

# 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