



## PAGE 3: B. ABOUT YOU

**Q1: Respondent details**

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**Q2: Country or Customs territory**

- INTERNATIONAL ORGANIZATION

**Q3: Organization**

Public sector

## PAGE 4: C. ABOUT YOUR CASE STORY

**Q4: Title of case story**

NTM: Increase Transparency, Identify Challenges and Reduce Trade Costs

**Q5: Case story focus**

E-commerce development and efforts to bridge the "digital divide".

**Q6: Case story abstract**

Several large-scale business surveys conducted by ITC in developing countries demonstrated that the trade prospects of small and medium-sized enterprises (SMEs) appeared to be significantly stymied by trade obstacles resulting from non-tariff measures (NTMs). In order to provide sustained support for SME development, it became clear that policymakers need to be regularly informed of trade impediments encountered by the private sector in order to respond swiftly to these challenges. Through an online tool, ITC set up a Trade Obstacles Alert Mechanism (TOAM) allowing for the constant monitoring of difficulties reported by the private sector. Three months after the launch of the mechanism in Mauritius, a number of concerns were raised and resolved as well. The online platform which relies on the coordination of national agencies and authorities is an effective way of facilitating the dialogue between the private and public sector. Inspired by this example, complementary systems under development such as NTM alert system will enhance the effective dissemination of information among all stakeholders.

**Q7: Who provided funding?**

Bilateral donor, Multilateral organization

**Q8: Project/Programme type**

Multi-country

**Q9: Your text case story**

The challenge

Small and medium-sized enterprises (SMEs) in developing countries often find their trade prospects stymied by technical regulations, labelling rules, or health and safety standards that their products must meet to gain market entry;

or by cumbersome licensing requirements either at home or in a prospective trading partner. Such non-tariff measures (NTMs) can be unpredictable and difficult for companies to understand, let alone comply with; they also weigh disproportionately on the competitiveness of smaller companies. At the same time, policymakers often lack specific, real-time information about NTM-related challenges domestic companies are contending with, and thus struggle to respond swiftly.

Mauritius is no exception to the trend. To take one example, the Compagnie Mauricienne de Textile, a leading Mauritian garment manufacturer, used to import plastic packaging from its Madagascar subsidiary to wrap t-shirts for export to Europe. (Procuring locally would have been more expensive, hurting their competitiveness.) But in late 2015, a shipment of the plastic wrapping got tangled up in Mauritius's unexpectedly early introduction of an import licensing requirement. 'Our consignments of polybags [polyethylene bags] from Madagascar were held at customs due to an import permit requirement,' said Ashley Vikesh, a custom clerk with the company. 'This law should have been in force in January 2016 but the authorities implemented it in September 2015!'

#### The solution

With the financial support from United Kingdom's Department for International Development (DFID) ITC conducted a survey of more than 400 Mauritian businesses across a variety of sectors to understand their NTM-related concerns. Getting import permits was one of the key problems reported by Mauritian businesses. In response to the survey's findings, the Mauritian government asked ITC to work with the Ministry of Foreign Affairs' international trade division to set up a Trade Obstacles Alert Mechanism (TOAM). This online tool, which allows Mauritian exporters and importers to alert local authorities about trade impediments they encounter, was launched in September 2015. It is administered by the Mauritius Chamber of Commerce and Industry, an important national trade and investment support institution. A similar mechanism has been in place in Côte d'Ivoire since 2014.

#### The Results

The survey, and a subsequent ITC-facilitated workshop on NTMs, prompted the Mauritian authorities to consult further with various stakeholders, after which they decided to revoke several import and export permit requirements. The result has been to lighten the administrative burden for businesses, including SMEs.

In the three months following the launch of the system, more than 50 companies registered with the TOAM. Seventeen problems were reported, of which seven have already been resolved. One of these was the port blockage reported by the Compagnie Mauricienne de Textile. Thanks to the relaxed import licensing requirements, the company can once again smoothly import the polyethylene packaging material from Madagascar, in turn boosting the timeliness – and competitiveness – of its exports.

The resumption of commerce is also good news for Plasmad, the company's Madagascar subsidiary, for which Mauritius is the main export market. Jean-Pierre Li, a director with Plasmad, said the 'container was stuck at the Mauritian customs because of misinterpretation of import rules by the Mauritian customs. The problem was solved thanks to the report posted by the Mauritian importing company that alerted the Mauritian authorities who revised their procedure and let the container enter the country. The container could have stayed there for ages!'

Gopal Gupta, a manager with the Mauritius-based logistics firm Velogic who also chairs the country's association of freight forwarders, successfully used the TOAM to complain about complications getting safety certification from the Mauritius Standards Bureau to import toys. 'The Ministry of Commerce and Industry has subsequently reviewed the procedures,' he said, leading to 'a proper corrective action' in the application procedures. 'The TOAM platform is very helpful to the business community,' he added. 'For us it is an excellent platform to express our concerns regarding trade obstacles faced by operators.'

Ishrahananda Dhalladoo, Mauritius's Ambassador and Permanent Representative to the United Nations Organization in Geneva and to the World Trade Organization provided another example of how ITC's NTM work had freed up trade. 'A direct consequence of the survey and the workshop was the elimination of the need for Tea Board clearance of rooibos tea imports, resulting in reduced time for importing this product in Mauritius.' He said that since the findings of ITC's NTM survey for Mauritius were released in 2013, the country had eliminated 28 permits related to imports and exports.

#### The Future

The Mauritius Chamber of Commerce and Industry will continue to raise private sector awareness about the TOAM, and work to ensure effective dialogue on trade issues between businesses and government authorities.

Complementary systems are being developed to help companies around the world to take better market-oriented decisions. A recent example is ePing ([www.epingalert.org](http://www.epingalert.org)), an online alert system that enables real-time access to notifications submitted by WTO Members under the Agreements on Sanitary and Phytosanitary Measures (SPS) and Technical Barriers to Trade (TBT). The system will cover products and potential markets by shedding light on potential trade irritants; it will facilitate dialogue among governments and the private sector to resolve them at an early stage. Policymakers, exporters, importers, investors and others can use ePing to track and communicate about relevant product requirements.

The ePing is the result of collaboration among the United Nations Department of Economic and Social Affairs (DESA), the International Trade Centre (ITC) and the World Trade Organisation (WTO). Based on an alert system developed by DESA improve LDC access to new notifications, The system will now be expanded, drawing on ITC's expertise in addressing the needs of SMEs in developing countries.

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#### **Q10: Lessons learnt**

The implementation of TOAM in Mauritius and Côte d'Ivoire showed the importance of local ownership for raising awareness about the 'new' possibilities for an effective dialogue between the private and public sectors. This ensures a sustained promotion of the tool among SMEs and consequently a wide and active use of the platform. A continuous reporting of challenges and solved issues injects momentum for sustained use and usefulness of the mechanism.

Capacity building of local partners is a key element for the adoption of the tool by national stakeholders. It does not only facilitate the 'fluency' in communication and action of agencies connected under the mechanism but it also allows the wide, well-informed and practical dissemination on how to use the platform as well as the potential benefits to be expected from it. From this perspective, involving a local entity advocating for SME and private sector development at the centre of the mechanism is key for success.

Facilitating the access of users to the platform is a continuing goal and needs innovative ways adapted to the reality of developing countries. A stable Internet access is not always granted and therefore we seek to develop the access through text messages and offline mobile apps to the TOA platform. This would reach further the private sector in case there is no Internet access and in particular enable reporting to be done 'on the spot'.

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