



India-Mauritius Joint Trade Committee

For Prelims: Geography of Mauritius, Comprehensive Economic Cooperation and Partnership Agreement, India Mauritius Relations

For Mains: Significance of Mauritius as International Partner, Importance of CECPA, India Mauritius Relations

Why in News?

Recently, India hosted the 1st Session of “**India-Mauritius High-Powered Joint Trade Committee**” under the “**India-Mauritius Comprehensive Economic Cooperation and Partnership Agreement (CECPA)**”.



What are the Outcomes of the Session?

- **Trade:**
 - **Bilateral merchandise trade** between India and Mauritius rose to **USD 786.72 million in 2021-22** from USD 690.02 million in 2019-20.
 - Both sides agreed to **enhance bilateral collaboration** to further increase bilateral trade and realize the true potential of the bilateral relationship especially under the CECPA.

▪ CECPA:

- Inclusion of the **General Economic Cooperation (GEC)** Chapter and **Automatic Trigger Safeguard Mechanism (ATSM)** in CECPA.
 - **The GEC chapter** will enable enhancement of **export competitiveness** and enlarging the existing scope for collaboration in the fields of Investments, Financial Services, Textile, **Small and Medium Enterprises**, Handicrafts, Gems and Jewellery etc.
 - ATSM protects the country from any sudden or dramatic increase in imports.
 - Under this mechanism, if the imports of a product are rising alarmingly, then after reaching a certain threshold, India can impose safeguard duties on imports from Mauritius automatically.
 - The same provision applies to Mauritius as well against Indian imports.

▪ Skilled Professional:

- Interactions were held between both the sides in the **Services sector** with regard to **establishing equivalence** in certification, skills and licensing requirements of various professional bodies arrangement between the **Ministry of Skill Development & Entrepreneurship and its counterpart in Mauritius** on developing skill-sets.
- The Mauritian side, while conveying the shortage of professionals in Mauritius in various sectors such as Information and communication technologies (ICT), Financial Services, Film production, Engineering, Health etc., welcomed movement of high skilled professionals from India to Mauritius.

What is India - Mauritius CECPA?

▪ About:

- It is a kind of **free trade pact** that aims to provide an institutional mechanism to **encourage and improve trade** between the two countries.
- It is a limited agreement that will **cover only select sectors**.
 - It will cover sectors such as Trade in Goods, Rules of Origin, Trade in Services, Technical Barriers to Trade (TBT), Sanitary and Phytosanitary (SPS) measures, Dispute Settlement, etc.

▪ Benefit to India:

- More than 300 domestic goods from **agriculture, textiles, electronics and other sectors** will get market access at concessional customs duties in Mauritius.
- **Indian service providers** will have access to around 115 sub-sectors from the 11 broad service sectors, such as professional services, computer related services, research & development, other business services, etc.

▪ Benefit to Mauritius:

- It will benefit from **preferential market access** into India for its 615 products, including frozen fish, speciality sugar, biscuits, fresh fruits, juices, mineral water, beer, alcoholic drinks, soaps, bags, medical and surgical equipment, and apparel.
- India has offered around **95 sub-sectors from the 11 broad services sectors**, including professional services, R&D, other business services, telecommunication, environmental, health, etc.

How has India's relations with Mauritius been?

▪ Economic:

◦ Social Housing Units:

- In May 2016, India had extended a grant of USD 353 million to Mauritius as **Special Economic Package (SEP)** to execute **five priority projects identified by Mauritius, among others**:
 - Metro Express Project
 - Supreme Court Building
 - New ENT Hospital
 - Supply of Digital Tablets to Primary School Children
 - Social Housing Project.
- With the inauguration of the Social Housing Project, all the high-profile projects under the SEP have been implemented.

- **Construction of a State-of-the-Art Civil Service College:**
 - It is being financed through a **grant support of USD 4.74 million**, under an MoU signed in 2017 during the visit of **Prime Minister of Mauritius to India**.
- **8 MW Solar PV Farm:**
 - It involves the installation of **25,000 PV cells to generate approximately 14 GWh of green energy annually**, to electrify approximately 10,000 Mauritian households.
- **Foreign Direct Investment:**
 - Mauritius was the **third top source** (15.98%) of **Foreign Direct Investment (FDI)** into India in 2021-22.
- **Recent Developments:**
 - India has signed a contract with Mauritius for the **export of an Advanced Light Helicopter Mk III**.
 - The helicopter will be used by the Mauritius Police Force.
 - India and Mauritius signed a USD 100 million **Defence Line of Credit agreement**.
 - The two sides also discussed the **Chagos Archipelago dispute**, which was an issue of **sovereignty and sustainable development before the United Nations (UN)**.
 - In 2019, India voted at the UN General Assembly **in support of the Mauritian position** on the issue. India was one of the 116 countries that voted demanding that the **UK end its “colonial administration” from the group of islands**.
 - India also delivered **1,00,000 Covishield vaccines to Mauritius**.

Way Forward

- India's approach to Mauritius is being increasingly entrenched within a regional framework, as seen with **Mission Sagar**, India's initiative to deliver Covid-19 related assistance to countries in the Indian Ocean region.
 - To take this engagement further, India needs to **remain proactive in bringing together like-minded partners** such as Mauritius, Comoros, Madagascar, Seychelles, Maldives, and Sri Lanka in numerous and overlapping ways.
- While India and Mauritius **share cultural contiguity dating back to colonial times** and a special partnership in recent years, **India cannot take its influence in Mauritius for granted** and should continue to **enhance its engagement with this important island country**.
- As India takes an integrated view of its security cooperation in the **south western Indian Ocean**, Mauritius is the natural node for it.
 - Therefore, it is important to take course-corrections in **India's Neighbourhood First policy**.

Source: PIB