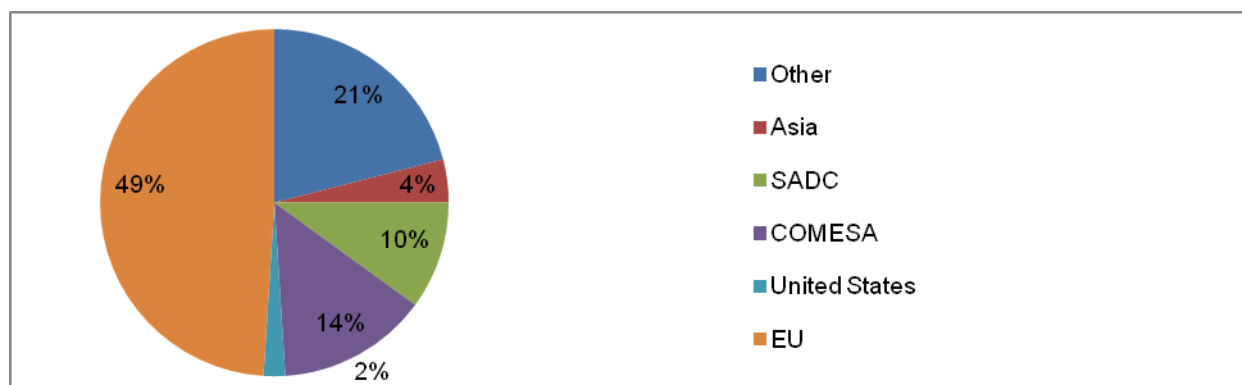
This section also analyses the importance of exports of other manufacturing products for the Mauritian economy, followed by an explanation of the NTMs that have been applied and affected this sector, and any subsequent obstacles. The section also examines the NTMs applied by Mauritius. Tables providing a detailed overview of NTMs and POs in this sector can be found at the end of the section.

### 7.1. Importance of the sector

Exports of manufacturing products have increased over the last 10 years. In 2011, exports of this sector accounted for US\$ 365.64 million with a share of about 17% of total Mauritian exports, excluding minerals and arms. The annual average growth rate for the manufacturing sector between the years 2001 and 2011 was positive. Other manufacturing imports were US\$ 2.3 billion, 58.5% of overall imports in 2011.

As in other sectors, the European Union is the main market for other manufacturing products accounting for almost the half of Mauritian exports in this sector (figure 24). The main export markets in the European Union are France with total exports of US\$ 141 million, followed by Germany accounting for US\$ 14 million. Exports to Switzerland accounted for US\$ 32 million. Exports to COMESA countries account for about 14% of total Mauritian exports. SADC countries have a significant share of about 10%. The export share to Asia remained quite low, probably due to the remoteness Mauritius suffers when exporting to Asian markets.

**Figure 24. Key markets for ‘other manufacturing’ products exports, 2011**



Source: ITC calculations based on Trade Map data.

### 7.2. Affected companies

In the ‘other manufacturing’ sector, 28 out of 121 exporting companies that participated in the telephone interviews reported they were affected by NTMs. Subsequently, 16 of those companies participated in face-to-face interviews. Seventy-three out of 210 importing companies in this sector that participated in telephone interviews reported impact from NTMs; 49 participated in face-to-face interviews. Compared with survey results for agriculture and textiles and clothing, the other manufacturing sector experienced the least amount of impact from NTMs.

The most frequent NTMs affecting Mauritian exports in this sector applied by partner countries were technical requirements (28%), as shown in figure 19. Conformity assessment followed accounting for 22% of NTMs. Charges, taxes and other para-tariff measures and intellectual property measures, accounted for 16% of the cases each. PSI and other entry formalities, rules of origin and related certificate of origin and finance measures accounted for 9%, 6% and 3%, respectively.

With respect to imports, the survey showed that technical requirements, PSI and other formalities and conformity assessment were the most frequent reported NTMs applied by Mauritian authorities in this sector, with shares of 39%, 24% and 19%, respectively (figure 20). Charges, taxes and other para-tariff measures ranked at 10% of total reported NTMs.

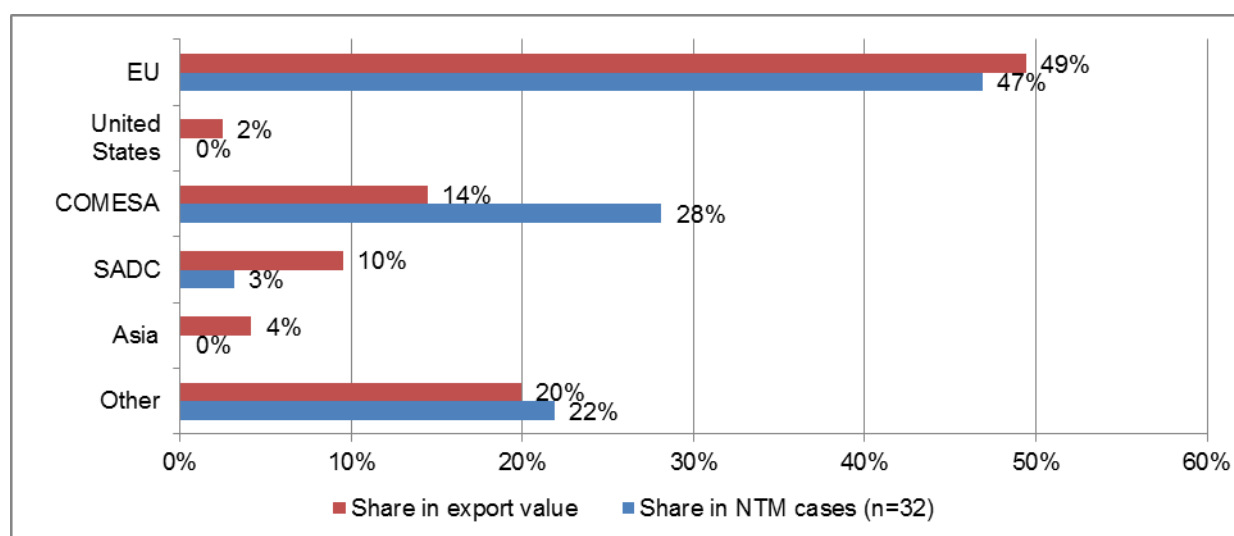
### 7.3. Non-tariff measures applied by partner countries affecting exports

As with the agriculture and textile and clothing sectors, because the European Union is the largest destination market for other manufacturing exports, it follows that exporters reported the most NTMs burdens due to EU measures. Nearly half of other manufacturing products (49%) were exported to the European Union in 2011 and 47% of NTMs reported in this sector were applied by the European Union (15 cases out of 32), figure 25. Again, the level of perceived restrictiveness is primarily due to the fact that most of the exports are to the EU market, not necessarily that the European Union is more restrictive.

The survey data reveal that the two most affected subsectors are soap, cleansing and polishing preparations and printed materials (10 cases in each subsector), as shown in table 24.

COMESA follows the European Union in terms of the share of burdensome NTMs reported, at about 28%, (nine cases out of 32). SADC countries were reported to apply just 3% of total NTMs in this sector. A significant share of NTMs was reported in other markets (22%), while no NTMs were reported in Asia or the United States, which have shares of Mauritian exports of 4% and 2% respectively.

**Figure 25. Share of exports and burdensome non-tariff measures applied by main markets to Mauritian ‘other manufacturing’ products, 2011**



Source: ITC NTM survey.

#### 7.3.1. Technical requirements

Technical requirements formed 28% of NTMs in the ‘other manufacturing’ sector. Most of them took the form of labelling requirements, with eight cases out of nine. Labelling requirements were reported in the soap, cleansing and polishing preparations subsector and were applied by Mayotte and France, with four cases in each, as shown in table 24.

Various chemicals and medicaments, which tend to accompany chemical-based products such as soaps and cleansing preparations, were also identified as impacted by NTMs. The European Union recently notified to the WTO TBT Committee its

‘Labelling must be in French and according to EU legislation. However, packaging in French and according to French legislation and laws is complex, with lengthy documents to read. We also experience difficulties with translation of documents from or into other languages.’

[Exporters, soap, cleansing and polishing products, ITC NTM survey](#)

classification and labelling requirements, as well as testing methods impacting dangerous chemical substances, elaborated in the Regulation on Classification, Labelling and Packaging of Substances and Mixtures.<sup>a</sup> Concerns were first raised in 2007 and again in 2011. Mauritius was among delegations expressing concerns about the NTB impact of the regulation.

A technical testing requirement applied by France was cited by an exporter of wood manufactures, including cases, boxes, crates and drums of wood for packing. Because this case also involves conformity assessment, it is discussed in the section below.

### 7.3.2. Conformity assessment

Conformity assessment accounted for 22% of perceived burdensome NTMs (seven cases out of 32) and include testing and product certification. Testing measures were reported for jewellery and medical appliances and instruments (three cases and one case respectively). Specifically for jewellery, where the complaint involved a partner country, Reunion Island, the issue was that the measures were considered too strict and difficult to comply with. In Reunion Island, all products of this type must be tested to verify their content. In another case, the measure was associated with limited/inappropriate facilities, e.g. storage, cooling, testing and fumigation. Similarly, France was cited as applying a burdensome testing measure impacting Mauritian exporters of wood cases, boxes

'The fumigation process required by France takes long and the fumigation machine breaks down.'

[Exporter of cases and boxes of wood for packing, ITC NTM survey](#)

and crates for packing (table 24). The complaint involved the exporters' ability to meet fumigation requirements due to lack of adequate testing facilities. The complaint was not the requirement itself, but that the testing process takes too long and the fumigation machine used by the Ministry of Agriculture to meet the requirement often breaks down.

In addition to relevant EU rules, Mauritian exporters must comply with regulations implemented by France, which arguably align with EU and international requirements. Countries must regulate imports of wood products in line with internationally accepted standards, including fumigation techniques. These standards are necessary to control against pests that may enter countries through the packaging of other products or purchased as packing materials to be used for exports of the destination country. Pests are naturally found in wood.

However, there has been concern among developing country wood product exporters that some fumigation regulations may go beyond standards required to protect consumers, health and the environment of a destination country. Exporters have questioned whether some regulations act as protectionist measures for developed country wood processing industries that feel threatened by competing wood and wood product imports, especially from tropical regions. France is also an important wood producer and exporter.

Concerning product certification, two cases involved the soap, cleansing and polishing preparations subsector, while one case impacted the paper subsector. The measures were required by Madagascar (two cases) and Kenya (one case). One case involved a report that BSC registration

'To receive clearance from Kenyan customs, there is an import declaration fee of 2.25% and a form must be filled each time goods are exported.'

[Exporter of printed books, brochures and other printed matter, ITC NTM survey](#)

carried out by SGS provided contradictory interpretation of the required certification, which resulted in an obstacle when this product was exported to Madagascar. A report from an exporter of organic surface active agents (other than soaps) also complained that SGS inspection received for exports to Kenya did not meet the standard required. It is unclear whether Mauritius or Kenya required SGS to conduct the certification.

<sup>a</sup> G/TBT/GEN/74/Rev.9, 17 October 2011, p. 31.

### 7.3.3. Charges, taxes and other para-tariff measures

The share of customs surcharges was 16% of burdensome NTMs reported applied by partner countries. The printed matter subsector was reported to be impacted by four of these measures and one case in the paper subsector was reported applied in Kenya. The concern was mainly about the prohibitive fee and burdensomeness due to the large number of documents required for export. An NTM was reported applied by Kenya, a COMESA partner country.

### 7.3.4. Intellectual property

The survey results reveal concerns about intellectual property (IP) of printed books, brochures and similar printed matter. The case was not that the destination country blocked or hindered importation for violating of its intellectual property laws. The exporter found that Benin, Cameroon, Côte d'Ivoire, Kenya and Senegal were not protecting the intellectual property of the Mauritian exported product when entering their markets. This may qualify as a hindrance if the exporter is not inclined to continue exporting the product to those destinations, but what noteworthy about these cases, was that the exporter complained that due to IP violations the products were 'easily copied and sold at cheaper prices.'

## 7.4. Non-tariff measures applied by Mauritius affecting exports

Mauritian authorities applied NTMs to exports of 'other manufacturing' products in nine cases (table 26). The majority of burdensome the NTMs were licensing or permits to export measures reported in five cases. These licences impacted mainly exports of jewellery, gold and silver non-monetary products to Denmark, France, Switzerland and the United Kingdom, and silver and gold exports to those countries plus the Netherlands, Poland and the United

States. In addition, ferrous waste and scrap destined for India and Singapore were subject to export licences and permits.

'It takes three months to obtain an export permit from Ministry of Commerce.'

Exporter of ferrous waste, ITC NTM survey

States. In addition, ferrous waste and scrap destined for India and Singapore were subject to export licences and permits.

With regard to export permits, it was noted that POs included the amount of detailed information required by the Ministry of Commerce. Permits to export ferrous waste and scrap to India and Singapore took three months.

Export inspection measures were reported in three cases. The measures were reported to be burdensome due to POs involving arbitrary behaviour of officials. Export taxes and charges were also mentioned once, having impacted exports of chemicals, namely alcohols. These taxes and charges were considered difficult to comply with.

## 7.5. Procedural obstacles and inefficiencies affecting exports

The survey revealed that the number of POs and TBEs impacting exports of 'other manufacturing' products that occurred in Mauritius matches the number reported in partner countries, 28 cases each (table 27). The majority of POs that occurred in Mauritius were delays in administrative procedures, reported in 11 cases. These delays were attributed to different agencies, including the Ministry of Commerce, customs and Airports of Mauritius. A further eight cases were reports of the large number of different documents required by the Ministry of Commerce and customs.

Of the number of POs and TBEs reported applied in partner countries, the majority were the large number of different documents (eight cases out of 28) requested by Comoros, Kenya, Madagascar and Seychelles. In addition, difficulties with translation of documents from or into other languages were reported for Mayotte and France, with four cases each. Poor intellectual property rights protection was reported in Benin, Cameroon, Côte d'Ivoire, Kenya and Senegal (one case each).

## 7.6. Non-tariff measures and other obstacles affecting imports

When importing manufactured goods, companies almost exclusively reported problems with domestic regulations and procedures. This is an expected outcome for two reasons. First, it is usually the

importing country that applies NTMs. Second, importers in Mauritius are more likely to be familiar with domestic obstacles than with export-related measures that may affect the exporter in the country of origin of the goods. Domestic NTMs tend to affect imports irrespective of the country of origin. About 88 measures were reported to be burdensome and applied by Mauritian authorities, compared to five cases applied by a partner country, China. These measures were perceived as burdensome because they were too strict and difficult to comply with. Companies impacted were importers of paper, electrical machinery and apparatus, baby carriages, office and stationery supplies, and miscellaneous manufactured articles products.

Most domestic NTMs were import authorizations and registration requirements (27 cases), followed by import monitoring and surveillance requirements and other automatic licensing measures with 15 cases (table 30). Imports of inorganic chemical elements, oxides and halogen salts were also impacted most by NTMs applied by Mauritian authorities. Agricultural machinery as well as baby carriages, toys, games and sporting goods are two subsectors also reported as highly impacted by burdensome NTMs applied by Mauritian authorities. Most measures of the latter subsector were product certifications designed to ensure child safety while using these products.

In terms of POs and TBEs, the most frequently reported occurring in Mauritius were delays in administrative procedures with 46% (81 cases out of 176, see Table 31). The majority were reported at Ministry of Commerce and customs, 22 and 21 cases respectively. Other inconsistent or arbitrary behaviour of officials followed with 32 reported cases (18%), 13 occurring at customs, nine cases at the Ports of Mauritius and seven at the Ministry of Commerce. The most frequently reported TBEs occurring in Mauritius were delays in administrative procedures, compared to five cases occurring in partner countries. This is likely because importers are more familiar with local procedures than those in partner countries. No TBE cases were reported in transit countries.

## **7.7. Summary and policy options**

### **7.7.1. Summary**

In 2011, exports of 'other manufacturing' products accounted for 17% share of total Mauritian exports and 59% share of total imports, excluding minerals and arms. The European Union is the main market, accounting for almost half of Mauritian exports in this sector. The second biggest market in terms of Mauritian exports and burdensome measures is COMESA, followed by SADC countries, with fewer burdensome NTMs reported.

Technical requirements were reported to be the major burdensome category for other manufacturing products accounting for 28% of total NTMs affecting exports. Conformity assessment claimed a significant share of burdensome NTM reports, accounting for 22%, followed by charges, taxes and other para-tariff measures, with 16%.

Concerning impact on imports, 39% of the measures recorded as burdensome were technical requirements, followed by 24% for PSI and other entry formalities and 19% for conformity assessment measures.

### **7.7.2. Policy options**

Policy options suggested in this report are not intended to serve as the only ones available or expected to be considered. These options are intended to stimulate further discussion among authorities and stakeholders. Although other manufacturing takes a small share of Mauritian exports and represented the smallest share of reported NTMs, POs and TBEs, these results provide valuable information for authorities regarding the areas where trade is inhibited and the challenges facing exporters.



## Domestic and international action

Where imports are either needed for inputs into exports or are needed to supply other Mauritian domestic markets, the results can inform policymakers on what steps to take to reduce or eliminate unnecessary barriers to trade. The inputs from relevant companies in the other manufacturing sector are clear and precise, which means that addressing the problems may not be difficult.

The measures to be addressed in this sector include technical requirements, conformity assessment, charges, taxes and other para-tariff measures, intellectual property, export licensing and permits. However, overall the types of complaints are primarily due to POs, which means policy actions can be more precisely targeted both on a domestic and international level. Where the measures in a few cases were due to strictness and difficulty to comply, authorities can also explore specific options.

With respect to technical requirements and conformity assessment measures, where the difficulty was PO related, such as translating and completing documents, Mauritius could work with partner countries to help alleviate problems, especially as a multilingual country. Mauritian authorities can also investigate the bottlenecks with delays with paperwork or processing. Regular dialogue with stakeholders in this sector would improve efficiencies and reduce barriers.

The results also revealed problems with broken down equipment in the Mauritius Ministry of Agriculture, needed to conduct export testing and certification in the destination market. For example in the case of fumigation requirements demanded by France, the relevant agency should investigate equipment needs and consider investing in better technology to keep up with requirements in destination markets. This would avoid the need to send products to more advanced countries in the region for testing, which increases costs and delays for Mauritian exporters.

Where the problem is not a PO, Mauritius could continue to raise issues bilaterally and multilaterally with the European Union and other partners. Particular attention should be paid to labelling regulations that could pose an NTB for Mauritian exports. These measures should be monitored in the WTO TBT Committee, which is experiencing even more robust activity due to the recent focus on NTBs. Mauritius may want to consider tabling a general communication to present the extensive TBT measures that have been raised in this report and in other contexts. The submission can serve as a discussion piece with WTO members that are tackling these measures, especially labelling issues. Proactive steps can be taken in the TBT Committee to help resolve problems surfacing in regulations.

The government should monitor to what extent constant changes in regulations, labelling requirements and type of testing based on advance technology is excessive, amounting to an unnecessary burden on Mauritian products. Developing countries, after having reached a certain level of technological advancement that satisfies standards for health, safety and environmental protection in destination markets should not be expected to suddenly achieve high technological advancement.

Similar to action that could be taken in the textiles and clothing sector, Mauritius could explore initiatives to exceed the required standards to promote higher levels of technical excellence, which would improve competitiveness and meet consumer demand. However, the standard to enter the market with safe products should not exceed legitimate policy objectives of a destination market. At minimum, activities of PSI agents and requirements in destination markets should be monitored against the WTO PSI Agreement.

Mauritius can increase its participation in ISO by closely monitoring pending changes to regulations in destination markets and can participate in formulating standards. Mauritius has already been involved either as an active member or observer on a number of ISO technical committees related to 'other manufacturing' products.<sup>b</sup>

To address IP compliance in destination markets, the government can raise these issues bilaterally or pursue discussions at the World Intellectual Property Organization (WIPO) and the WTO Trade-Related Aspects of Intellectual Property Rights (TRIPS) Council. However, some of the countries cited

---

<sup>b</sup> For example, [TC 198](#) – Sterilization of health care products (*O-Member*); [TC 176](#) – Quality management and quality assurance (*P-Member*); [TC 122](#) – Packaging (*O-Member*); [TC 176/SC 3](#) – Supporting technologies (*P-Member*); [TC 91](#) – Surface active agents (*O-Member*); and others.  
[www.iso.org/iso/home/about/iso\\_members/iso\\_member\\_participation\\_tc.htm?member\\_id=1944](http://www.iso.org/iso/home/about/iso_members/iso_member_participation_tc.htm?member_id=1944) .

in these survey results as having an inefficient TBE because of weak or no adherence to IP rights for Mauritian books and printed matter are LDCs and not yet able to implement the international rules. Laws could be in place, but more should be done to assist those countries to enforce them, which will at the same time improve the trade environment.

Some complaints concerned export licensing, permits and taxes on jewellery, gold, silver and ferrous waste and scrap destined for the European Union, India, Singapore and United States. Many developing countries, including Mauritius, retain the right to manage the export of their natural resources, including those used producing jewellery from precious or semi-precious stones and export of ferrous scrap and waste. Similar to the export permits and licences used for agricultural products deemed of national importance or are scarce, Mauritius has used similar measures for scarce resources. Mauritius, a small and vulnerable island economy managing to maintain its middle-income status, has demonstrated it is using these policy tools rationally. However, administrative procedures that unnecessarily disrupt trade should be examined and minimized. This report can help Mauritian authorities investigate problems in the relevant ministries to better facilitate trade.

With respect to perceived onerous charges and taxes in COMESA partner Kenya, the government could investigate if the problem persists and if so, resolve it bilaterally within COMESA.

**Table 24. ‘Other manufacturing’ product exports, burdensome non-tariff measures applied by partner countries**

Affected products	Export value in 2011, 000\$	Share of exports in this sector (%)	Technical requirements		Conformity assessment		Pre-shipment inspection	Customs surcharges	Regulations on official foreign exchange allocation	Intellectual property	Rules of origin and related certificate of origin	Total
			Labelling requirements	Other technical requirements	Testing	Product certification						
Soap, cleansing and polishing preparations	6 963	2%	8			2						10
Wood manufactures, n.e.s.	1 170	0%		1								1
Paper and paperboard, cut to size or shape, and articles of paper or paperboard	10 701	3%				1		1				2
Printed matter	10 084	3%						4	1	5		10
Jewellery, goldsmiths' and silversmiths' wares, and other articles of precious or semiprecious materials, n.e.s.	63 480	17%			3							3
Other	-	0%					2					2
Ferrous waste and scrap; remelting scrap ingots of iron or steel	2 988	1%					1					1
Instruments and appliances, n.e.s., for medical, surgical, dental or veterinary purposes	18 588	5%				1						1
Measuring, checking, analysing and controlling instruments and apparatus, n.e.s.	3 509	1%									2	2
<i>Other products</i>	248 153	68%										
<b>Total</b>	<b>365 636</b>	<b>100%</b>	<b>8</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>5</b>	<b>1</b>	<b>5</b>	<b>2</b>	<b>32</b>
Partner country applying burdensome NTM (number of cases)			Mayotte (4), France (4)	France (1)	France (1), Reunion Island (3)	Kenya (1), Madagascar (2)	India (3)	Kenya (5)	Seychelles (1)	Cameron (1), Benin (1), Côte d'Ivoire (1), Kenya (1), Senegal (1)	Romania (2)	

Source: ITC NTM survey

**Table 25. Export of ‘other manufacturing’ products, non-tariff measures applied by partner countries and reasons making them burdensome**

Type of NTM	Number of NTM cases too strict/difficult to comply with	Number of NTM cases burdensome due to PO	Type of associated POs	Number of PO cases in Mauritius	Number of PO cases in partner country
Labelling and packaging requirements	.	8	A3. Difficulties with translation of documents from or into other languages	.	8
Other technical requirements	.	1	F1. Limited/inappropriate facilities (e.g. storage, cooling, testing, fumigation)	.	1
Testing	3	1	F1. Limited/inappropriate facilities (e.g. storage, cooling, testing, fumigation) A2. Documentation is difficult to fill out	1	.
Product certification	1	2	B1. Information is not adequately published and disseminated	.	2
			C2. Other inconsistent or arbitrary behaviour of officials	.	1
			D1. Delay in administrative procedures	.	1
Pre-shipment inspection	3	.		.	.
Customs surcharges	.	5	A1. Large number of different documents	.	5
Other regulations on official foreign exchange allocation	1	.		.	.
Intellectual property	.	5	H4. Poor intellectual property rights protection e.g. breach of copyright, patents, trademarks etc.	.	5
Rules of origin and related certificate of origin	.	2	D1. Delay in administrative procedures	2	.
<b>Total</b>	<b>8</b>	<b>24</b>		<b>3</b>	<b>24</b>

Source: ITC NTM survey.

**Table 26. 'Other manufacturing' product exports, burdensome non-tariff measures applied by Mauritian authorities**

Affected products	Export value in 2011, 000\$	Share of exports in this sector (%)	Export inspection	Licensing or permit to export	Export taxes and charges	Total
Alcohols, phenols, phenol-alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives	2 767	1%			1	1
Silver, platinum and other metals of the platinum group	159	0%		1		1
Gold, non-monetary (excluding gold ores and concentrates)	891	0%		1		1
Jewellery, goldsmiths' and silversmiths' wares, and other articles of precious or semiprecious materials, n.e.s.	63 480	17%		2		2
Other	-	0%	2			2
Ferrous waste and scrap; remelting scrap ingots of iron or steel	2 988	1%	1	1		2
<i>Other products</i>	295 351	81%				
<b>Total</b>	<b>365 636</b>	<b>100%</b>	<b>3</b>	<b>5</b>	<b>1</b>	<b>9</b>

Source: ITC NTM survey.

**Table 27. Export of 'other manufacturing' products, non-tariff measures applied by Mauritius and reasons making them burdensome**

Type of NTM	Number of NTM cases too strict/difficult to comply with	Number of NTM cases burdensome due to PO	Type of associated POs	Number of PO cases in Mauritius
Export inspection	.	3	C2. Other inconsistent or arbitrary behaviour of officials	3
Licensing or permit to export	.	5	A1. Large number of different documents	5
Export taxes and charges	1	.	D1. Delay in administrative procedures	1
<b>Total</b>	<b>1</b>	<b>8</b>		<b>9</b>

Source: ITC NTM survey.

**Table 28. Export of 'other manufacturing' products, procedural obstacles and inefficiencies in the trade-related business environment**

PO or TBE	Number of PO/TBE cases		
	In Mauritius (and agencies involved, if specified)		In partner countries
A1. Large number of different documents	8	Customs (1), Ministry of Commerce (6), Not specified (1)	8 Comoros (1), Kenya (5), Madagascar (1), Seychelles (1)
A2. Documentation is difficult to fill out			2 Madagascar (2)
A3. Difficulties with translation of documents from or into other languages			8 Mayotte (4), France (4)
B1. Information is not adequately published and disseminated			1 Madagascar (1)
C1. Inconsistent classification of products	2	Customs (2)	
C2. Other inconsistent or arbitrary behaviour of officials	3	Customs (3)	2 Benin (1), Madagascar (1)
D1. Delay in administrative procedures	11	Airports of Mauritius (1), Customs (2), Freeport Custom Office (1), Ministry of Commerce (3), Not specified (2), Old Terminal (1), Pats Airport (1)	1 Madagascar (1)
F1. Limited/Inappropriate facilities (e.g. storage, cooling, testing, fumigation)	1	Not specified (1)	1 France (1)
F3. Technological constraints, e.g. information and communication technologies		Airports of Mauritius (1), Pats Airport (1)	
H4. Poor intellectual property rights protection e.g. breach of copyright, patents, trademarks, etc.			5 Cameroun (1), Benin (1), Côte d'Ivoire (1), Kenya (1), Senegal (1)
I1. Other obstacles	1	Chamber of Commerce (1)	
<b>Total</b>	<b>28</b>		<b>28</b>

Source: ITC NTM survey.

**Table 29. Export of 'other manufacturing' products, inefficiencies in the trade-related business environment**

Type of TBE problems	Number of TBE cases in Mauritius	Number of cases in partner/transit country	Total
A1. Large number of different documents	2	3	5
C1. Inconsistent classification of products	2	0	2
C2. Other inconsistent or arbitrary behaviour of officials	0	1	1
D1. Delay in administrative procedures	5	0	5
F3. Technological constraints, e.g. information and communication technologies	1	0	1
I1. Other obstacles	1	0	1
<b>Total</b>	<b>11</b>	<b>4</b>	<b>15</b>

Source: ITC NTM survey.

**Table 30. Import of 'other manufacturing' products, non-tariff measures applied by Mauritius and reasons making them burdensome**

Type of NTM	Number of NTM cases too strict/difficult to comply with	Number of NTM cases burdensome due to PO	Type of associated POs	Number of PO cases in Mauritius	Number of PO cases in partner country
Import authorization and registration requirements	5	22	A1. Large number of different documents	2	.
			A4. Large number of checks (e.g. inspections, checkpoints weigh bridges)	1	.
			A5. Numerous administrative windows/organizations involved	1	.
			B1. Information is not adequately published and disseminated	1	.
			C2. Other inconsistent or arbitrary behaviour of officials	4	.
			D1. Delay in administrative procedures	20	.
			E1. Unusually high fees and charges	1	.
			F3. Technological constraints, e.g. information and communication technologies	1	.
			I1. Other obstacles	1	.
			C2. Other inconsistent or arbitrary behaviour of officials	1	.
Other technical requirements	5	2	D1. Delay in administrative procedures	1	.
			C2. Other inconsistent or arbitrary behaviour of officials	1	.
Product certification	2	6	C2. Other inconsistent or arbitrary behaviour of officials	2	.
			D1. Delay in administrative procedures	6	.
Inspection requirement	.	6	C2. Other inconsistent or arbitrary behaviour of officials	6	.
			D1. Delay in administrative procedures	3	.
Other conformity assessment requirements	.	3	I1. Other obstacles	2	.
			A1. Large number of different documents	4	.
Import monitoring and surveillance requirements and other automatic licensing measures	.	15	B1. Information is not adequately published and disseminated	5	.
			C1. Inconsistent classification of products	1	.
			C2. Other inconsistent or arbitrary behaviour of officials	8	.
			D1. Delay in administrative procedures	13	.
Other pre-shipment inspection and entry	.	6	A5. Numerous administrative windows/organizations involved	1	.
			D1. Delay in administrative procedures	5	.



Type of NTM	Number of NTM cases too strict/difficult to comply with	Number of NTM cases burdensome due to PO	Type of associated POs	Number of PO cases in Mauritius	Number of PO cases in partner country
formalities			E1. Unusually high fees and charges	5	.
Charges, taxes and other para-tariff measures	6	3	D1. Delay in administrative procedures	2	.
Other import requirements	4	3	E1. Unusually high fees and charges	3	.
			D1. Delay in administrative procedures	2	.
			E1. Unusually high fees and charges	1	.
			G1. Low security level for persons and goods	.	4
<b>Total</b>	<b>22</b>	<b>66</b>		<b>103</b>	<b>4</b>

Source: ITC NTM survey.

**Table 31. Import of other manufacturing products, procedural obstacles and inefficiencies in the trade-related business environment**

PO or TBE	Number of PO/TBE cases	
	In Mauritius and agencies involved, if specified	In partner countries
<b>A1. Large number of different documents</b>	<b>10</b>	<b>Customs (4), Ministry of Commerce (3), Not specified (2), Ports of Mauritius (1)</b>
A4. Large number of checks (e.g. inspections, checkpoints weigh bridges)	1	Mauritius Standard Bureau (1)
A5. Numerous administrative windows/organizations involved	5	Customs (2), Dangerous Chemical Control Board (1), Mauritius Revenue Authority (1), Ministry of Agro-Industry and Food Security (1)
B1. Information is not adequately published and disseminated	12	Customs (2), Ministry of Commerce (8), Not specified (2)
B2. No due notice for changes in procedure	1	Customs (1)
C1. Inconsistent classification of products	8	Customs (5), Ports of Mauritius (3)
C2. Other inconsistent or arbitrary behaviour of officials	32	Customs (13), Mauritius Standard Bureau (3), Ministry of Commerce (7), Ports of Mauritius (9)
		1
		South Africa (1)

MAURITIUS: COMPANY PERSPECTIVES – AN ITC SERIES ON NON-TARIFF MEASURES

PO or TBE	Number of PO/TBE cases		
	In Mauritius and agencies involved, if specified	In partner countries	
D1. Delay in administrative procedures	81 Airports of Mauritius (3), Customs (21), Information, Communication, Technology Authority (1), Mauritius Shipping Corporation (1), Mauritius Standard Bureau (4), Mauritius Tourism Promotion Authority (1), Ministry of Agro-Industry and Food Security (1), Ministry of Commerce (22), Ministry of Health (9), Not specified (2), Ports of Mauritius (16)	5 Canada (1), Malaysia (1), Singapore (1), South Africa (1), Thailand (1)	
E1. Unusually high fees and charges	16 Customs (6), Ports of Mauritius (10)		
E2. Informal payment, e.g. bribes	3 Customs (2), Ports of Mauritius (1)		
E3. Need to hire a local customs agent to get shipment unblocked	2 Customs (1), Ports of Mauritius (1)		
F3. Technological constraints, e.g. information and communication technologies	1 Ministry of Commerce (1)		
G1. Low security level for persons and goods		5 Hong Kong, China (1), Italy (1), India (1), Singapore (1), South Africa (1)	
I1. Other obstacles	4 Cargo Handling Corporation Ltd (1), Customs (2), Not specified (1)		
<b>Total</b>	<b>176</b>	<b>11</b>	

Source: ITC NTM survey.

**Table 32. Import of ‘other manufacturing’ products, inefficiencies in the trade-related business environment**

Type of TBE business environment problems	Number of TBE cases in Mauritius	Number of TBE cases in partner country	Total
A1. Large number of different documents	2	0	2
A5. Numerous administrative windows/organizations involved	3	0	3
B1. Information is not adequately published and disseminated	6	0	6
B2. No due notice for changes in procedure	1	0	1
C1. Inconsistent classification of products	7	0	7
C2. Other inconsistent or arbitrary behaviour of officials	10	1	11
D1. Delay in administrative procedures	21	5	26
E1. Unusually high fees and charges	5	0	5
E2. Informal payment, e.g. bribes	3	0	3
E3. Need to hire a local customs agent to get shipment unblocked	2	0	2
G1. Low security level for persons and goods	0	1	1
I1. Other obstacles	1	0	1
<b>Total</b>	<b>61</b>	<b>7</b>	<b>68</b>

Source: ITC NTM survey.

## Chapter 4 Conclusions

Despite its small size, Mauritius has progressively gained middle-income status. It has leveraged traditional preferences in the agriculture sector, primarily sugar, under the EU Lomé/Cotonou regime with its largest export market, the European Union, now navigating under the Interim Arrangement for the EPAs.

Textiles and clothing manufacturing became the second major export earning sector that helped diversify the economy, creating a new engine for growth, cost of production efficiencies through the EPZ sector, employment and skills development. The textiles and clothing sector thrived under the certainty provided under the MFA quota system to destinations such as the European Union and the United States. The sector also attracted new investment from Hong Kong and other major suppliers. With the expiry of the MFA system in 2005, exports and investments in the sector suffered decline. Mauritius faced that challenge to its primary export drivers by examining ways to improve quality for its apparel products and improving standards to continue to compete for traditional destination markets and new ones.

Mauritius also faced the declines in its advantages for the sugar and textiles and clothing sectors by tapping early into other areas of value addition and a diversified trade portfolio that can attract more investment. The launch of ICT, aquaculture and tourism hubs are under way and applauded by observers such as under the World Bank Doing Business ratings, where Mauritius ranks 23<sup>rd</sup> out of 183 countries.

However, due to Mauritius's vulnerability as an island economy, it is difficult to advance competitiveness and continue growth in exports when faced with unnecessary hindrances to exports from NTBs.

### 1. The non-tariff measures survey in Mauritius

NTM have become a major concern in international trade. Although in many cases NTMs are imposed for legitimate reasons, they often have a negative impact on trade. Due to their nature and complexity, NTMs are difficult to evaluate. To increase the understanding of issues at stake, the ITC NTM survey in Mauritius reviewed the business perspective on barriers to trade. Going beyond NTMs and analysing POs as well as inefficiencies in the TBE provides a more accurate picture of the state of affairs. The combined assessment of regulations and their implementation is an important step for further evaluating the effects of barriers and government action on wealth creation.

Overall findings for Mauritius were that for both exports and imports most POs and TBEs occurred on the domestic side. However, more NTMs on exports were generally applied by partner countries. Most NTMs impacting imports were reported occurring on the domestic side. The majority of company perspectives captured in the survey results found more NTMs, POs and TBEs impacting exports occurring on the domestic side. Compared to other developing countries surveyed so far, Mauritian exporters were less frequently affected by trade barriers. This may reflect the redoubled efforts of the government to facilitate trade and investment for Mauritian industries.

Survey results revealed that 27%<sup>82</sup> of Mauritian exporters were affected by NTMs or other trade-related issues. Shares of exporters affected by NTMs in the other surveys so far were: Burkina Faso (63%), Malawi (82%), Paraguay (69%), Peru (42%), Rwanda (71%), Sri Lanka (70%) and Uruguay (56%).

Survey results for Mauritius also confirmed ITC findings for other countries that NTMs are sector-specific. Mauritian exporters and importers reporting impact from NTMs are in the key sectors of export activity – agriculture, textiles and clothing, and other manufacturing. Agriculture was the most impacted sector, followed by textiles and clothing, and other manufacturing.

Measures were attributed to both partner countries and agencies in Mauritius. Some partner countries identified with barriers were COMESA and SADC partner countries. The destination where exporters most

---

<sup>82</sup> Seventy-four exporting, exporting/importing affected divided by 271 total number of phone screened exporting and exporting/importing companies

frequently experienced impact was the European Union, which explains the high incidence of reported obstacles.

Across all sectors, when Mauritian exporters identified NTM impact from partner countries the reason was primarily that the measure was too strict or too difficult to comply with, for example technical requirements for labelling. Reasons elaborated by exporters for burdensomeness where NTMs were attributed to Mauritius were mostly due to POs and TBEs.

Policy options suggested in this report are not intended to serve as the only ones available or expected to be considered. These options are intended to stimulate further discussion among authorities and stakeholders.

## 2. Policy options – national action

### **Conduct a systematic stocktaking of NTM issues to discuss internally, taking into consideration feedback from the stakeholder meeting in order to develop an action plan**

With respect to the NTMs and POs or TBEs identified in this report, government can intervene by conducting an examination across all cases and incidences, which can be raised internally with agencies. Problems can be clustered along the lines of this report, especially where they were reported to be too strict or difficult to comply with or where they were associated with POs or TBEs. Policy options can be considered among relevant agencies and included in the action plan. Agencies can work together to develop a mechanism for determining whether problems have already been addressed, where further work is needed and where tracking for future monitoring is required. When cases involved partner countries, especially in COMESA or SADC, authorities can consider them for bilateral or international action. The stocktaking can be conducted on a sustained basis to aid in tracking progress and further monitoring.

### **Improve conformity assessment and testing facilities. Technical requirements and conformity assessment measures were the most reported NTMs for the agriculture and 'other manufacturing' sectors. In the case of textiles and clothing, these measures ranked second and third, respectively, to rules of origin impediments.**

With respect to agriculture, the EU maintains a number of SPS and food safety regulations, notably the General Food Law and rules for control of imported products from third countries. Mauritian exports of fish and agricultural products must comply with EU HACCP requirements to ensure food safety and hygiene. In addition, some exporters must comply with a variety of private standards in the European Union, most notably Global G.A.P. (formerly EUROGAP) standards. The Mauritian Standards Bureau (MSB) bases its certification system on the MS 133:2010 – HACCP system and the Codex Alimentarius Guidelines for Principles of Food Hygiene and Good Manufacturing Practices.

For all sectors, the government can do more to increase competitiveness through technologies and improve efforts to minimize the POs and NTMs identified in this report. For example, the government can closely examine the high number of exporter reports of delays in administrative procedures and the numerous documents required. In addition, when equipment breaks down or is insufficient for testing, such as fumigation for wood-based packaging exports, the government could invest in better facilities and equipment.

Today, competitiveness indicators increasingly include the degree of compliance with SPS and TBT requirements as a measurement. A growing number of consumers are putting value on the level of compliance and are willing to pay for it. Mauritian agribusiness is developing, which requires more value added standards. In addition, processed foods are well placed for high-end markets that demand sustainable improvements in hygiene and food safety controls. These factors must be followed throughout the Mauritian supply chain and be linked to proactive analysis of emerging requirements in target markets, which should enhance Mauritian export competitiveness. This requires information on upcoming regulatory changes, for example in the European Union. As proposed by one observer, the establishment of an Agri-Food Export Promotion Agency in Mauritius might help, as well as regularly keeping up with challenges from private standards.

Two observers<sup>83</sup> suggested the following steps to improve government facilitation of meeting standards in partner countries and improving the TBE:

- Develop a national food control strategy and comprehensive food legislation covering food safety from farm-to-fork;
- Establish unified enforcement practices;
- Accredite official laboratories;
- Adopt a preventative approach and transparency;
- Separate the functions of risk assessment from risk management;
- Delineate responsibilities for food safety control.

To address certification costs, Mauritian agricultural exporters might consider group certifications. Government might also assist with training farmers in meeting Good Agricultural Practices (GAP) certification, which is endorsed by the Food and Agriculture Organization of the United Nations (FAO) and a number of agencies in the European Union and the United States. Government can also assist with analyses of chemical residue by accredited laboratories.

In June 2011, ITC held a joint workshop with ISO on linking trade promotion organizations and national standards bodies for export success. Mauritius Standards Bureau (MSB) presented a paper that highlighted developments in Mauritius based on HACCP and other standards. In addition, MSB pointed out that only seven MSB laboratories were ISO/IEC 17025 accredited, which has become a major issue for exporters. A project to have all MSB laboratories accredited was announced and expected to be implemented. MSB also announced that it had established a National Food Safety Management System Certification scheme in collaboration with an Australian company, which facilitated the certification of a number of food exports.

As reported in the survey results, MSB acknowledged that another constraint is the lack of facilities to maintain and repair laboratory equipment. Sometimes equipment must be shipped to South Africa or Singapore for maintenance, which is costly and causes delays.

The government may also wish to follow-up on the discussions held at the joint ITC/ISO workshop, either independently or with ITC, to verify that all laboratories are accredited and functioning with proper facilities.

In addition to the agriculture sector, Mauritius can leverage its experience achieving higher quality standards in textile and clothing products. Increasingly, many vertically integrated developing country textile and apparel exporters are advocating for policies that link their sector with global value chains. This also improves their ability to meet conformity assessment and technical requirements. At the 2011 ITC/ISO joint workshop, MSB raised concerns that it is losing its market share in the textiles and clothing area because many export manufacturing companies have established in-house quality control laboratories, which have been bilaterally recognized by overseas purchasing concerns. This cannot be avoided because the standardization system allows for private standardization and accreditation, which is reinforced under the WTO TBT Agreement.

However, MSB and the government can still pursue the necessary recognition and improvement of its facilities to advance technological standards for the textile and clothing sector. Mauritius has embarked on this path. In a world with diminishing or fluctuating preferences and more demands for technical standards, Mauritius, in collaboration with partner countries, can do more to promote high standard textile and clothing products and take advantage of the renewal of the AGOA third country fabric rule to improve export opportunities to the United States. This may involve tapping new investment opportunities and collaboration with non-traditional sources in Africa and abroad. Mauritius can draw on its historical

---

<sup>83</sup> Harris Neeliah and Shalini Amnee Neeliah. 'The changing agri-food export composition: strategic options for sanitary and phytosanitary (SPS) compliance in Mauritius', *International Conference on International Trade and Investment*, 19–21 December 2011; 12/2011, p.4.

efficiencies and consumer satisfaction to distinguish the Mauritian textile and clothing sector in a more competitive global market place.

With regard to all three sectors, the Mauritian government might monitor to what extent constant changes in regulations, labelling requirements and type of testing requirements in destination markets based on advance technology is excessive, amounting to an unnecessary burden on Mauritian products. Developing countries, after having reached a certain level of technological advancement that satisfies standards for health, safety and environmental protection in a destination market, should not be expected to suddenly reach higher technological advancement.

For the textile and clothing and other manufacturing sectors, Mauritius can strengthen initiatives to exceed the required standards as an objective to promote higher levels of technical excellence, which could improve competitiveness and meet consumer demands. However, the threshold standard to enter the market with safe products should not be too high; i.e. it should not surpass legitimate safety and policy objectives of a destination market.

To address survey results in other manufacturing concerning activities of PSI agents and requirements in destination markets, the Mauritian government might monitor those activities against minimum requirements of the WTO PSI Agreement.

#### **For the agriculture and fish sector, invest in preparing and implementing codes of practice for GAP, GMP, traceability, HACCP and ISO 22000**

A Mauritian expert on SPS good practices<sup>84</sup> has suggested that for Mauritius to improve its competitive advantage in the fish sector, it should not rely only on scale and competitive prices, but target its food safety determinants of competitiveness. This entails local producer involvement in upgrading production and adopting the new 'farm-to-table' concept, which introduces a systematic preventative approach that increases food safety and industry responsibility.

Greater investment in preparing and implementing codes of practice for GAP, GMP, traceability, HACCP and ISO 22000 was recommended. Group certifications could help Mauritian agricultural exporters address certification costs.<sup>85</sup> Government might assist in training farmers to meet GAP certification and analyses of chemical residue by accredited laboratories.<sup>86</sup>

Furthermore, government can help exporters view compliance with SPS measures in agriculture as a competitive tool and enhance information to help exporters keep abreast of regulatory changes in destination markets.

#### **Streamline administrative procedures for issuing permits and certifications at all agencies**

Administrative procedures must be streamlined for export licensing and permits required by Mauritius, whether for domestic policy reasons or to meet rules of origin requirements in destination countries for preferential trade treatment. Delays caused by lack of information in processing of permits increases export costs and threatens overall competitiveness. Streamlined procedures will also assist in obtaining certifications needed to verify rules of origin. To address complaints about the number of documents required, Mauritius could explore to what extent the problem is related to obtaining documents from different ministries, which increases delays. A one-stop shop for key certifications required for exports by sector could help to further streamline the process. Mauritius has introduced single window to facilitate required documentation. The effective implementation of the single window can be examined in the context of issues raised in this report. In addition, agencies might examine whether the single window currently in operation covers both exports and imports.

---

<sup>84</sup> Ibid, p. 24–25.

<sup>85</sup> Ibid, p. 25.

<sup>86</sup> Ibid.

### **Introduce line agency hotlines and an MCCI NTB website for follow-up on the status of applications for permits and certificates, and for reporting NTBs**

Government can establish a central hotline to improve responsiveness to exporters when checking the status of applications for permits and certifications. The hotline can also facilitate collecting information on NTBs impacting exports and imports. Hotlines could be set up in each of the agencies identified in this report. In addition to the COMESA-EAC-SADC tripartite NTB website (where companies, including Mauritian, report NTBs within the community) and consultative mechanism, MCCI could develop an internal site to track Mauritian cases that also involve domestic agencies.

### **Introduce a facility to increase industry awareness of new requirements demanded by destination markets and enable assessment of domestic administrative procedures**

Some complaints concerning NTMs concerned excessive delays, difficulty with documents and the number of required documents. While some of the certifications or permits were required to facilitate entry into destination markets, the hindrances were attributed to Mauritius. This suggests government agencies may have difficulties with how exporters or importers are preparing documents. Clarifying requirements of destination countries might be required. However, Mauritian officials may be trying to ensure exports are not rejected. Some problems may result from overzealous implementation of partner country requirements. An internal mechanism to allow brainstorming and problem solving within and among government agencies may alleviate PO or TBE problems. This same internal mechanism can be used to conduct frequent forums or sessions with exporters to identify problems and better inform exporters of facilities available in the agencies that can expedite administrative procedures. The government can also conduct training sessions with exporters to demonstrate ways to complete required documents expeditiously.

### **Enable better access to information on websites and ensure they are functioning**

One PO identified was that websites available to exporters frequently malfunctioned. The government can address this issue. The government could create a central website with links to other sites offering information about destination requirements by sector.

## **3. Policy options – international action**

### **Buttress proposals and increase participation at the WTO and ISO**

Government could carefully review cases of difficult technical requirements and conformity assessment, considered onerous for Mauritian exporters. For example, Mauritius may use these results to buttress its proposals and positions in the context of TBT at the WTO, in both the Doha NAMA negotiations platform and the TBT Committee and the Trade Facilitation negotiations. In December 2011, before the Eighth WTO Ministerial Conference, proposals were introduced with respect to food security and the World Food Programme (WFP). Recently, food security proposals were tabled by India and other developing countries in the Committee on Agriculture and the negotiating special session for agriculture. These proposals, which draw on earlier proposals from developing countries, including the Africa Group, should be monitored for standards and market access issues impacting Mauritian exports.

Food safety is becoming a leading issue in a number of forums. Mauritius can further monitor emerging standards bilaterally and multilaterally at ISO and WTO regarding new EU regulations, for example the EU Directive 2008/121/EC on textiles names. These regulations include conformity assessment for testing the verity of the information on the labels as to fibre content and tolerance levels when washing. Some measures may require new facilities or Mauritius may raise concerns about difficulties to comply. In the latter instance, to minimize the impact on exporters, Mauritius can offer modifications to proposed regulations in the context of the TBT Committee or bilaterally.

However, where certain tests are required, (for example, fumigation of wood based packaging materials) Mauritius should carefully examine whether those requirements are consistent with international standards or whether they are disguised protection for the importing country industry.

MSB has been actively participating in ISO Technical Committee meetings addressing technical standards for all three sectors analysed in this report. MSB acts either as an observer or participant. More might be



done to analyse how MSB participation can help with some of the NTM issues raised in this report and improve access to technical know-how and opportunities for further assistance and collaboration to reduce barriers resulting from NTMs. MSB improves technologies and equipment for testing, which demonstrates it is able to keep abreast of new technologies.

### **Improve recognition and accreditation – MSB and Mauritius Accreditation Service (MAURITAS) initiatives**

To address lack of recognition and testing standards, Mauritius can aggressively pursue accreditation and recognition of its testing and certification procedures in primary destination markets. In addition to implementing WTO SPS standards, Mauritius implements World Organisation for Animal Health (OIE), Codex Alimentarius Commission (CAC) and International Plant Protection Convention (IPPC) standards.

Mauritius can use its participation in the agriculture-relevant ISO Technical Committees to advance efforts to reinforce its SPS infrastructure, which will help ensure export competitiveness across all actors in the supply chain and enable exporters to meet requirements in destination markets, particularly in the European Union. Improvements in Mauritian accreditation and testing methods are key to boosting competitiveness.

MSB and MAURITAS can examine problems raised in the survey and explore policy options to improve the recognition and accreditation needed for better access in relevant target markets. However, the European Union should collaborate with relevant Mauritian institutions to ensure they can keep pace with advancements in developed markets. It is important that developing countries like Mauritius are not burdened with catching up in the race of ever-escalating, higher standards that may exceed legitimate policy objectives.

### **Raise issues with COMESA and SADC partners bilaterally and regionally**

Obstacles encountered with COMESA and SADC partners should be addressed. COMESA destinations comprise only 6% of the share of Mauritian agricultural exports, but 29% of burdensome NTMs were found to originate with COMESA. The government can raise issues identified in this report bilaterally with relevant destination countries or in the regional context.

Specifically, requirements to use PSI agencies should be monitored and implemented consistent with international standards and the WTO PSI Agreement. Complaints of onerous internal charges, fees and taxes imposed either in transit or at the final destination should be examined for inconsistency with WTO and regional arrangements. This is especially important as both COMESA and SADC are committed to eliminating NTBs in their customs territories.

### **Improve the TBE to address intellectual property protection issues**

Cases concerning intellectual property compliance in destination markets can be raised by the government bilaterally or through discussions at the World Intellectual Property Organization (WIPO) and the WTO Trade-Related Aspects of Intellectual Property Rights Agreement (TRIPs) Council. However, some of the countries cited in the survey are LDCs, where Mauritian companies felt a conducive business environment was lacking due to weak enforcement of intellectual property rights for books and printed matter. Many LDCs are not yet able to effectively implement international rules and are under transition periods at the WTO, thus delaying implementation. Laws may be in place, but more should be done to assist those countries with enforcement issues, which also improves the overall trade environment.

## **Outlook**

By assessing the most important obstacles to trade experienced by Mauritian enterprises, the ITC NTM survey can help lay the foundation for further government action. Participants at the stakeholders meeting in Port Louis 24 January 2013 (see appendix V) actively contributed clarifications as well as built on recommendations. These recommendations may enhance Mauritius's progress to address NTMs and increase awareness.

## Appendix I Global methodology of the non-tariff measure surveys

### Non-tariff measure surveys

From 2008 to 2010,<sup>87</sup> ITC completed large-scale company-level surveys on burdensome non-tariff measures and other barriers to trade (NTM surveys hereafter) in 10 developing and least developed countries on all continents.<sup>88</sup> In 2011, the NTM surveys were launched in 10 countries. The main objective of the survey is to capture how businesses perceive burdensome NTMs and other obstacles to trade at a most detailed level – by product and partner country.

All surveys are based on a global methodology consisting of a core part and a country-specific part. The core part of the NTM survey methodology described in this appendix is identical in all survey countries, enabling cross-country analyses and comparison. The country-specific part allows flexibility in addressing the requirements and needs of each participating country. The country-specific aspects and the particularities of the survey implementation in Rwanda are covered in chapter 2 of this report.

### Scope and coverage of the non-tariff measure surveys

The objective of the NTM survey requires a representative sample allowing for the extrapolation of the survey result to the country level. To achieve this objective, the survey covers at least 90% of the total export value of each participating country, excluding minerals and arms. The economy is divided into 13 sectors; all sectors with more than a 2% share in total exports are included in the survey.

The NTM survey sectors are defined as follows:

1. Fresh food and raw agro-based products
2. Processed food and agro-based products
3. Wood, wood products and paper
4. Yarn, fabrics and textiles
5. Chemicals
6. Leather
7. Metal and other basic manufacturing
8. Non-electric machinery
9. Computers, telecommunications; consumer electronics
10. Electronic components
11. Transport equipment
12. Clothing
13. Miscellaneous manufacturing

Companies trading arms and minerals are excluded. The export of minerals is generally not subject to trade barriers due to a high demand and the specificities of trade undertaken by large multinational companies. The export of arms is out of the scope of ITC activities.

<sup>87</sup> The work started in 2006, when the Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) established the Group of Eminent Persons on Non-Tariff Barriers (GNTB). The main purpose of GNTB is to discuss definition, classification, collection and quantification of non-tariff barriers – to identify data requirements and and and and consequently advance understanding of NTMs and their impact on trade. To carry out the technical work of the GNTB, a Multi-Agency Support Team (MAST) was also set up. Since then, ITC is advancing the work on NTMs in three directions. First, ITC has contributed to the international classification of non-tariff measures (NTM classification) that was finalized in October 2009. Second, ITC undertakes NTMs Surveys in developing countries using the NTMs classification. Third, ITC, UNCTAD and the World Bank jointly collect and catalogue official regulations on NTMs applied by importing markets (developed and developing). This provides a complete picture of NTMs as official regulations serve as a baseline for the analysis and and and and the surveys identify the impact of the measures on enterprises and and and and consequently, on international trade.

<sup>88</sup> The first NTM surveys were carried out in cooperation with UNCTAD in 2008–2009 in Brazil, Chile, India, the Philippines, Thailand, Tunisia and Uganda. The pilot surveys provided a wealth of materials allowing for the significant improvement to both the NTMs classification and the NTMs survey methodology. Since then, ITC has implemented NTMs surveys based on the new methodology in Burkina Faso, Hong Kong SAR, Peru and Sri Lanka.

The NTM surveys are undertaken among companies exporting and importing goods. Companies trading services are excluded, as a survey on NTMs in services would require a different approach and methodology. Yet, the NTM survey includes companies specializing in the export-import process and services, such as agents, brokers, forwarding companies (referred to as ‘trading agents’ for brevity). These companies can be viewed as service companies as they provide trade logistics services. The answers provided by trading agents are in most cases analysed separately from the answers of the companies that export their own products.

The NTM surveys cover legally registered companies of all sizes and types of ownership. Depending on country size and geography, one to four geographic regions with high concentrations of economic activities (high number of firms) are included in the sample.

### **Two-step approach**

The representatives of the surveyed companies, generally export/import specialists or senior-level managers, are asked to report trade-related problems experienced by their companies in the preceding year and representing a serious impediment for their operations. To identify companies that experience burdensome NTMs, the survey process consists of telephone interviews with all companies in the sample (step 1) and face-to-face interviews undertaken with the companies that reported difficulties with NTMs during the telephone interviews (step 2).

#### **Step 1: Telephone interviews**

The first step includes short telephone interviews. Telephone interviews consist of questions identifying the main sector of activity of the companies and the direction of trade (export or import). The respondents are then asked whether their companies have experienced burdensome NTMs. If a company does not report any issues with NTMs, the telephone interview is terminated. Companies that report difficulties with NTMs are invited to participate in an in-depth face-to-face interview, and the time and place for this interview is scheduled before ending the telephone interview.

#### **Step 2: Face-to-face interviews**

The face-to-face interviews are required to obtain all the details of burdensome NTMs and other obstacles at the product and partner country level. These interviews are conducted face-to-face due to the complexity of the issues related to NTMs. Face-to-face interactions with experienced interviewers help to ensure that respondents correctly understand the purpose and the coverage of the survey and accurately classify their responses in accordance with predefined categories.

The questionnaire used to structure the face-to-face interviews consists of three main parts. The first part covers the characteristics of the companies: number of employees, turnover and share of exports in total sales, whether the company exports their own products or represents a trading agent providing export services to domestic producers.

The second part is dedicated to exporting and importing activities of the company, with all trade products and partner countries recorded. During this process, the interviewer also identifies all products affected by burdensome regulations and countries applying these regulations.

During the third part of the interview, each problem is recorded in detail. A trained interviewer helps respondents identify the relevant government-imposed regulations, affected products (six-digit level of the Harmonized System – HS), the partner country exporting or importing these products and the country applying the regulation (it can be partner, transit or home country).

Each burdensome measure (regulation) is classified according to the NTMs classification, an international taxonomy of NTMs consisting of more than 200 specific measures grouped into 16 categories (see appendix II). The NTMs classification is the core of the survey, making it possible to apply a uniform and systematic approach to recording and analysing burdensome NTMs in countries with very idiosyncratic trade policies and approaches to NTMs.

The face-to-face questionnaire captures not only the type of burdensome NTMs, but also the nature of the problem (so-called procedural obstacles, or POs, explaining why measures represent an

impediment), the place where each obstacle takes place and the agencies involved, if any. For example an importing country can require the fumigation of containers (an NTM applied by the partner country), but fumigation facilities are expensive in the exporting country, resulting in a significant increase in export costs for the company (POs located in the home country). The companies can also report generic problems not related to any regulation, but affecting their export or import, such as corruption and lack of export infrastructure. These issues are referred to as problems related to business environment or TBE (see appendix III).

### Local survey company

Both telephone and face-to-face interviews are carried out by a local partner selected through a competitive bidding procedure. The partner is most often a company specializing in surveys. Generally, the NTM surveys are undertaken in local languages. The telephone interviews are recorded either by a Computer Assisted Telephone Interview system, computer spreadsheets or on paper. The face-to-face interviews are initially captured using paper-based interviewer-led questionnaires that are then digitalized by the partner company using a spreadsheet-based system developed by ITC.

### Open-ended discussions

During the surveys of companies and preparing the report, open-ended discussions are held with national experts and stakeholders, for example trade support institutions and sector/export associations. These discussions provide further insights, quality check and validation of the survey results. The participants review the main findings of the NTM survey and help to explain the reasons for the prevalence of the certain issues and their possible solutions.

The open-ended discussions are carried out by the survey company, a partner in another local organization or university or by graduate students participating in the special fellowship organized in cooperation with Columbia University in the United States.

### Confidentiality

The NTM survey is confidential. Confidentiality of the data is paramount to ensure the greatest degree of participation, integrity and confidence in the quality of the data. The paper-based and electronically captured data is transmitted to ITC at the end of the survey.

### Sampling technique

The selection of companies for the telephone interviews of the NTM survey is based on the stratified random sampling. In a stratified random sample, all population units are first clustered into homogeneous groups ('strata'), according to some predefined characteristics, chosen to be related to the major variables being studied. In the case of the NTM surveys, companies are stratified by sector, as the type and incidence of NTMs are often product-specific. Then simple random samples are selected within each sector.

The NTM surveys aim to be representative at the country level. A sufficiently large number of enterprises should be interviewed within each export sector to ensure that the share of enterprises experiencing burdensome NTMs is estimated correctly and can be extrapolated to the entire sector. To achieve this objective, a sample size for the telephone interviews with exporting companies is determined independently for each export sector.<sup>89</sup>

<sup>89</sup> The sample size depends on the number of exporting companies per sector and on the assumptions regarding the share of exporting companies that are affected by NTMs in the actual population of this sector. The calculation of a sample size is based on the equation below (developed by Cochran, W. G. 1963. *Sampling Techniques*, 2<sup>nd</sup> Edition, New York: John Wiley and Sons, Inc) to yield a representative sample for proportions in large populations (based on the assumption of normal distribution).

$$n_o = \frac{t^2 * p(1 - p)}{d^2}$$

For importing companies, the sample size is defined at the country level. The sample size for importing companies can be smaller than the sample size for exporters, mainly for two reasons. First, the interviewed exporting companies are often involved in the importation of intermediate products and provide reports on their experiences with NTMs as both exporters and importers. Second, problems experienced by importing companies are generally linked to domestic regulations required by the home country. Even with a small sample size for importing companies, the effort is made to obtain a representative sample by import sectors and the size of the companies.

Exporting companies have difficulties with both domestic regulations and regulations applied by partner countries that import their products. Although the sample size is not stratified by company export destinations, a large sample size permits a good selection of reports related to various export markets (regulations applied by partner countries). By design, large trading partners are mentioned more often during the survey, simply because it is more likely that the randomly selected company would be exporting to one of the major importing countries.

The sample size for face-to-face interviews depends on the results of the telephone interviews.

### **Average sample size**

Based on the results of the NTM surveys in 10 countries, the number of successfully completed telephone interviews can range from 150 to 1,000, with subsequent 150 to 300 face-to-face interviews with exporting and importing companies. The number of telephone interviews is mainly driven by the size and the structure of the economy, availability and quality of the business register and the response rate. The sample size for the face-to-face interviews depends on the number of affected companies and their willingness to participate in the face-to-face interviews.

### **Survey data analysis**

The analysis of the survey data consists of constructing frequency and coverage statistics along several dimensions, including product and sector, NTMs and their main NTM categories (e.g. technical measures, quantity control measures), and various characteristics of the surveyed companies (e.g. size and degree of foreign ownership).

The frequency and coverage statistics are based on 'cases'. A case is the most disaggregated data unit of the survey. By construction, each company participating in a face-to-face interview reports at least one case of burdensome NTMs and, if relevant, related procedural obstacles and problems with business environment.

Each case of each company consists of one NTM (a government-mandated regulation, for example an SPS certificate), one product affected by this NTM and partner country applying the reported NTM. For example, if there are three products affected by the same NTM applied by the same partner country and reported by one company, the results would include three cases. If two different companies report the same problem, it would be counted as two cases.

The scenario where several partner countries apply the same type of measure is recorded as several cases. The details of each case (e.g. the name of the government regulations and its strictness) can vary, as regulations mandated by different countries are likely to differ. However, if the home country of the interviewed companies applies an NTM to a product exported by a company to several countries, the scenario will be recorded as a single NTM case. Furthermore, when an interviewed

---

Where

- n*<sub>0</sub> : Sample size for large populations
- t*: t-value for selected margin of error (*d*). In the case of the NTM survey 95% confidence interval is accepted, so *t*-value is 1.96.
- p*: The estimated proportion of an attribute that is present in the population. In the case of the NTM survey, it is a proportion of companies that experience burdensome NTMs. As this proportion is not known prior to the survey, the most conservative estimate leading to a large sample size is employed, that is *p*=0.5.
- d*: Acceptable margin of error for the proportion being estimated. In other words, a margin of error that the researcher is willing to accept. In the case of NTM survey *d*=0.1.

**Source:** Cochran, W. G. 1963. *Sampling Techniques*, 2<sup>nd</sup> Edition, New York: John Wiley and Sons, Inc.

company both exports and imports, and reports cases related to both activities, it is included in the analysis two times: once for the analysis of exports and once for the analysis of imports. The distinction is summarized in the table below.

### Dimensions of an NTM case

Country applying the measure  Dimensions	Home country (where survey is conducted)	Partner countries (where goods are exported to or imported from) and transit countries
Reporting company	X	X
Affected product (HS 6-digit code or national tariff line )	X	X
Applied NTM (measure-level code from the NTM classification)	X	X
Trade flow (export or import)	X	X
Partner country applying the measure		X

Cases of POs and problems with business environments are counted in the same way as NTM cases. The statistics are provided separately from NTMs, even though in certain instances they are closely related. For example, delays can be caused by PSI requirements. As many of the POs and problems with business environment are not product-specific, the statistics are constructed along two dimensions: type of obstacles and country where they occur, as well as agencies involved.

### Enhancing local capacities

The NTM surveys enhance national capacities by transmitting skills and knowledge to a local partner company. ITC does not implement the surveys, but guides and supports a local survey company and experts.

Before the start of the NTM survey, the local partner company, including project managers and interviewers are fully trained on the different aspects of the NTMs, the international NTM classification and the ITC NTM survey methodology. ITC representatives stay in the country for the launch of the survey and initial interviews and remain in contact with the local partner during the entire duration of the survey, usually around six months, to ensure a high quality of survey implementation. ITC experts closely follow the work of the partner company, providing a regular feedback on the quality of the captured data (including classification of NTMs) and the general development of the survey, helping the local partner to overcome any possible problems.

ITC also helps to construct a business register (list of exporting and importing companies with contact details), which remains at the disposal of the survey company and national stakeholders. The business register is a critical part of any company-level survey, but unfortunately it is often unavailable, even in the advanced developing countries. ITC puts much time, effort and resources into constructing a national business register of exporting and importing companies. The initial information is obtained with the help of national authorities and other stakeholders (e.g. sectoral associations). In cases where it is not available from government sources or a sectoral association, ITC purchases information from third companies and in certain cases digitalizes it from paper sources. The information from various sources is then processed and merged into a comprehensive list of exporting and importing companies.

As a result, upon completion of the NTM survey, the local partner company is fully capable of independently implementing a follow-up survey or other company-level surveys as it is equipped with the business register and has received training on the survey, trade and NTMs-related issues.

### **Caveats**

The utmost effort is made to ensure the representativeness and the high quality of the survey results, yet several caveats must be kept in mind.

First, the NTM surveys generate perception data, as the respondents are asked to report burdensome regulations representing a serious impediment to their exports or imports. The respondents may have different scales for judging what constitutes an impediment. The differences may further intensify when the results of the surveys are compared across countries, stemming from cultural, political, social, economic and linguistic differences. Furthermore, some inconsistency may be possible among interviewers (e.g. related to matching reported measures against the codes of the NTM classification) due to the complex and idiosyncratic nature of NTMs.

Second, in many countries, a systematic business register covering all sectors is not available or incomplete. As a result, it may be difficult to ensure random sampling within each sector and a sufficient rate of participation in smaller sectors. Whenever this is the case, the survey limitations are explicitly provided in the corresponding report.

Finally, certain NTMs issues are not likely to be known by the exporting and importing companies. For example, exporters may not know the demand-side constraints behind the borders, e.g. 'buy domestic' campaigns. Furthermore, the scope of the survey is limited to legally operating companies and does not include unrecorded trade, e.g. shuttle traders.

### **Survey findings**

The findings of each NTM survey are presented and discussed at a dissemination workshop. The workshop brings together government officials, experts, companies, donors, non-governmental organizations and academics. It fosters a dialogue on NTMs issues and helps identify possible solutions to the problems experienced by exporting and importing companies.

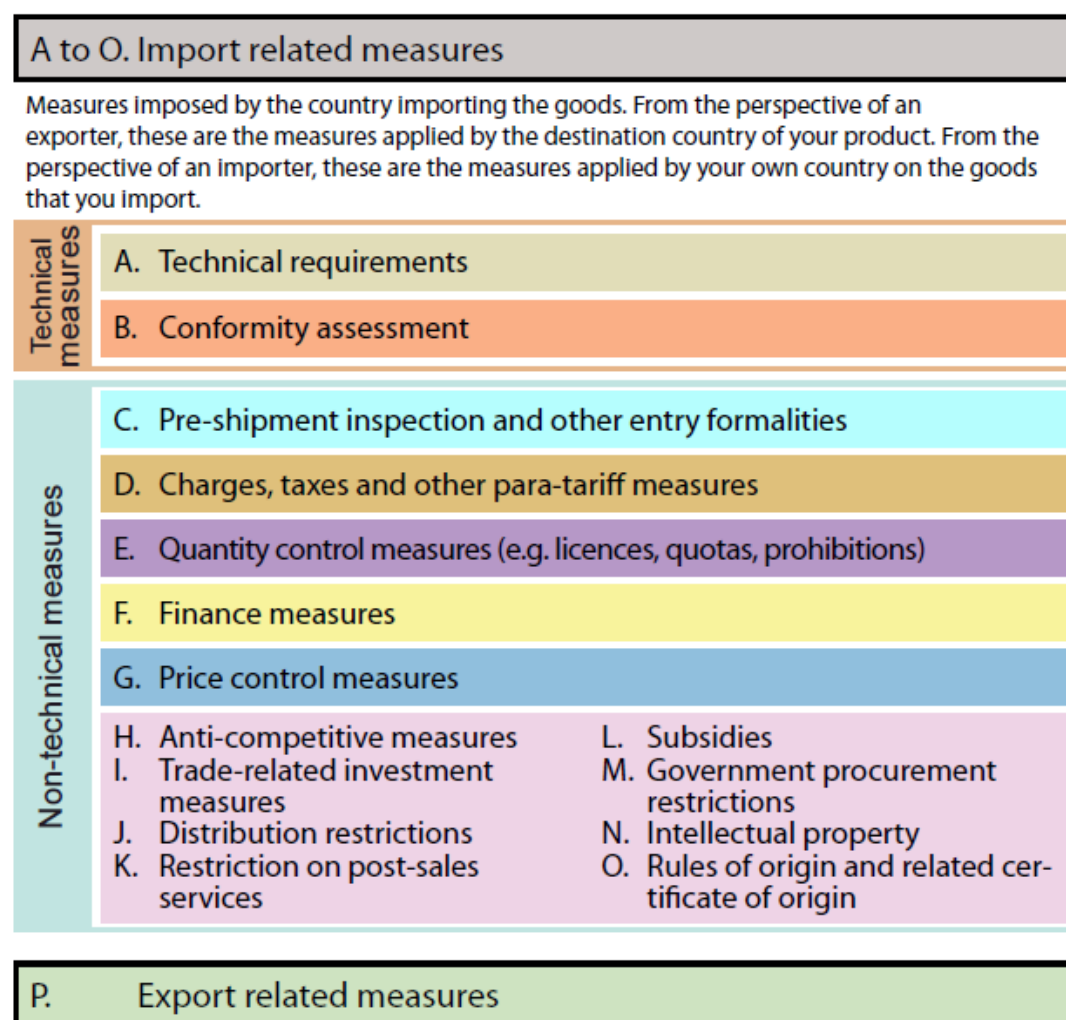
The NTM survey results serve as a diagnostic tool for identifying and solving predominant problems. This can be realized at the national or international level. The survey findings can also serve as a basis for designing projects to address the problems identified and for supporting fundraising activities.

## Appendix II Non-tariff measure classification

Importing countries are very idiosyncratic in the ways they apply non-tariff measures. This called for an international taxonomy of NTMs, which was prepared by a group of technical experts from eight international organizations, including the Food and Agriculture Organization, the International Monetary Fund, the International Trade Centre, the Organisation for Economic Co-operation and Development, the United Nations Conference on Trade and Development (UNCTAD), the United Nations Industrial Development Organization, the World Bank and the World Trade Organization. This classification is used to collect, classify, analyse and disseminate information on NTMs received from official sources, e.g. government regulations; and for working with perception-based data, e.g. surveys of companies.

The NTM classification differentiates measures according to 16 chapters (denoted by alphabetical letters), each comprising ‘sub-branches’ (1-digit), ‘twigs’ (2-digits) and ‘leaves’ (3-digits). This classification drew upon the existing, but outdated, UNCTAD Coding System of Trade Control Measures and has been modified and expanded by adding various categories of measures to reflect current trading conditions. The current NTM classification (see figure below) was finalized in November 2009.

### The structure of the NTMs classification



Measures imposed by the country exporting the goods. From the perspective of an exporter, these are the measures imposed by your own country on the goods you export from your country. From the perspective of an importer, these measures are imposed by the country of origin on the goods you import from this country.



**Chapter A**, on sanitary and phytosanitary measures (SPS), refers to laws, decrees, regulations, requirements, standards and procedures to protect human, animal or plant life or health from certain risks such as the establishment or spread of pests, diseases, disease-carrying organisms or disease-causing organisms; risks from additives, contaminants, toxins, disease causing organisms in foods, beverages or feedstuffs. Hygienic requirements, fumigation requirements or quarantine are examples. The chapter is also known as SPS.

**Chapter B**, on technical barriers to trade (TBT), contains measures referring to the technical specification of products or production processes and conformity assessment systems thereof. They exclude SPS measures, but a TBT measure may be applied to food products, if the measure is not for food safety. Product identity or quality requirements are examples.

**Chapter C**, on pre-shipment inspection and other formalities, refers to the practice of checking, consigning, monitoring and controlling the shipment of goods before or at entry into the destination country.

**Chapter D**, on price control measures, includes measures implemented to control the prices of imported articles in order to: support the domestic price of certain products when the import price of these goods is lower; establish the domestic price of certain products because of price fluctuation in domestic markets, or price instability in a foreign market; and counteract the damage resulting from the occurrence of 'unfair' foreign trade practices.

**Chapter E**, on licences, quotas, prohibitions and other quantity control measures, includes measures that restrain the quantity of goods that can be imported, regardless of whether they come from different sources or from one specific supplier. These measures can take the form of restrictive licensing, fixing of a predetermined quota, or through prohibitions.

**Chapter F**, on charges, taxes and other para-tariff measures, refers to measures other than tariffs that increase the cost of imports in a similar manner, i.e. by a fixed percentage or by a fixed amount. They are also known as para-tariff measures. Customs surcharges and general sales taxes are examples.

**Chapter G**, on finance measures, refers to measures that are intended to regulate the access to and cost of foreign exchange for imports and define the terms of payment. They may increase import costs in the same manner as tariff measures

**Chapter H**, on anti-competitive measures, refers to measures that are intended to grant exclusive or special preferences or privileges to one or more limited groups of economic operators.

**Chapter I**, on trade-related investment measures, refers to measures that restrict investment by requesting local content, or requesting that investment be related to export to balance imports.

**Chapter J**, on distribution restrictions, refers to restrictive measures related to the internal distribution of imported products.

**Chapter K**, on restrictions on post-sales services, refers to measures restricting the provision of post-sales services in the importing country by producers of exported goods.

**Chapter L**, on subsidies, includes measures related to financial contributions by a government or government body to a production structure, be it a particular industry or company, such as direct or potential transfer of funds (e.g. grants, loans, equity infusions), payments to a funding mechanism and income or price support.

**Chapter M**, on government procurement restrictions, refers to measures controlling the purchase of goods by government agencies, generally by preferring national providers.

**Chapter N**, on intellectual property, refers to measures related to intellectual property rights in trade. Intellectual property legislation covers patents, trademarks, industrial designs, layout designs of integrated circuits, copyright, geographical indications and trade secrets.

**Chapter O**, on rules of origin, covers laws, regulations and administrative determinations of general application applied by the governments of importing countries to determine the country of origin of goods.

**Chapter P**, on export-related measures, encompasses all measures that countries apply to their exports. It includes export taxes, export quotas or export prohibitions, among others.

## Appendix III Procedural obstacles

### List of procedural obstacles (POs) related to compliance with non-tariff measures and to inefficient business environment and infrastructure

A.	Administrative burdens	A1. Large number of different documents A2. Documentation is difficult to fill out A3. Difficulties with translation of documents from or into other languages A4. Large number of checks (e.g. inspections, checkpoints, weighbridges) A5. Numerous administrative windows/organizations involved
B.	Information/transparency issues	B1. Information is not adequately published and disseminated B2. No due notice for changes in procedure B3. Regulations change frequently B4. Requirements and processes differ from information published
C.	Inconsistent or discriminatory behaviour of officials	C1. Inconsistent classification of products C2. Inconsistent or arbitrary behaviour of officials
D.	Time constraints	D1. Delay in administrative procedures D2. Delay during transportation D3. Deadlines set for completion of requirements are too short
E.	Payment	E1. Unusually high fees and charges E2. Informal payment, e.g. bribes) E3. Need to hire a local customs agent to get shipment unblocked
F.	Infrastructural challenges	F1. Limited/inappropriate facilities (e.g. storage, cooling, testing, fumigation) F2. Inaccessible/limited transportation system (e.g. poor roads, road blocks) F3. Technological constraints, e.g. information and communications technology
G.	Security	G1. Low security level for persons and goods
H.	Legal constraints	H1. No advance binding ruling procedure H2. No dispute settlement procedure H3. No recourse to independent appeal procedure H4. Poor intellectual property rights protection, e.g. breach of copyright, patents, trademarks, etc. H5. Lack of recognition, e.g. of national certificates
I.	Other	I1. Other obstacles

## **Appendix IV    Experts and stakeholders interviewed**

In addition to NTM survey interviews with companies, interviews were conducted with representatives of a number of associations and institutions, including the following:

- Mauritius Chamber of Commerce and Industry
- Ministry of Foreign Affairs, Regional Integration and International Trade
- Permanent Mission of Mauritius to the United Nations Office at Geneva and to the World Trade Organization
- Enterprise Mauritius
- Mauritius Standard Bureau

## Appendix V Stakeholder meeting on non-tariff measures (NTMs) in Mauritius

Experts, stakeholders and policymakers met for a full day of presentations, open-ended discussions on non-tariff measures and related obstacles. They also made recommendations on how government could begin to address burdensome NTMs.

---

THURSDAY, 24 JANUARY 2013, 8.30 A.M. – 4.30 P.M.

LE MERIDIEN HOTEL, MAURITIUS

---

### STAKEHOLDER MEETING ON NON-TARIFF MEASURES (NTMS) IN MAURITIUS

---

Meeting chaired by Mr. Sunil Boodhoo, International Trade Division, Ministry of Foreign Affairs, Regional Integration and International Trade

#### *Programme:*

08:30 Registration

09:00 Opening Remarks

Mr. Mondher Mimouni, Market Analysis and Research, ITC

Mr. Assad Bhuglah, International Trade Division, Ministry of Foreign Affairs, Regional Integration and International Trade

#### **Session I INTRODUCTION AND BACKGROUND**

09:30 ITC Project on Non-Tariff Measures (NTMs) – An Overview

Ms. Poonam Mohun, Market Analysis and Research, ITC

10:00 Implementation of a large-scale company survey on NTMs in Mauritius: Experiences and challenges encountered

Mr. Amédée Darga, StraConsult LTD

10:30 Discussion

10:45 Coffee Break

#### **Session II OVERALL SURVEY RESULTS**

11:00 Main trade barriers affecting Mauritian companies

Mr. Mondher Mimouni, Market Analysis and Research, ITC

Mr. Mahmood Cheeroo, Mauritius Chamber of Commerce and Industry (MCCI)

11:45 Floor Discussion

12:15 Lunch

#### **Session III SECTORAL SURVEY RESULTS**

13.30 Main trade barriers identified in Mauritian exports and imports

Mr. Mondher Mimouni/Ms Poonam Mohun, Market Analysis and Research, ITC

Mr. Dev Chamroo, Enterprise Mauritius

14.00 Floor Discussion

**Session IV CONCLUSION AND RECOMMENDATIONS**

**15.00 Key Comparisons with surveys conducted in other countries**

Ms. Poonam Mohun, Market Analysis and Research, ITC

**15.15 Overcoming challenges related to NTMs in Mauritius and final recommendations**

Mr. A. Darga, StraConsult Ltd

Mr. Mondher Mimouni, Market Analysis and Research, ITC

**15:45 Floor Discussion**

**16:00 Concluding remarks**

Mr. Sunil Boodhoo, Ministry of Foreign Affairs, Regional Integration and International Trade

Mr. Mondher Mimouni, Market Analysis and Research, ITC

**16.15 Coffee Break**

## References

Calvin, L. and B. Krissoff. 'Technical barriers to trade: A case study of phytosanitary barriers and U.S.-Japanese apple trade'. *Journal of Agricultural and Resource Economics* 23(2): pp. 351–366, 1998.

Cochran, W.G. *Sampling techniques*, 2nd edition, New York, John Wiley and Sons, 1963.

Dean, J.M., J.E. Signoret, R.M. Feinberg, R.D. Ludema and M.J. Ferrantino. 'Estimating the price effects of non-tariff barriers'. *The B.E. Journal of Economic Analysis & Policy* 9:1, 2009. Article 12.

Deardorff, A.V. and R.M. Stern. *Measurement of non-tariff barriers*. Ann Arbor, University of Michigan Press, 1998.

Disdier, A.-C., L. Fontagné and M. Mimouni. 'The impact of regulations on agricultural trade: Evidence from the SPS and TBT Agreements'. *American Journal of Agricultural Economics* 90(2): pp. 336–350, 2008.

Directive 2008/121/EC, 14 January 2009 on textile names (recast).  
[http://ec.europa.eu/enterprise/sectors/textiles/documents/directive-2008\\_en.htm](http://ec.europa.eu/enterprise/sectors/textiles/documents/directive-2008_en.htm)

Exigences Phytosanitaires – Bois d'emballage, Mise à jour du 22 mai 2012.  
[www.sypal.eu/sypal/images/sypal/phyto/phytomonde.pdf](http://www.sypal.eu/sypal/images/sypal/phyto/phytomonde.pdf)

FAIRS Export Certificate Report, Oman: Food and Agricultural Import Regulations and Standards – Certification – May 2010, p. 3.  
[http://agriexchange.apeda.gov.in/IR\\_Standards/Import\\_Regulation/Oman.pdf](http://agriexchange.apeda.gov.in/IR_Standards/Import_Regulation/Oman.pdf)

Foondun, M.Y., Mauritius Standards Bureau, Mauritius Country Paper, 'Workshop on Linking Trade Promotion Organisations and National Standards Bodies', 21 to 23 June 2011, Dar-es-Salaam, Tanzania.

Greenidge, A.D., *Trade Negotiating Techniques in a Nutshell* (to be published 2013).

ITC, 'Case study: the evolution of Mauritius as a supplier of choice to South Africa', in *South Africa: A market for clothing from Africa* (2010) pp. 28 -30.

Joomun, G. 'The Textile and Clothing Industry in Mauritius', in Jauch, H., Traub-Merz, R. (Eds.), *Textile and Clothing Industry in Sub-saharan Africa*, Freidrich-Ebert-Stiftung (2006)

Kee, H.L., A. Nicita and M. Olarreaga. 'Import demand elasticities and trade distortions'. *The Review of Economics and Statistics* 90(4): pp. 666–682, 2008.

Kee, H.L., A. Nicita and M. Olarreaga. 'Estimating trade restrictiveness indices'. *The Economic Journal* 119(534): pp. 172–199, 2009.

Naumann, E. 'The EU GSP Rules of Origin: An overview of recent reforms'. TRALAC Working Paper, November 2011.

Neeliah, H. and Neeliah, S.A. 'The changing agri-food export composition: strategic options for sanitary and phytosanitary (SPS) compliance in Mauritius', *International Conference on International Trade and Investment*, 19-21 December 2011.

Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety.

Regulation (EC) No 882/2004 of the European Parliament and of the Council of 29 April 2004 on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules.

Regulation (EC) No 852/2004 of the European Parliament and of the Council of 29 April 2004 on the hygiene of foodstuffs.

'Situation Analysis of Agricultural Research and Training in the SADC Region (Mauritius)', FANR Directorate, SADC Secretariat and European Commission July 2008.

Subramanian, A. 'The Mauritian Success Story and its Lessons', Research Paper, World Institute for Development Economics and Research, United Nations University, June 2009.

World Bank, 'Food Safety and Agricultural Health Standards: Challenges and Opportunities for Developing Country Exports Poverty', 2005.

WTO, 'Trade Policy Review – Mauritius', Report by the Secretariat, WT/TPR/S/198/Rev.1, June 2008.

WTO, General Agreement on Tariffs and Trade, Article XI.2 (a) and (b).

WTO, TN/MA/W/93/Rev.2 , 8 November 2010

WTO, G/TBT/GEN/74/Rev.9, 17 October 2011

Yue, C., J. Beghin and H.H. Jensen. 'Tariff equivalent of technical barriers with imperfect substitution and trade costs'. *American Journal of Agricultural Economics* 88(4): pp. 947–96, 2006.

Yumkella, K.K., Kormawa, P.M., Roepstorff, T.M., Hawkins, A.M. (Eds.) *Agribusiness for Africa's prosperity*, UNIDO, pp. 40-41 and 123, May 2011.



## Data sources

Food and Agriculture Organization Mauritius Fishery Country Profile:

[www.fao.org/fi/oldsite/FCP/en/MUS/profile.htm](http://www.fao.org/fi/oldsite/FCP/en/MUS/profile.htm)

International Organization for Standardization (ISO), ISO and developing countries:

[www.iso.org/iso/home/about/iso-and-developing-countries.htm](http://www.iso.org/iso/home/about/iso-and-developing-countries.htm)

Ministry of Fisheries, Seafood Hub, Government of Mauritius:

<http://fisheries.gov.mu/English/Departments/Seafood%20Hub/Documents/The%20Seafood%20Hub.pdf>

Mauritius Chamber of Commerce and Industry, Procedures for Export:

[www.mcci.org/trade\\_procedures\\_export.aspx#EX](http://www.mcci.org/trade_procedures_export.aspx#EX)

Mauritius Accreditation Service (MAURITAS): [www.mauritas.org/about.php](http://www.mauritas.org/about.php)

Ministry of Industry, Commerce and Consumer Protection (commerce division), Trade Division, Export

Unit: [www.gov.mu/portal/site/commercesite/menuitem.b6a9dde5ce029b0f03659361e2b521ca/webmaster-mcom@mail.gov.mu?content\\_id=ce6d20b35369f010VgnVCM1000000a04a8c0RCRD](http://www.gov.mu/portal/site/commercesite/menuitem.b6a9dde5ce029b0f03659361e2b521ca/webmaster-mcom@mail.gov.mu?content_id=ce6d20b35369f010VgnVCM1000000a04a8c0RCRD)

United States Government Office of Textiles and Apparel (OTEXA):

<http://web.ita.doc.gov/tacgi/eamain.nsf/d511529a12d016de852573930057380b/1e85488eb01fd2fd852573940049047d?OpenDocument>

Country and product eligibility, rules of origin, African Growth and Opportunity Act:

<http://agoa.info/about-agoa.html>

Export.gov, International Logistics, When is pre-shipment inspection required?

[http://export.gov/logistics/eg\\_main\\_018120.asp](http://export.gov/logistics/eg_main_018120.asp)

## **ITC series on non-tariff measures**

### **Available reports**

Sri Lanka: Company perspectives (English, 2011)  
Burkina Faso: Company perspectives (French, 2011)  
Morocco: Company perspectives (French, 2012)  
Peru: Company perspectives (English and Spanish, 2012)  
Malawi: Company perspectives (English, 2013)  
Trinidad and Tobago: Company perspectives (English, 2013)  
Uruguay: Company perspectives (Spanish, 2013)  
Jamaica: Company perspectives (English, 2013)  
Madagascar: Company perspectives (French, 2013)  
Paraguay: Company perspectives (Spanish, 2013)

### **Forthcoming reports**

Rwanda: Company perspectives (English)  
Egypt: Company perspectives (English)  
Kenya: Company perspectives (English)  
Senegal: Company perspectives (French)  
Guinea: Company perspectives (French)

**The reports are accessible free of charge at ITC publications page:**

[www.intracen.org/ntm/publications/](http://www.intracen.org/ntm/publications/)



FSC is an independent, non-governmental, not for profit organization established to promote the responsible management of the world's forests.

Printed by ITC Reprographic Service on FSC paper, which is environmentally-friendly paper (without chlorine) using vegetable-based inks. The printed matter is recyclable.

A free pdf is available on ITC's website at:  
[www.intracen.org/publications](http://www.intracen.org/publications).



**Street address**  
International Trade Centre  
54-56 Rue de Montbrillant  
1202 Geneva, Switzerland

P: +41 22 730 0111  
F: +41 22 733 4439  
E: [itcreg@intracen.org](mailto:itcreg@intracen.org)  
[www.intracen.org](http://www.intracen.org)

**Postal address**  
International Trade Centre  
Palais des Nations  
1211 Geneva 10, Switzerland