

EU statement at the Trade Policy Review of Djibouti and Mauritius, 22/10/14

Statement by EU Deputy Ambassador Detlev Brauns

I would first like to extend a warm welcome to the delegations of Djibouti and Mauritius, respectively led by Mr. Hassan Ahmed Boulaleh (Vice-Minister of Commerce) of Djibouti and Mrs. Usha Dwarka-Canabady (Secretary for Foreign Affairs) of Mauritius. Allow me also to thank the WTO Secretariat and the Government of the two countries reviewed for their reports and the Discussant, H.E. Mr Gabriel Duque (Colombia), for his introductory remarks to today's reviews.

Madame Chair, I'll start with Djibouti's Trade Policy Review. Despite the major constraints that the economy faces, Djibouti has carried out important reforms since last TPR and has resisted the financial crisis relatively well with a growth of about 5% in 2013. However, the challenges remain serious in particular given the level of poverty that continues to be unsustainably high and the weaknesses in the infrastructure that create real bottlenecks for further development.

Djibouti in its government report indicates that a new trade policy strategy is under development. The EU welcomes this information and considers that this TPR could be a good opportunity for the authorities to receive useful inputs for the strategy, notably because of the importance of trade for Djibouti, representing 94% of its GDP.

Djibouti's trade to the EU is covered by the "Everything But Arms" initiative which makes its exports (except for arms) duty free and quota free to the EU. Regarding aid, the EU under the European Development Fund has committed 66 million euros during the period 2008-2013 mainly in the areas of water, sanitation and energy as well as food security.



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In its advance questions to Djibouti, the EU has asked how the government intends to improve the mechanisms for coordination in order to enhance the consistency of the policies adopted and the consultations with all stakeholders. The last TPR in 2006 had stressed the importance of rationalising taxation and the EU is interested to know the intentions of the government in this regard. Regarding the conclusions of the last TPR on the role of the State in the economy, the EU would appreciate more information on the degree of opening considered for the telecommunications services and the reforms that may be foreseen in the area of energy? The EU also notes that reforms are ongoing in order to facilitate FDI inflows and entrepreneurship, such as the "*guichet unique*", and would be interested to know what other measures are under consideration by the government to facilitate FDI in sectors where the WTO Secretariat has identified a potential for growth or a need for more investment (agriculture, fisheries, salt, infrastructure)?

Regarding Mauritius, the EU shares the Secretariat's views that the economy continues developing remarkably and that the country punches well above its weight due to its determination to pursue a sustainable integration into the world economy and its forward looking approaches. The EU noted with interest the concept of "ocean economy" that the government intends to develop and is keen to know more about this concept.

The government has set an important objective, which is to make the country evolve from a middle income economy to a High Income Country within the next ten years. Trade is certainly an important factor for the economy as it represents about 115% of the GDP. During the period of review since 2008, Mauritius has further integrated not only into the world economy but also made considerable progress regionally. Here, I would also like to pay tribute to the active role that Mauritius has played in recent years in the WTO and notably to their timely notification of the Category A commitments under the Trade Facilitation Agreement.

The EU is the first destination of Mauritius exports (57%) and the second source of imports (22%). The interim Economic Partnership Agreement is in application which leads to 100% of Mauritius exports currently enter into the EU markets duty free. The EU has provided assistance to support the country's economic and social objectives under the 10th EDF with about 64 million euros and has also provided 279 million euro of Budget Accompanying Measures for the Sugar protocol.

In its advance written questions, the EU has raised the following issues: clarification of the mandate of enterprises managed by the State but which have not been notified as STEs, economic integration perspectives in the region, notification perspectives for subsidies, TBT and SPS related legislation, the scope of the new legislative framework in

the competition area and the perspectives regarding further opening of public procurement to international operators.

In conclusion, let me reiterate that the EU acknowledges the progress the two countries have made since their last reviews and is confident that the current exercise will help Djibouti and Mauritius in further developing their policies so as to ensure that they are most favourable for attaining their economic objectives while respecting their international commitments in this forum. The EU wishes to the two delegations successful reviews.