



Mauritius the 21st signatory for the Tripartite Free Trade Area Agreement

The Tripartite Free Trade Area Agreement (FTAA), comprises of 26-member states of the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and the Southern African Development Community (SADC), with a combined population of more than 630 million consumers and an overall GDP of \$ 1.3 trillion (2014 figures). Mauritius became the 21st signatory of the tripartite FTA. The signing was done by Hon. Vishnu Lutchmeenaraidoo, **Minister of Foreign Affairs, Regional Integration and International Trade** on 9th October 2017.

Commonly referred to as the Grand Free Trade Area, the tripartite FTA will be the largest economic bloc on the continent and the platform for the foundation of an eventual Continental Free Trade Bloc, representing half the membership of the African Union and 58% of the Continent's GDP. A structured approach has been adopted for the process of tripartite integration. It focuses on three main areas: (I) market integration (II) industrial development and (iii) infrastructure development.



I. **Market Integration :**

This pillar deals with the elimination of tariff and non-tariff barriers, as well as the implementation of trade facilitation measures, which are essential elements in the establishment of an Operational FTAA;

II. **Industrial development:**

It promotes industrial development and supply-side programs that can benefit from improvements in market integration and eventually in infrastructure development. It aims to build a strong, diversified and competitive tripartite industrial base and to create an environment (taking into account the legal and regulatory framework) conducive to value-added, diversification, productivity and competitiveness, as well as the design of programs that will allow for structural change;

III. **Infrastructure development:**

It focuses on improving regional infrastructure in order to increase the efficiency of internal trade and the transport network (road, rail, sea and air, including ICT). In addition, it aims to provide and improve the efficiency of interconnection between and within Member States / Tripartite partners to facilitate trade and movements of production factors.

The framework of the tripartite FTA also caters for areas of negotiations which are as follows:

1. **Liberalization of trade in goods:** this concerns the elimination of import duties and restrictions, as well as the elimination of non-tariff barriers;
2. **Rules of origin:** rules of origin correspond to the criteria for determining the natal provenance of a product;
3. **Cooperation and Mutual Assistance in Customs Matters:** allows the customs authorities of different countries to work together to facilitate trade between the Member States / partners; to Question and Answer Tripartite FTAs



4. **Facilitating trade:** this is the simplification and harmonisation of international trade procedures, including import and export regimes;
5. **Transit Trade and Transit Facilitation:** the simplification of procedures, documents and processes required on goods in transit in a country or region to their destination;
6. **Trade remedies:** instruments of commercial policy enabling States to take appropriate measures against imports which cause material injury to a national industry. These remedies consist essentially of anti-dumping, countervailing and protective measures;
7. **Technical barriers to trade (TBTs):** TBTs identify a category of non-tariff barriers to trade that countries use to regulate markets, protect their consumers, or conserve their natural resources
8. **Sanitary and phytosanitary measures -SPS-:** These measures are intended to protect humans, animals and plants against diseases, pests and contaminants;
9. **Dispute Settlement:** This refers to the rules and procedures used by disagreeing trading partners to reach an amicable settlement.

The ultimate objective is to establish a single customs union. The motivation behind is to eliminate the challenges of multiple affiliations. To recall that the core problem is a country cannot belong to two customs unions simultaneously. This situation involves the application of two sets of different trade regimes. Several countries fall under the leadership of two or more regional blocs and often this complicates the establishment and application of international trade regimes of different blocs.

The tripartite FTA will offer important opportunities for business and will attract foreign direct investment within the zone. In particular, the business community will benefit from an enhanced and harmonised regime that will reduce the cost of doing business as a result of the elimination of overlapping trade regimes caused by multiple memberships. The establishment of a tripartite FTA allows the three regional economic communities namely COMESA, EAC and SADC to initiate a process of synchronisation and harmonisation of their regional integration programs, trade policies and resolve the problem of divergent interests in membership in the regional economic communities.



Furthermore, this FTA will be more attractive for investment and large-scale production. It will facilitate the free movement of people, goods and services within the region. This will benefit member countries, foreign investors and African citizens. It will harness the potential of the workforce and provide accessible, quality products for consumers. This free trade is expected to create jobs and promote exports within member states. Ultimately, the commitment of the private sector is very important to benefit from the tripartite FTA. This was rightly stated by the **Secretary General of COMESA** Sindiso Ngwenya “In the next six months, negotiations at the national and regional level will ensure that the private sector plays its proper role.” Given Mauritius’ vibrant and proactive private sector, we are optimistic of benefitting from the tripartite FTA.



The **Secretary General of COMESA** Sindiso Ngwenya and The Honorable Vishnu Lutchmeenaraidoo, **Minister of Foreign Affairs, Regional Integration and International Trade**

