

India-Mauritius CECPA

February 18, 2021

In news : The Union Cabinet has approved signing of the **Comprehensive Economic Cooperation and Partnership Agreement (CECPA)** between India and Mauritius.

The salient features of India-Mauritius CECPA

- It will be the **first trade Agreement to be signed by India with a country in Africa.**
- The Agreement is a limited agreement, which will **cover Trade in Goods, Rules of Origin, Trade in Services, Technical Barriers to Trade (TBT)**, Sanitary and Phytosanitary (SPS) measures, Dispute Settlement, Movement of Natural Persons, Telecom, Financial services, Customs Procedures and Cooperation in other Areas

Impact or benefits:

- CECPA provides for an **institutional mechanism to encourage and improve trade** between the two countries.
- The CECPA between India and Mauritius covers 310 export items for India, including foodstuff and beverages, agricultural products, textile and textile articles, base metals and articles thereof , electricals and electronic items, plastics and chemicals, wood and articles thereof, and others.
- **Mauritius 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.
- **As regards trade in services, 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, telecommunication, construction, distribution, education, environmental, financial, tourism & travel related, recreational, yoga, audio-visual services, and transport services.

- India has offered around 95 sub-sectors from the 11 broad services sectors, including professional services, R&D, other business services, telecommunication, financial, distribution, higher education, environmental, health, tourism and travel related services, recreational services and transport services.
- **Both sides have also agreed to negotiate an Automatic Trigger Safeguard Mechanism (ATSM)** for a limited number of highly sensitive products within two years of the Signing of the Agreement

Timelines: The Agreement will be signed by the concerned from both the countries on a mutually convenient date and will come into force from 1st date of the following month.

Automatic Trigger Safeguard Mechanism (ATSM)

In the recent round of negotiations for RCEP, India pushed to include the Automatic Trigger Safeguard Mechanism, or ATSM, which will automatically increase levies once imports cross a given threshold. This will automatically increase levies once imports cross a given threshold. ATSM is considered as an effective tool in balancing trade among multilateral partners. It was also part of the trans-pacific partnership, TPP, negotiations before the Donald Trump Administration pulled out from it.

India-Mauritius relations

- Mauritius is an important development partner of India. India had extended a 'Special Economic Package' of USD 353 million to Mauritius in 2016.
- The new Supreme Court building project is one of the five projects being implemented under this package

- Since 2005, India has been among the largest trading partners of Mauritius, and has been one of the largest exporters of goods and services to Mauritius.
- According to the International Trade Centre (ITC), in 2019, the main import partners of Mauritius were India (13.85%), China (16.69%), South Africa (8.07%), and UAE (7.28%).
- The bilateral trade between India and Mauritius has registered a growth of 233% from USD 206.76 million in Financial Year (FY) 2005-06 to USD 690.02 million in FY 2019-20