MAURITIUS

TRADE SECRETS

The Export Answer Book

for Small and Medium-Sized Exporters

International Trade Centre

The Mauritius Chamber of Commerce and Industry

© International Trade Centre UNCTAD/WTO and Mauritius Chamber of Commerce and Industry 2000

Abstract and Copyright

2000

INTERNATIONAL TRADE CENTRE UNCTAD/WTO (ITC)
MAURITIUS CHAMBER OF COMMERCE AND INDUSTRY (MCCI)
Trade Secrets: The Export Answer Book for Small and Medium-Sized Exporters (SMEs) - Mauritius
Port Louis: ITC/MCCI, 2000 xi, 220 p.

Handbook, customised to suit the needs of SMEs in Mauritius and answering the most commonly asked questions on the export process - covers market research, cultural issues, marketing, market entry methods, agents and distributors, trade shows, regulations, quality standards, pricing, financing and getting paid, transportation, documentation, packaging and labelling, trade agreements; provides contact information on in-country assistance organisations, and a comprehensive listing of current publications, periodicals, software programmes, and databases available within Mauritius.

English

Price: Rs. 350

ITC, Palais des Nations, 1211 Geneva 10, Switzerland.
Tel: (+41-22) 730 02 18; Fax: (+41-22) 733 44 39
Email: itcreg@intracen.org
Web site : http://www.intracen.org

MCCI, 3 Royal Street, Port Louis
Tel: (230) 208 3301; Fax: (230) 208 0076
Email: mcci@intnet.mu
Web site : http://www.mcci.org

The designations employed and the presentation of material in this handbook do not imply the expression of any opinion whatsoever on the part of the International Trade Centre UNCTAD/WTO concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Mention of firm names and commercial products does not imply the endorsement of the ITC.

The opinions, figures, and estimates set out in this handbook are the responsibility of the Mauritius Chamber of Commerce and Industry, and should not necessarily be considered as reflecting the views, or carrying the endorsement of ITC. The factual details and in-country resources in this publication have been researched and compiled by MCCI.

All rights reserved. Except for the usual review purposes, no part of this work may be reproduced, or transmitted in any form, or by any means, electronic, or mechanical, including photocopying, recording, or by any information retrieval system, without the written permission of the publishers.

ITC/P59.E/TSS/FASS/00-X

ISBN 92-9137-156-4

FOREWARD

It is with pleasure that the International Trade Centre (ITC) offers its congratulations to the Mauritius Chamber of Commerce and Industry (MCCI) and to its dedicated team who have put together this national version of *"Trade Secrets - The Export Answer Book for SMEs"*.

The partnership between MCCI and ITC is part of what we call the "product - network" approach through which ITC develops a "product" and offers it for customisation and national dissemination to a network of trade development organisations in developing and transition economies. The "generic" materials for the *Trade Secrets* book were developed by ITC and MCCI customised them to reflect the specific exporting environment in Mauritius and to suit the special needs of its SME exporters.

The "product-network" approach makes it possible not only to give joint ownership to the product and increase its outreach, but also to share the cost of research, writing, and printing. Nearly sixty countries have signed Joint Publication Agreements to adapt our materials in order to produce national versions of this publication and other similar publications.

We are aware of the tremendous effort required for publishing a customised version for wide national distribution. We are equally aware of the time, expense and brain power that have gone into the production of this publication. And we are proud of this partnership with MCCI on the production of this national version.

I look forward to our continued partnership.

R. Badrinath
Director, Division of Trade Support Services
International Trade Centre (UNCTAD/WTO)
Geneva

ACKNOWLEDGEMENT

This volume would not have been possible without the useful comments, help and assistance of several organisations involved in the project. The first note of thanks goes to the International Trade Centre UNCTAD/WTO for their valuable guidance at all stages of preparation of the Mauritian version of *Trade Secrets*. We are also very grateful for the financial support from the Mauritius Research Council, which substantially reduced the costs of publication and hence also the price of the volume.

As part of the customisation involved in the preparation of this handbook, a survey was undertaken among the Mauritian business community which was very helpful for that matter. This survey process was undertaken by De Chazal du Mée to whom we are much grateful.

PREFACE

The pace of globalisation of the world economy is gathering speed, primarily as a result of revolutionary changes in transport and communications. Indeed, the term "global village" is gaining more and more sense with the increasing facility with which goods and services can be traded internationally.

The intense competition on a global basis that results from this state of affairs indicates that to survive, firms in Mauritius, and in particular Small and Medium-sized Enterprises (SMEs), will have to improve their capabilities to match those of rival countries. And besides, the preferential treatment that Mauritian exporting firms currently enjoy under arrangements such as the Generalised System of Preferences (GSPs) and the Lomé (now Cotonou) Convention, will certainly not last forever.

It is with this mindset that "*Trade Secrets - The Export Answer Book for SMEs*" was designed as part of the Programme for Competitiveness Improvement for SMEs (ProCIP) by the International Trade Centre UNCTAD/WTO (ITC). This handbook is intended to serve as a primary reference tool for SMEs and consultants in need of a practical, results-orientated guide to exporting. It is a user-friendly, affordable reference for existing and prospective exporters and should help them to better understand the terms, processes, and resources involved in exporting. It addresses 100 most frequently asked questions by exporters and answers them in plain language.

This handbook is a joint publication of the Mauritius Chamber of Commerce and Industry (MCCI) and ITC. It is based on a generic version prepared by ITC and has been customised under ITC guidance by MCCI to meet the needs of the small exporter in Mauritius. The research and compilation of factual details and in-country resources have been undertaken by MCCI. This handbook is the result of interaction with a large number of small industries, institutions, libraries, publishing houses, and other related organisations. It provides a comprehensive overview of the export transaction in a logical, step-by-step approach using a question and answer format. The resources which accompany each question and answer should enable the reader to delve deeper into a particular topic.

The title and certain portions of this handbook are reprinted, or adapted from *"Trade Secrets - The Export Answer Book for SMEs"* with the permission of the Michigan Small Business Development Centre at Wayne State University, Detroit, Michigan, United States of America (USA).

NOTE

Most of the answers to the questions contained in this handbook are accompanied by resources which will allow the reader to seek a more in-depth approach if any answer does not provide the level of detail needed. However, where no resource is mentioned, and for further information regarding the location of each resource mentioned in this volume, the reader can enquire the topic concerned by contacting:

The Mauritius Chamber of Commerce and Industry
3, Royal Street
Port Louis
Tel: (230) 208 3301
Fax: (230) 208 0076
Email: mcci@intnet.mu
Web site: http://www.mcci.org

CONTENTS

Foreward			iii
Acknowlegement			iv
Preface			v
Note			vi
Abbreviations and Acronyms			xi
SECTION	**1**	**MAKING THE DECISION TO EXPORT**	**1**
	1.	Why should an SME export?	2
	2.	What are the advantages and risks of exporting for the firm?	3
	3.	What are the regulations in Mauritius governing international trade?	4
	4.	How do I begin an export business?	5
	5.	What are the stages involved in a typical export process?	6
	6.	What are the agencies for promoting SME exports?	7
	7.	What are the incentives given by the Mauritian government to the exporting SME?	10
SECTION	**2**	**PREPARING TO EXPORT**	**13**
	8.	Who can assist the exporter with research and market surveying?	14
	9.	Who can help the exporter answer questions about administrative procedures and regulations in foreign markets?	15
	10.	What are the training programmes in Mauritius with the objective of helping exporters?	17
	11.	How does the exporter protect his trademark/patent overseas?	18
	12.	What are the essential elements of a business plan?	19
	13.	Who can help exporters write a business plan?	21
	14.	How can the Internet be useful to exporters?	22
	15.	What is electronic commerce?	23
SECTION	**3**	**FINDING THE MARKET**	**25**
	16.	Where can an exporter find market reports for specific products?	26
	17.	What are the products that can be exported?	27
	18.	Where can SME exporters export?	29
	19.	How to perform a Market Factor Assessment?	30
	20.	Where can an exporter get specific country reports?	31
	21.	What are the various ways to enter a foreign market?	32

	22.	What are the main non-tariff barriers that the exporter must consider?	34
	23.	What are the rules of business etiquette when doing business in different countries?	35
SECTION 4		APPROACHING THE CUSTOMER	37
	24.	How does an exporter establish contacts with foreign potential clients?	38
	25.	What are the preparations necessary before meeting a client?	39
	26.	What are the follow-up actions that need to be undertaken after meeting a customer?	40
SECTION 5		CONTRACTING	41
	27.	What is a Certificate of Origin? What are the procedures to obtain a Certificate of origin?	42
	28.	What are Incoterms? How are responsibilities defined with respect to Incoterms?	44
	29.	How to prepare an invoice?	46
SECTION 6		AGENTS AND DISTRIBUTORS	47
	30.	What is an agent and what is a distributor? What are their respective roles and responsabilities?	48
	31.	How does the exporter find information on a commission agent or a distributor?	49
	32.	What criteria should be used in the selection of a commission agent or a distributor?	50
	33.	What are the advantages and risks involved when working with an agent or a distributor?	51
	34.	How are sales agents contracts drawn up?	52
SECTION 7		QUALITY	53
	35.	What is quality?	54
	36.	What is quality standard?	55
	37.	How can exporters get information regarding standards and regulations on product contents?	56
	38.	What are the schemes/programmes that assist exporters with the establishment of quality management programmes?	57
	39.	What is ISO Certification?	61
	40.	How is ISO Certification awarded?	62
SECTION 8		PRICING	65
	41.	How does an exporter price a product?	66
	42.	How is a quote prepared?	68
	43.	How can an exporter determine whether the price quoted is competitive?	69
	44.	How should an exporter respond to an unsolicited inquiry from overseas?	70
	45.	What elements should an Export Costing Worksheet contain?	71
SECTION 9		FINANCING AND GETTING PAID	73
	46.	What are the different methods of payment available to the exporter?	74

	47.	How important is the choice of the currency for the financial transaction?	75
	48.	How to approach banks?	76
	49.	How do we ensure that a foreign buyer is trustworthy?	77
	50.	What is a Letter of Credit (L/C) and how can an exporter use it when exporting?	78
	51.	What problems most commonly arise with a Letter of Credit process?	79
	52.	How can an exporter ensure payment against an Letter of Credit?	80
	53.	For what other purposes can an Letter of Credit be used?	81
	54.	Are there schemes regarding export financing?	82
	55.	What foreign exchange risks does the exporter face?	84
	56.	How can foreign exchange risks be covered?	85
	57.	What is an export credit insurance and how can it be useful?	86
SECTION 10		TRANSPORTATION AND DOCUMENTATION	87
	58.	What is the best way to ship products?	88
	59.	What is a freight forwarder and what is a customs broker?	89
	60.	How should an exporter select a freight forwarder?	90
	61.	Who are the freight forwarders in Mauritius?	91
	62.	Who is responsible for force majeure, damaged, or missing goods?	93
	63.	What is the frequency of flights from Mauritius towards the destination country?	94
	64.	What is the frequency of sea transportation?	95
	65.	What are the sea and air freight rates in Mauritius?	96
	66.	What is consolidation?	97
	67.	What are the different shipment documents that constitute a correct export documentation?	98
	68.	Which institutions can help in completing the required documentation?	100
	69.	What is Pre-shipment inspection (PSI) and when is it required?	101
	70.	What are the main organisations that undertake pre-shipment inspection services in Mauritius?	102
	71.	Must goods be insured for shipment?	103
SECTION 11		PACKAGING AND LABELING	105
	72.	What type of packaging does a product need?	106
	73.	What type of labeling does a product need?	107
	74.	What are the packaging requirements regarding textile products?	108
	75.	What are the packaging requirements regarding food products?	109
	76.	With what materials should products be packed?	110
	77.	What factors should be kept in mind for the most effective packaging?	111
	78.	How can exporters get information about foreign laws regulations and regarding packaging?	112
SECTION 12		TRADE FAIRS	113
	79.	What is an international trade fair?	114
	80.	How does an exporter select the proper trade fair?	115

81.	How does an exporter prepare for an international trade fair?	116
82.	How can SMEs find means to finance their participation in international trade fairs?	117
83.	What are the keys to success whilst the exporter is at a Trade Fair?	119
84.	What are the conditions governing the temporary entry of products in foreign countries?	120
SECTION 13	**TRADING SYSTEMS**	**121**
85.	What is WTO and what does it do?	122
86.	What benefits can SMEs derive from the WTO system?	124
87.	What is GATT?	126
88.	What are the rules that govern GATT?	127
89.	What is the Uruguay Round?	128
90.	What is the General Agreement on Trade In Services (GATS)?	130
91.	What are the main provisions of GATS?	131
92.	What is a regional preferential arrangement?	132
93.	What are the Preferential Trade Agreements that exist between Mauritius and other countries?	133
94.	What is the Generalised System of Preferences (GSP)?	135
95.	Which countries offer Mauritian exporters GSPs?	136
96.	What is the "Africa Bill"?	137
97.	What are the benefits of the "Africa Bill"?	138
98.	What is the Lomé Convention?	139
99.	What is the Cotonou Convention?	140
SECTION 14	**IMPORTING**	**141**
100.	How can an exporter best manage purchase and supply of inputs needed for export production?	142
ANNEX	**TITLE**	
Annex 1	Formalities for setting up a business	143
Annex 2	Fiscal Incentives	151
Annex 3	Embassies, Consulates & High Commissions	157
Annex 4	Major Consultants in Mauritius	165
Annex 5	Banks in Mauritius	169
Annex 6	Useful Internet sites for market information	173
Annex 7	List of products requiring an export permit	175
Annex 8	Import Promotion Offices of a list of selected countries/regions	177
Annex 9	Non-Tariff Measures	181
Annex 10	Main Certificates of Origin for Mauritian Exporters	183
Annex 11	Example of an invoice	191
Annex 12	Leasing institutions in Mauritius	195
Annex 13	Frequency of air connections from Mauritius	197
Annex 14	Indication of air freight rates in Mauritius	199
Annex 15	Indication of sea freight rates in Mauritius	203
Annex 16	Examples of Internationally Used Labeling Symbols	207

ABBREVIATIONS AND ACRONYMS

This publication contains the following Abbreviations and Acronyms:

A

AASM	Associated African States and Madagascar
ACP	African, Carribean and Pacific group of countries
ACT	African Coalition for Trade
AGOA	African Growth and Opportunity Act
AMSCO	African Management Services Company
ATA	Admission Temporaire - Temporary Admission
ATC	Agreement on Textiles and Clothing

B

B/L	Bill of Lading
BtoB	Business to Business
BtoC	Business to Consumer

C

CBI	Centre for the Promotion of Imports from Developing Countries
CBI	Cross Border Initiative
CCC	Customs Co-operation Council
CDI/CDE	Centre for the development of Industry/Enterprise
CFR	Cost and Freight
CIF	Cost, Insurance and Freight
CIP	Carriage and Insurance Paid to
COMESA	Common Market for Eastern and Southern Africa
CPT	Carriage Paid To

D

DAF	Delivered At Frontier
DBM	Development Bank of Mauritius
DDP	Delivered Duty Paid
DDU	Delivered Duty Unpaid
DEQ	Delivered Ex Quay
DES	Delivered Ex Ship

E

EBAS	EU-ACP Business Assistance Scheme
EC	European Community
EDCs	Export Development Companies
EDF	Export Development Fund
EDI	Electronic Data Interchange
EEC	European Economic Community
EPZ	Export Processing Zone
EPZDA	Export Processing Zone Development Authority
EU	Eurpean Union
EXW	Ex Works

F

FAS	Free Alongside Ship
FCA	Free Carrier
FOB	Free On Board
FTA	Free Trade Area

G

GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GBX	Global Business Exchange
GNP	Gross National Product
GSP	Generalised System of Preferences

H

HS	Harmonized (Commodity Description and Coding) System

I

IBCC	International Bureau of Chambers of Commerce
ICC	International Chamber of Commerce
IMF	International Monetary Fund
IOC	Indian Ocean Commisson
IOR-ARC	Indian Ocean Rim - Association for Regional Cooperation
ISO	International Organisation for Standardisation
ITC	International Trade Centre
ITDS	Indian Technology Diffusion Scheme
IVTB	Industrial and Vocational Training Board

L

L/C	Letter of Credit
LDCs	Least Developing Countries

M

MCCI	Mauritius Chamber of Commerce and Industry
MEDIA	Mauritius Export Development and Investment Authority
MEF	Mauritius Employers Federation
MEPZA	Mauritius Export Processing Zone Association
MFA	Mauritius Freeport Authority
MFN	Most Favoured Nation (principle)
MIATEX	Mauritius International Apparel & Textile Exhibition
MIGA	Multilateral Investment Guarantee Agency

MNS	Market News Service
MSB	Mauritius Standards Bureau
MUSBA	Mauritius-US Business Association

N

NTMs	Non-Tariff Measures

P

PRIDE	Programme Régional Intégré de Développement des Echanges
PSI	Pre-shipment Inspection
PTA	Preferential Trade Agreement

Q

QCC	Quality Control Circle

S

SADC	Southern African Development Community
SMEs	Small and Medium sized Exporters/Enterprises
SMIDO	Small and Medium Industries Development Organisation

T

TCMs	Trade Control Measures
TCP/IP	Transmission Control Protocol/Internet Protocol
TIDS	Technology Introduction and Development Scheme
TIS	Technology Improvement Scheme
TMs	Tariff Measures
TPOs	Trade Promotion Offices
TQM	Total Quality Management
TRAINS	TRade Analysis and Information System
TRIPS	Trade-related Aspects of Intellectual Property Rights

U

UK	United Kingdom
UNCTAD	United Nations Conference on Trade And Development
US	United States (of America)

W

WCN	World Chambers Network
WIPO	World Intellectual Property Organisation
WTO	World Trade Organisation

SECTION 1

MAKING THE DECISION TO EXPORT

1. Why should an SME export?

Exporting offers numerous advantages for the firm but, unfortunately, many firms do not make the most of the incredible opportunities that exist in the worldwide marketplace. The massive proliferation of trade agreements, the pursuance of export oriented policies, and the framework of rights and obligations under the World Trade Organisation have created unprecedented opportunities for businesses to export. The pace of globalisation of the world economy, fuelled by revolutionary changes in transport and communications, have created competitive manufacturers able to produce cheaper, faster, and better. Many developing countries have become serious rivals to established economies because of their links to global communications systems and the development of television, print, and electronic access to information. There has never been a more opportune time for Mauritian firms to capitalise on these market shifts and to export for the following reasons:

Increase sales and profits. If the firm is performing well in the domestic market, expansion into foreign markets is likely to improve its profitability.

Gain global market share. By exporting, the firm will learn from its competitors, their strategies and what they have done to gain a share in foreign markets.

Reduce dependence on existing domestic market. Expansion into foreign markets results in an increase of the marketing base of the firm and reduces its dependence on local customers.

Stabilise market fluctuations. By tapping global markets, firms are no longer held captive to economic changes, varying consumer demand and seasonal fluctuations in the domestic economy.

Make use of excess production capacity. Exporting could increase the utilisation of production capacity and length of production runs, thereby reducing average unit costs and raising economies of scale.

Enhance competitiveness. Exporting enhances a firm's and a country's competitive advantage. While the firm will benefit from exposure to new technologies, methods and processes, the country will benefit from improved balance of trade.

Create domestic jobs. Export Processing Zone (EPZ) exports account for around 70% of Mauritian exports, and sugar exports for more than 20%. In 1999, Mauritian EPZ exports supported 18% of the workforce and sugar exports 12%. A remarkable feature stands out from the employment figures in Mauritius for the period from 1994 to 1999: SMEs in Mauritius, defined as firms employing less than 10 persons, created over 36,500 jobs, which is more than 7 times employment created by the large firms!

Help to reduce the trade deficit. The continuing high levels of imports relative to exports have given rise to chronic trade deficits. In 1999 for example, the trade deficit rose to Rs17.3bn as compared to a Rs9.7bn figure in 1998. The main cause for this sharp increase lies in the considerable shortfall in sugar exports proceeds resulting from the recent severe drought, and the acquisition of an aircraft worth Rs2.7bn.

Find excellent no-cost or low-cost experts in export. For many firms, the decision not to export is based on the fear of the unknown. Trade promotion organisations like MEDIA, MEPZA and MCCI (see question 6 for contact details) have been established to assist companies that contemplate venturing into export markets. These organisations can help businesses with every step of the export process.

RESOURCES

Getting Started in Export - A Training Manual for SMEs
GENEVA (1995)
Human Resource Development
ITC UNCTAD/ GATT
Manual on export marketing, aimed at SMEs in developing countries; includes exercises and glossary of terms.

2. What are the advantages and risks of exporting for the firm?

Direct advantages to the exporting firm

- Opportunity to expand market share
- Increase production if underutilised in the domestic market
- Decrease dependence on domestic sales or compensate for stagnating domestic market
- Diffuse domestic competition by expanding into less competitive foreign markets
- Follow domestic leaders into foreign markets to reduce foreign market research costs
- Competition in international markets stimulates exporters to adapt their products to the needs of the market, leading to an improvement in their level of technological know-how

Risks of expanding into domestic or foreign markets

- Sales may not meet projections
- Competition may be greater than anticipated
- Customers may be slow to pay, or not pay at all

Risks unique to exporting

- Repatriation of profits from the target country may be constrained or forbidden
- Fluctuations in exchange rates may decrease or eliminate profits, or may even result in losses
- In cases of non-payment or other contractual problems, there may be questions of jurisdiction (i.e. Mauritian courts may not be able to enforce contracts between parties in different countries)
- Instability in the target country can lead to losses from war or civil strife or nationalisation by the foreign government
- The product may not be accepted in foreign markets

RESOURCES

Profitable Exporting: A complete guide to marketing your products abroad
John Wiley & Sons Inc., 605 Third Avenue, New York, NY 10158.
Tel (800) 225-5945
A step-by-step guide to how to enter and succeed in the export market place
This publication gives managers with no export background everything they need to get started in exporting

3. What are the regulations in Mauritius governing international trade?

The following are the main laws in Mauritius that relate to international trade :

The Customs Act and its regulations make provision for the administration of the Customs, the control of imports and exports, and the collection of duties and taxes.

The Customs Tariff Act makes provision for the proper classification of goods and empowers the Minister of Finance to set the rates of duty to be levied on goods imported into Mauritius.

The Consumer Protection (Price and Supplies Control) Act, in addition to other aspects such as price control, makes provision for the control on importation of certain goods as well as on export of a list of goods.

The Value Added Tax Act makes provision for the collection of value added tax on taxable goods and services.

A number of other Acts refer to specific aspects of trade and sectors of the economy, some of which are listed below:

The Fair Trading Act protects consumers from misleading, confusing or inadequate information, and from undue pressure during a trading transaction. It also makes provision regarding restriction or distortion of competition and creation of monopoly power.

The Dangerous Drugs Act covers import and export licenses, which are compulsory for trading of dangerous drugs.

The Food Act sets the framework regarding foodstuffs in Mauritius, and includes regulation concerning packaging, labeling, storage, quality and nature of foodstuffs.

The Freeport Act makes provision for the activities authorised in the freeport zones, for the licenses needed to operate therein, and for safeguards for customs duty and other taxes.

The Industrial Expansion Act consolidates various incentive schemes relating to the development, modernisation and expansion of the industrial sector. One important scheme incorporated by the Act is the Export Enterprise Scheme (see question 7 for details).

4. How do I begin an export business?

In starting up a business, it is important to bear in mind that the choice of type of business has an incidence on a number of issues, including its ability to raise finance, the sharing of risk between owners and creditors, its tax burden, etc.. For this reason, it is of prime importance that all the advantages and disadvantages of each possible form of organisation be reviewed before making a choice. In Mauritius an exporter can start his business in any of the forms listed below:

Sole proprietorship. In this type of business, the owner runs the operations himself, bears the losses, realises the profits and incurs all liabilities of the business. No special legal formalities are required for the setting up.

Partnership. A partnership exists when two or more people (partners) carry out business together, own the business property jointly and share the profits and losses in an agreed ratio. The partnership has to be registered with the Registrar of Companies, Les Bacha building, Cathedral Square, Port Louis, (Tel: (230) 211 2865/208 4117, Fax: (230) 212 6493, Email: rocd@intnet.mu, Internet: http://ncb.intnet.mu/indcom/compdiv/company.htm).

Company. A company has a separate legal identity from the persons who own it (shareholders). A company can either be public or private and is governed by the Companies Act 1984. The liability of shareholders is limited to the capital they subscribe. A company has to be registered with the Registrar of Companies (see above for contact details).

Co-operative society. This is an association of several producers who get together to sell their products. A minimum of 10 persons is necessary to form a co-operative society. The latter has to be registered with the Registrar of Co-operative Societies, 2nd and 3rd Levels, LIC Centre, John Kennedy Street, Port Louis (tel: (230) 208 5318, fax: (230) 208 9263).

A number of administrative permits, licenses and certificates have to be obtained before the start of operations and exporting. The administrative procedures are facilitated through the **One-Stop Shop** of the Ministry of Industry, Commerce and International Trade (see question 6 for full contact details). Foreign investors can benefit from the assistance of MEDIA (see question 6 for full contact details) in this undertaking. A list of the formalities involved in setting up a business are set out at Annex 1.

RESOURCES

Investment in Mauritius
KPMG Peat Marwick
P.O. Box 1130, 3rd Floor, 12, Rémy Ollier Street, Port Louis
Tel: (230) 208 8000, Fax: (230) 208 3026, Email: kpmgmru@intnet.mu

Formalities for setting up Enterprises & Buildings
Mauritius Export Development & Investment Authority (MEDIA)
BAI Building
25, Pope Hennessy Street
Port Louis
Tel: (230) 2087750, 212 5965
Fax: (230) 208 5965, 2083914
Email: media@intnet.mu
http://ncb.intnet.mu/media.htm

5. What are the stages involved in a typical export process?

The export process involves three critical functions: feasibility analysis, planning foreign market entry, and implementation. Each of these functions further involves a number of steps.

Feasibility analysis

1. Analyse domestic performance
2. Undertake internal assessment of export potential
3. Carry out preliminary evaluation of market attractiveness - consider the demographics and the social, political and economic factors of target markets
4. Confer with international trade experts (e.g. in marketing, finance, legal, and logistics)
5. Understand what proposition would deliver competitive advantage
6. Select target markets

Planning foreign market entry

7. Conduct market research into the industry sector
8. Evaluate market research
9. Plan market entry strategy
10. Comply with target country licensing, standards and certification requirements
11. File for necessary patent, trademark and copyright protection
12. Identify taxes, tariffs, duties, quotas or other non-tariff trade barriers
13. Establish pricing schedule

Implementation

14. Determine methods of distribution
15. Establish marketing methods
16. Choose sales representatives or sales methods
17. Negotiate financial instruments
18. Obtain insurance cover
19. Complete the required paperwork
20. Package and label the product
21. Ship the product

RESOURCES

Export Procedures (handbook)
International Trade Centre UNCTAD/WTO
Palais des Nations, 1211 Geneva, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
E-mail:itcreg@intracen.org
Web site: http:www.intracen.org

Export/Import Basics (no. 543)
ICC Publishing
38, Cours Albert 1er
75008 Paris, France
Tel: +33 (1) 49.53.29.23. or 49.53.28.89
Fax: +33 (1) 49.53.28.62
E-mail: pub@iccwbo.org
Web site: www.iccwbo.org

6. What are the agencies for promoting SME exports?

It is encouraging to note that for the size of the country and its stage of development, Mauritius has a particularly wide range of support services for the SME sector. Although the purpose and size of the institutions vary, they are all involved to different extents in the promotion of exports. The main support institutions are:

The Ministry of Industry, Commerce and International Trade

- Commerce Division
  Air Mauritius Centre, 7th Floor
  John Kennedy Street
  Port Louis
  Tel: (230) 210 7100
  Fax: (230) 212 8201
  Email: minic@intnet.mu
  Url: http://ncb.intnet.mu/mic.htm

- Foreign Trade Division
  Ministry of Industry, Commerce, Corporate Affairs & Financial Services
  4th Floor, Anglo-Mauritius building
  Port Louis
  Tel: (230) 201 1072
  Fax: (230) 208 7325
  Email: minic@intnet.mu
  Url: http://ncb.intnet.mu/mic.htm

The mission of the Ministry is to facilitate growth of the industrial sector by providing an attractive environment for both local and foreign industrialists to operate efficiently within guidelines set up by government.

Through a system of liaison officers, the **One-Stop Shop** (Air Mauritius Centre, 7th Floor, John Kennedy Street, Port Louis. Tel: (230) 201 2276, Fax: (230) 212 8201, email: minic@intnet.mu) was set up within the Ministry to assist industrialists in their dealings with other Ministries and Departments for rapid obtention of the necessary clearances and permits required for the setting up of their enterprises.

Small and Medium Industries Development Organisation (SMIDO)
Industrial Zone
Royal Road
Coromandel
Tel: (230) 233 5030
Fax: (230) 233 5545
Email: smido@intnet.mu
Url: http://ncb.intnet.mu/smido

The core purpose of this institution is to provide support to small and medium sized manufacturing enterprises in order to enhance their competitiveness. The services provided include an entrepreneurship

RESOURCES

Small Business Catalogue
SMIDO, Royal Road, Industrial Zone, Coromandel, Mauritius.
Tel: (230) 233 5030, Fax: (230) 233 5545, Email: smes@intnet.mu, Url: http://www.intnet.mu/smido
Contains information on the organisations and scheme in Mauritius that are useful to SMEs

development programme, a one-stop shop, a documentation centre, and training.

The Mauritius Chamber of Commerce & Industry (MCCI)
3, Royal Street
Port Louis
Tel: (230) 208 3301
Fax: (230) 208 0076
Email: mcci@intnet.mu
Url: http://www.mcci.org

The Chamber comprises over 400 members representing a wide spectrum of economic sectors. The Chamber seeks to defend and promote the interests of its members, which include SMEs, and of the private business community while working for national economic and social progress.

Export Processing Zone Development Authority (EPZDA)
Saint James Court
Saint Denis Street, 7th Floor
Port Louis
Tel: (230) 212 9760
Fax: (230) 212 9767
Email: epzda@intnet.mu
Url: http://epzda.intnet.mu

The objective of this organisation is to provide support to all enterprises operating within the Export Processing Zone. Services such as Consultancy, User Groups, Clothing Technology Centre and Information Services are available.

Mauritius Export Development & Investment Authority (MEDIA)
BAI Building
25, Pope Hennessy Street
Port Louis
Tel: (230) 2087750, 212 5965
Fax: (230) 208 5965, 2083914
Email: media@intnet.mu
Url: http://ncb.intnet.mu/media.htm

MEDIA's objectives are three-pronged: to promote export of goods and services from Mauritius, to promote Mauritius as an attractive base for the establishment of manufacturing and service industries with special emphasis on export-oriented operations, and to develop and operate industrial sites and estates.

The Mauritius Export Processing Zone Association (MEPZA)
6th floor, Unicorn House
5, Royal Street
Port Louis
Tel: (230) 208 5216 / 211 1476
Fax: (230) 212 1853
Email: dsmepza@intnet.mu
Url: http://www.mepza.org

The objectives of MEPZA are to sustain, promote and develop export activities for the benefit of its members.

Development Bank of Mauritius (DBM)
Chaussée Street
PO Box 157
Port Louis
Tel: (230) 208 0241, 208 3081
Fax: (230) 208 8498
Email: dbm@intnet.mu
Url: http://www.mauritius.island.com/dbm

The main function of DBM is to promote entrepreneurship development by providing flexible financial assistance to facilitate the implementation of developmental projects covering all sectors of the economy while also acting as an agency for the Government in the execution of national policies geared at achieving specific macro-economic objectives.

Mauritius Freeport Authority (MFA)
Freeport Zone 6
Mer Rouge
Port Louis
Tel: (230) 206 2500
Fax: (230) 206 2600
Email: mfa@freeport.intnet.mu
Url: http://www.freeport.gov.mu

This institution acts as developer and regulator of the Freeport. The latter aims at developing Mauritius as a regional warehousing, distribution and marketing centre as well as a transshipment port for the Indian Ocean and Southern and Eastern Africa regions.

7. What are the incentives given by the Mauritian government to the exporting SME?

There are a number of schemes that have been introduced in Mauritius to encourage exporters, especially those engaged in manufacturing.

The scheme established specifically with a view to attract, promote and increase the production of manufactured goods is the issue of an Export Enterprise Certificate to qualifying companies. To benefit from the fiscal incentives related to this scheme, the promoter must submit his application in 3 copies on the prescribed form obtainable either from the Ministry of Industry, Commerce and International Trade or from MEDIA (see contact details at question 6), together with documentary evidence of export markets. An outline of the scheme is given in the table below.

INCENTIVE SCHEME	QUALIFYING ACTIVITIES	FISCAL INCENTIVES
Export Enterprise (EPZ)	• All manufactured goods for exports • Produce of deep sea fishing (Including fresh or frozen fish) • Printing and publishing as well as associated operations. • Information Technology (IT) activities • Agro-industries	• No customs duty on raw materials and equipment • Corporate tax of 15% • No tax on dividends • No capital gains tax • Free repatriation of profits, dividends and capital • 60% remission of customs duties on buses of 15-25 seats used for the transport of workers. • Exemption from payment of half the normal registration fee on land and buildings by new industrial enterprises. • Relief on personal income tax for 2 expatriate staff • 100% foreign ownership possible

There are other incentives, including a Small and Medium Enterprise Scheme, introduced by Government and aimed at encouraging the development of manufacturing and other sectors. Annex 2 contains a description of these schemes.

In addition, para-statal institutions like SMIDO, MEDIA and EPZDA (see question 6 for contact details) have been set up to support the export efforts of Mauritian SMEs. Their modes of intervention are as follows:

RESOURCES

Destination: Mauritius
MEDIA
BAI Building
25, Pope Hennessy Street
Port Louis
Tel: (230) 208 7750, 212 5965
Fax: (230) 208 5965, 208 3914
Email: media@intnet.mu
Url: http://ncb.intnet.mu/media.htm
Contains relevant information needed by enterprises that wish to operate in Mauritius: facts and figures on the economy, incentive scheme, financial services, training, etc.

Investment in Mauritius
KPMG Peat Marwick
P.O. Box 1130, 3rd Floor, 12, Rémy Ollier Street, Port Louis
Tel: (230) 208 8000, Fax: (230) 208 3026, Email: kpmgmru@intnet.mu

— As part of its objective to foster growth and development of SMEs, SMIDO offers a number of facilities and schemes to the exporting SME. One specific scheme is the "Export Assistance Scheme for SMEs" which was launched with a view to overcome the problem of market penetration in foreign markets. This scheme consists of a subsidy on the airfreight costs borne by SMIDO-registered exporting SMEs. Details of other schemes for SMEs can be obtained by contacting SMIDO directly.

— One of the core objectives of MEDIA relates to Export Promotion. The latter consists of the consolidation and diversification of market outlets for Mauritian products, which involve:

(i) Retaining if not increasing the market share of Mauritian products in traditional markets
(ii) Identifying new market outlets for Mauritian products
(iii) Keeping local companies abreast of changes in the market trends through the MEDIA antennae abroad and the Trade Information Centre
(iv) Assisting small companies in developing their export promotion

Further details can be obtained by contacting MEDIA directly.

— EPZDA's Mission Statement is as follows: To act as a facilitator and catalyst in forging the competitive edge of all export oriented activities through productivity, quality, innovation and creativity. To this end, EPZDA carries out research and development in the EPZ sector and commissions consultancy services for export enterprises requiring technical assistance. For further information regarding the activities of EPZDA, contact the institution directly.

It should be noted that each of the three institutions named above operates a Trade Information/Documentation Centre where valuable information can be obtained on exporting issues.

SECTION 2

PREPARING TO EXPORT

8. Who can assist the exporter with research and market surveying?

There are a number of organisations, both local and international, that offer excellent market research and assistance.

Trade-related organisations. Organisations like EPZDA, MCCI, MEDIA, MEPZA and SMIDO have a documentation centre where a number of market surveys and/or other research works undertaken by either themselves or by external consultants can be accessed (see question 6 for contact details).

Private firms/Consultants A number of private firms have over the last years ventured in the international market, mainly in the Sub-Saharan African countries and the Indian Ocean sub-region. A list of the major private firms/consultants in Mauritius is contained at Annex 4.

Freight Forwarders. These provide specific information on documentation, shipping, insurance, and packaging. See question 61 for a list of these firms.

International Departments of Banks. International departments of banks deal with foreign banks, letters of credit, and all other facets of international financing. Such banks provide their clients with information on the credibility of foreign banking institutions. These banks are listed at Annex 5.

Local Private Firms/Consultants. The local yellow pages can provide information on private firms and consultants in the area of interest. By contacting these private agencies, exporters can obtain first hand information on exporter-business links as well as cultural and social norms for conducting business in the export market.

RESOURCES

The International Directory of Business Information Sources and Services
Europa Publications Ltd
18, Bedford Square, London
The directory has been designed to provide a first point of reference for a wide range of questions.
Company names, addresses, telephone, telex and fax numbers, principal officers, activities and membership details are included.

www.europages.com *contains the Yellow pages of all European countries and many non-European countries.*

9. Who can help the exporter answer questions about administrative procedures and regulations in foreign markets?

Assistance should be sought from organisations like MEDIA and MCCI (see question 6 for contact details) who in turn can get additional support, if required, from their trade representatives or contacts in foreign markets, where applicable.

MCCI has a recently set up a Representative Office in Geneva for the promotion of Mauritian commercial and industrial interests in Europe, in particular with the World Trade Organisation (WTO) and the European Union (EU). Any request for support from that office should made to the Secretary General of MCCI, 3 Royal Street, Port Louis (tel: (230) 208 3301, fax: (230) 208 0076, Email: mcci@intnet.mu).

MEDIA operates a number of overseas offices to promote exports from Mauritius. For the following countries where MEDIA is represented, inquiries should be addressed to:

Bureau de la MEDIA
118 rue de Vaugirard
75006 Paris
France
Tel: (33 1) 45 44 62 14 Fax: (33 1) 45 48 75 22
E-mail: mediahd@club-internet.fr

Mauritius Export Development & Investment Authority
708 Dalamal Tower'A'Wing
211 Nariinan Point
Mumbai 400 021
India
Tel: (91 22) 230 8617, (91 22) 230 8618 Fax: (91 22) 230 8619
Email: media@mantraonline.com

MEDIA Liaison Office
Ali Hassan Mwinyi Road
Level 3 Haidery Plaza
P 0 Box 67505
Dar-es-Salaam
Tanzania
Tel: (255 51) 131 352
Fax: (255 51) 130 335
E-Mail: media-tz@raha.com

MEDIA Office
c/o UNIMAD
Madagascar
Fax: (261 20) 22 238 88

RESOURCES

Import Export - How to get started in international trade
2nd edition - 1995
Carl A. Nelson

Principles for Promoting Clusters and Networks of SMEs. No. 1, Discussion Paper, UNIDD (SME Programme), October 1995

www.exportall.com *is a website containing a variety of relevant information.*

MEDIA Office
C/o Mauritius High Commission,
32-33 Elvaston Place
London SW7 5NW
United Kingdom
Tel: (44) 207 225 3331 Fax: (44) 207 225 1530
Email: medialondon@btintemet.com

MEDIA Representative
4301 Connecticut Ave
NW
Suite 441
Washington 20008
USA
Tel: (1) 301 530 7423, (1) 202 244 1491/2 Fax: (1) 301 493 8476, (1) 202 364 1173
E-mail: mediausa@worldnet.att.net

MEDIA Office
c/o MBM Publications
P 0 Box 6182
8 William Street
Kampala
Uganda
Tel: (256) 41 346 070 / 343 856 Fax- (256) 41 346 070
E-mail: mbm113@hotmail.com

In countries where Mauritius is represented by either an Embassy or a Consulate, the latter representatives can also offer valuable assistance on administrative procedures and regulations. A list of such representatives can be consulted at Annex 3.

Moreover, ITC has published a reference book of bodies involved in international trade. This directory contains national trade promotion organisations known to ITC, such as ministries involved in international trade, trade promotion organisations, import promotion offices, chambers of commerce in principal business centres and/or federations of chambers of commerce. The main services of each organisation are indicated when available. Separate chapters cover selected regional and interregional organisations. For further information, contact MCCI (see question 6 for contact details) or the

Trade Information Section
Division of Product and market Development
International Trade Centre UNCTAD/WTO
Palais des Nations
1211 Geneva 10
Switzerland
Fax: (4122) 7334439
Email: itcreg@intracen.org
Url: http://www.intracen.org

10. What are the training programmes in Mauritius with the objective of helping exporters?

A number of institutions in Mauritius offer training courses for SMEs. Some of these courses are more or less geared towards the needs of the exporting SME. A list of the relevant institutions as well as some corresponding courses are as follows:

Name of institution	Major training courses
Small and Medium Industries Development Organisation (SMIDO)	A wide range of courses, with focus on management training
Mauritius Chamber of Commerce and Industry (MCCI)	Courses on International Trade and International Marketing
Export Processing Zone Development Authority (EPZDA)	Workshops and seminars on industry related issues (mainly textiles)
Mauritius Standards Bureau (MSB)	Mainly Quality related issues (ISO,TQM,etc.)
Industrial and Vocational Training Board (IVTB)	A wide range of training courses in industry
Mauritius Employers' Federation (MEF)	Mainly management training
Mauritius Export Processing Zone Association (MEPZA)	Mainly Quality related issues (QCCs, 'Kaizen', etc.)

Apart from the above institutions, there is a large number of private providers of (approved) training courses. These courses can be consulted on the following website: http://www.ncb.mu/ivtb.

The important role played by IVTB should be emphasised. As a parastatal organisation, its role is to foster the economic development of SMEs through training so as to increase productivity and efficiency. IVTB promotes, assists and regulates the training or apprenticeship of persons who are or will be employed in commercial, technical and vocational fields. As an incentive given to Mauritian enterprises, every enterprise contributing 1% of its payroll towards training levy and sponsoring its employees to any approved training programme, can recover up to 75% of the training costs. In addition, after submitting an application for Grant Refund, the enterprise will be issued with a Tax Certificate which will enable it to benefit from an income tax relief at the end of the financial year.

Given the geographical situation of Mauritius and its lack of natural resources, the Mauritian economy depends extensively on the capabilities of its human resource which is, in fact, its main asset. In this respect, the importance of training should not be underestimated; training entails increased productivity, which in turn ensures international competitiveness.

RESOURCES

A Training guide for Mauritius
Industrial and Vocational Training Board
IVTB House
Pont Fer, Phoenix
Tel: (230) 697 7366, (230) 601 8000, Fax : (230) 698 4200
Email : headoffice@ivtb.intnet.mu, Url : http://ncb.intnet.mu/ivtb.htm
Contains list of IVTB Approved Trainers in Mauritius and the courses they offer.

Export Quality Management - Resource material for training activities
Trade Support Service
International Trade Centre UNCTAD/WTO
Geneva: ITC, 1999.xi

11. How does the exporter protect his trademark/patent overseas?

Creators can be given the right to prevent others from using their inventions, designs or other creations, together known as intellectual property rights, that usually take the form of books, paintings and films under copyright, inventions under patents, brandnames and other logos registered as trade marks, etc.

The issue of protection and enforcement of Intellectual property is dealt with by the World Trade Organisation's (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which lays down the minimum standards of protection which countries must provide for intellectual property rights. The starting point of the intellectual property agreement is, as in GATT (see question 87), basic principles, with the most prominent features being national treatment (treating one's own nationals and foreigners equally), and most-favoured-nation treatment (equal treatment for nationals of all trading partners in the WTO).

The second part of TRIPS lays emphasis on the need to abide by the main international agreements on the World Intellectual Property Organisation (WIPO) that already existed before WTO was created.

The different kinds intellectual property rights are treated differently by TRIPS. Patents, industrial designs, integrated circuit designs, geographical indications and trademarks have to be registered in the importing country to receive protection. The registration includes a description of what is being protected - the invention, design, brand name, logo, etc. - and this description is public information.

On the other hand, copyright and trade secrets are protected automatically according to specified conditions. There is no need for registration in such cases.

Furthermore, to each kind of intellectual property right looked at by TRIPS, relates a specific length of time that the corresponding protection remains in force. The table below summarises the periods for each property right.

Intellectual Property Rights	Periods of protection
Patents	20 years from the date of filing of application for a patent
Copyright	*Work other than cinematographic or photographic:* 50 years from the date of authorized publication or the life of the author plus 50 years *Cinematographic work:* 50 years after the work has been made available to the public or, if not made available, after the making of such work *Photographic work:* 20 years after the making of the work
Broadcasting	20 years from the end of the calendar year in which the broadcast took place
Industrial designs	At least 10 years
Layout designs of integrated circuits	10 years from the date of registration; where registration is not required, 10 years from the date of first exploitation

RESOURCES

Introduction to the WTO
World Trade Organisation
Information and Media Relations Division
Rue de Lausanne 154,
CH-1211 Geneva 21
Switzerland
Also available on WTO website http://www.wto.org (click on "About the WTO")

Exporting, Importing and Beyond - How to go global with your small business
Published by Lawrence W.Tuller in 1994
Url: http://www.adamsmedia.com.

12. What are the essential elements of a business plan?

Before making a commitment to enter into international business agreements, the development of an international business plan is an important and key step for determining a product's readiness for export. A well-prepared plan will assist the business in assessing the potential of a product in international markets, facilitate application for financing, and help determine if there is a market for the product.

Developing an international business plan requires careful planning and a commitment of time. As with any new business operation, the decision to export must be envisioned with a long-term business investment attitude rather than a short-term profit objective. The core elements of a business plan include the following:

Executive summary

The business
- Background and history of the business
- Performance to date
- Identification of company's products with export potential
- Outline of the firm's objectives, strategy and policies

Promoters/Directors
- Background and experience

Market information and Analysis
- Market description
- Target customers
- Existing competition
- Competitive advantages of the business
- Marketing Strategy

Detailed analysis of business
- Location and site
- Production facilities/Service know-how
- Utilities and infrastructure
- Raw materials
- Sources, suppliers, costs
- Manpower planning
- Production/Service level forecasts
- Implementation programme
- Eligibility for export incentives, promotional schemes

RESOURCES

International Trade Resource and Data Exchange (I-Trade)
Web site: http://www.tpusa.com
Established in cooperation with the United Nations Conference on Trade and Development in 1992

Developing your international business plan
Michigan Small Business Development Centre
Wayne State University
2727 Second Avenue, Detroit MI48201
Tel: (313) 964-1798
An extensive workbook on the essential elements of an international business plan

Organisation and management
- Organisation structure, experience and expertise
- Ordering, invoicing, back-office procedures

Financial data, projected results, economic justification
- Planned working capital and capital expenditure
- Contingencies
- Finance required to purchase equipment; credit and payment methods
- Cash flow of operations, transactions
- Projected profit- and - loss and balance sheets
- Break-even analysis
- Economic benefits of the projects, net foreign currency earnings

Appendix
- Curriculum vitae of key people in company, especially those involved in the company's export programme, as well as key accounts, potential customers, market survey data, drawings, agreements, etc.

13. Who can help exporters write a business plan?

A business plan constitutes an indispensable framework for the formulation of the strategy of any enterprise. Recent studies have revealed that too many Mauritian SMEs do not undertake this fundamental process, admittedly owing to a lack of awareness of its strong benefits. SMEs are therefore recommended to confer with specialists for advice and assistance. There are a number of consultants/accountancy firms in Mauritius that can assist SMEs in writing their international business plans. A list of the main consultants can be obtained at Annex 4.

Also, and as one of its services, SMIDO (see question 6 for contact details) sources and matches external consultants with SMEs, although it does not itself provide any consultancy services.

A word of caution relating to this issue would be to avoid falling into the too common trap of seeking no-cost/low-cost advice. It is indeed a fact that many Mauritian companies that are new to exporting or those companies expanding into an unfamiliar foreign market, often do not obtain qualified export counseling before developing the international business plan.

RESOURCES

CBI Export Planner
A comprehensive guide for prospective exporters in developing countries
1997
Johan F.Laman Trip M.A

14. How can the Internet be useful to exporters?

Internet use is growing faster than any other technology in history. Its reach is global and is a powerful tool for SMEs to promote their business activities to acquire market information and to increase market access. It is a relatively inexpensive way of disseminating in-depth information, receiving direct feedback from clients and contacting potential trade partners.

Yet, it is only recently that exporting firms are discovering how effective a tool the Internet can be in their global marketing strategy. While up-front costs to participate in the Internet global environment (e.g. purchasing a computer, subscribing to an Internet service provider or creating a "site") may be relatively high, the return on investment from this marketing strategy can often surpass the initial expense.

The Internet can help the exporter both market the product and research foreign markets. In the first case, the Internet allows the exporter to create a location or "site" where information on the product or service desired for exporting can be easily obtained. In many national markets, having a "site" on the Internet is a essential part of gaining credibility and maintaining customer relations.

In the second ease, having access to the Internet allows the exporter to research foreign markets. The exporter can use Internet services such as browsers and search engines to collect information on a given subject of interest. The Internet can be especially helpful for the exporter to find statistical information, company listings, government and non-governmental organisations and international accords and conventions.

Annex 6 lists useful Internet sites for SMEs to obtain market information,

RESOURCES

Trade Information through the Internet, Revision Two, April 1998
International Trade Centre UNCTAD/WTO
Palais des Nations, 1211 Geneva, Switzerland
Tel:+41 (22) 730-0218
Compiled by the International Trade Centre Centre UNCTAD/WTO in cooperation with the Trade Promotion Organisations
Accessible online through the Internet at: http://www.intracen.org
This directory lists Web site addresses of trade contacts, market information, numeric information, trade regulations and standards, government procurements, international projects, tenders and trade events.

Smart Computing.Magazine - Vol. 5. Issue 12
P.O. Box 85380
Lincoln
NE 68501-9807
Also accessible on website www.smartcomputing.com

15. What is electronic commerce?

There is no universally accepted definition of the term "electronic commerce", or "e-commerce". However, it is generally used to cover the "distribution, marketing, sale or delivery of goods and services by electronic means."

E-commerce existed before the Internet was widely used - and still exists - in many forms, such as Electronic Data Interchange (EDI), which takes place mostly over non proprietary Transmission Control Protocol (TCP/IP) networks, and is regarded as more important in business to business (BtoB) commerce than the Internet. (This may be a debatable point, particularly if other business sectors follow the recent example of industry giants General Motors Corporation, Ford Motor Company and DaimierChrysler in establishing a BtoB integrated supplier exchange for the automotive sector through a single global Internet portal.) It is arguable, therefore, that the Internet has brought a new element to an already established practice of BtoB e-commerce.

It follows that the recent intense interest in e-commerce may stem to a large extent from the way in which the Internet has affected business to consumer (BtoC) trade, making 'usual' BtoC commerce into e-commerce for the first time. There are undeniable grounds for interest in BtoC e-commerce, taking into account the fact that the number of individuals connected to the Internet is growing at a phenomenal rate, with a corresponding increase in commercial applications of the Internet.

It is clear that the Internet may be used for commercial transactions, whether they are BtoB or BtoC. A commercial transaction can be divided into three main stages: the advertising and searching stage; the ordering and payment stage; and the delivery stage. Any or all of these stages can be carried out on the Internet and may therefore be covered by the concept of electronic commerce.

Electronic means are being increasingly used by commercial firms and organisations to advertise and market both goods and services all over the world. Manufacturers and retailers in far-off countries can offer their products or services with information on product capabilities and benefits, content or components, prices, production schedules, delivery, and payment conditions. This information also allows consumers of goods and services, whether they are manufacturers or individuals, to order what they want from the most competitive suppliers.

RESOURCES

Secrets of Electronic Commerce - A Guide for Small- and Medium Sized Exporters
International Trade Centre UNCTAD/WTO
Palais des Nations, 1211 Geneva, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
E-mail:itcreg@intracen.org
Web site: http:www.intracen.org, and
The Mauritius Chamber of Commerce and International Trade (MCCI)
3, Royal Street
Port Louis
Tel: (230) 208 3301
Fax: (230) 208 0076
Email: mcci@intnet.mu
Url: http://www.mcci.org

Handbook answering the most commonly asked question regarding electronic commerce from a developing country perspective.

SECTION 3

FINDING THE MARKET

16. Where can an exporter find market reports for specific products?

Organisations such as MEDIA and EPZDA regularly commission market reports for particular industries and markets. These institutions, as well as MCCI, MEPZA and SMIDO (see question 6 for contact details) also regularly receive market reports and surveys from foreign institutions.

Moreover, the International Trade Centre UNCTAD/WTO in Geneva monitors major markets for fresh fruits and vegetables, cutflowers, tropical and ornamental plants, common spices, raw and semi-tanned hide sand skins, bulk-packed fruit juices, rice, and selected pharmaceutical raw materials. Depending on the product group, the Market News Service (MNS) provides up-to-the-minute information concerning actual prices paid for specific products, supply and demand, and other economic information that may have an effect on the market situation. MNS subscribers can receive this information via electronic mail, fax, or airmail. The Trade Information Dissemination Unit also prepares Market Briefs on the market potential for products in a specific country (e.g., the market for T-shirts in the European Union). The brief reports detail import and export rates, consumer preferences, duty rates and other market access information, prices, sales promotions, distribution techniques, commercial practices, market opportunities, and useful contacts.

In addition, the Centre for the Promotion of Imports from developing countries (CBI) of Netherlands supports SMEs and Trade Promotion Offices (TPOs) in developing countries in their promotion of exports to the European Union. Among the many services offered in that respect, CBI periodically issues product market surveys for over 80 product groups and environmental quick scans for over 20 product groups.

RESOURCES

Trade Information Dissemination Unit, Market News Service
International Trade Centre UNCTAD/WTO
Palais des Nations 1211 Geneva 10, Switzerland
Tel: (22) 730 01 11
Fax: (22) 733 71 76
E-mail: itcreg@intracen.org
Internet: http://www.unicc.org/itc

Centre for the Promotion of Imports from developing countries (CBI)
P.O. Box 30009,
3001 DA Rotterdam
The Netherlands
Tel: (31) 10 2013434
Fax: (31)10 4114081
Email: cbi@cbi.nl, Url: www.cbi.nl

www.tradeport.org *is Trade Port International's trade website.*

17. What are the products that can be exported?

In Mauritius, almost all items can be exported freely save for a number of products that require an export permit, by virtue of the Consumer Protection (Price and Supplies Control Act (1998)). The application form such a permit can be obtained at

The Ministry of Industry, Commerce and International Trade
Foreign Trade Division
4th Floor, Anglo-Mauritius building
Port Louis
Tel: (230) 201 1072
Fax: (230) 208 7325

The list of products requiring an export permit are:

(i) products whose market access are restricted by quotas applied by importing countries, e.g. clothing for the US and Canada;
(ii) products of strategic importance and products sensitive to the economy, such as wheat, flour, spices, products containing sugar, cement, silver and gold.

This list of products can be consulted at Annex 7. However, it should be noted that amendments to this list are expected with the consequence that the number of items requiring an export permit will be considerably reduced.

Also, there are plans for export permits to be delivered electronically through the "Mauritius Network Services" which is the Electronic Data Interchange (EDI) system of the Mauritian Customs.

For certain sensitive products on the above list, prior to the delivery of an export permit by the Ministry of Industry, Commerce and International Trade, an additional approval is required from the corresponding controlling bodies. These are:

Products	Controlling bodies
Sugar	Mauritius Sugar Syndicate Plantation House Place d'Armes Port Louis Tel: (230) 212 0814, Fax: (230) 208 8757, Email: mss@intnet.mu
Pharmaceuticals	Ministry of Health Pharmacy Division 5th Floor, Emmanuel Anquetil building Port Louis. Tel: (230) 201 1334, Fax: (230) 201 3891

RESOURCES

International trade regulation
1999
Edmond Mc Goveen
European regulations manual : information on technical, legal and regulatory requirementsfor industry

European regulations manual - Information on technical, legal and regulatory requirements for industrial enterprises to access the unified European market
September 1997 - Kommanet BV

www.mccl.org *is the Mauritius Chamber of Commerce and Industry's website.*

Listed Agricultural Products Products	Ministry of Agriculture, Food Technology & Natural Resources Réduit Tel: (230) 454 1091, Fax: (230) 464 8749
Spices	Agricultural Marketing Board Dr. Georges Leclézio Avenue, Moka Tel: (230) 433 4025, Fax: (230) 433 4837 Email: agbd@intnet.mu
Tea	Tea Board P.O. Box 28 Wooton Curepipe Road Tel: (230) 675 1530 Fax: (230) 676 1445

Furthermore, depending on the requirements of the importing country, a Phytosanitary Certificate (Certificate of Health) may be needed for exportation of animals, animal products and agricultural products such as fruits and flowers. This certificate is issued by the Plant Pathology Division, Ministry of Agriculture, Réduit (tel: (230) 464 4872, fax: (230) 465 9591)

Prohibited exports

There is a ban on the export of corals and sand from Mauritius.

18. Where can SME exporters export?

Market research allows firms to determine which foreign markets have the best potential for a particular product. New-to-export firms should seek a few target markets based on demographic and physical environment, political environment, economic factors, social and cultural environment, market accessibility, and product potential. Conducting a thorough market factor assessment will help the firm predict the demand for its products or services and how well it will perform in the target market. In order to identify two or three foreign markets, it is important to conduct the following market factor assessment based on up to ten countries that appear to offer export opportunities for the product. The exporter should assess a number of factors, including:

* Total population, its growth and density trends
* Distribution of the population by targeted age groups, by urban, suburban and rural areas.
* Effect of climate and weather variations on the product or service offered.
* Shipping distances from Mauritius
* Age and quality of transport infrastructure
* Age and quality of telecommunications infrastructure
* Degree of government intervention private business transactions
* Stability of political system
* Attitude of government towards tariffs, quotas and other trade barriers
* Economic growth projection
* Gross National Product and balance of payments situation
* Degree of openness of the economy
* Rate of inflation, foreign exchange regulation
* Income per capita and its trends
* Percentage of discretionary income spent on consumer goods
* Literacy and education levels

A method of assessment of the above factors is explained at question 19.

RESOURCES

Emerging markets Investor
Fact Book 1996/7 - Key economic and financial data from 51 countries
Publisher: Emerging Market Investor (UK)

CBI Export Planner
A comprehensive guide for prospective exporters in developing countries
John F. Laman Trip M.A - 1997

Exporter's Encyclopedia
Dun and Bradstreet
3, Sylvan Way, Parlsppan, NJ 07504
Tel : (800) 343867
Covers every phrase of exporting to over 200 world markets
It has six sections, the "Export Market Profile Section" constitutes most of the book.
The encyclopedia contains profiles, communications, data, key contacts, trade regulations, documentation regulations, marketing data and information on transportation and business travel.

19. How to perform a Market Factor Assessment?

In order to identify the target markets, the market factors in the previous question should be broken down and evaluated. The table below provides an example of such a breakdown. The market factors of each prospective market/country should be rated (ex: scale of 1 (poor) to 5 (excellent)). The results are then tallied and the best market(s) thus determined.

MARKET FACTOR ASSESSMENT	COUNTRY 1	COUNTRY 2	COUNTRY 3
Demographic and physical environment			
1. Population size, growth, density			
2. Population: age distribution			
3. Population: urban and rural distribution			
4. Climate and weather variations			
5. Shipping distance and frequency			
6. Air freight facilities			
7. Physical distribution and communications network			
8. Regional and local transportation facilities			
Political environment			
9. System of government			
10. Government involvement in business			
11. Attitudes to foreign trade			
12. Political stability and continuity			
13. Fair and free trade mindset			
14. National trade development priorities			
Economic environment			
15. Overall level of development			
16. Economic growth: GNP, industrial sector			
17. Percentage share of import and export trade in total economy			
18. Balance of payments			
19. Currency: inflation, availability, controls			
20. Per capita income and distribution			
21. Disposable income and expenditure patterns			
Social and cultural environment			
22. Literacy rate, educational level			
23. Existence of middle class			
24. Similarities/differences relative to home market			
25. Language barriers			
Market access			
26. Distribution network			
27. Documentation and import regulations			
28. Local standards, practices and non-tariff barriers			
29. Patents, trade marks, copyright protection			
30. Dispute resolution mechanisms			
31. Tax laws, rates			
Product potential			
32. Customer needs and desires			
33. Local production, imports, consumption			
34. Exposure to, and acceptance of, product			
35. Attitude towards products of foreign origin			
36. Competition			

20. Where can an exporter get specific country reports?

The institutions mentioned in question 6 above can be contacted to this effect.

There are certain international organisations engaged in "global business intelligence" that prepare country reports and surveys on a regular basis. Examples of such organisations are:

The Economist Intelligence Unit
15, Regent Street
London SW1Y 4LR
UNITED KINGDOM
Tel: (44.20) 7830 1007
Fax: (44.20) 7830 1023
Email: london@eiu.com

Euromoney
Nestor House
Playhouse Yard
London EC4V 5EX
UNITED KINGDOM
Tel: (44 20) 7779 8888
Fax: (44 20) 7779 7988
Email: customerservices@euromoney.com

International Monetary Fund
700 19th Street NW
Washington DC 20431
USA
Tel: (202) 623 73 00
Fax: (230) 623 6278
Email: publicaffairs@imf.org

The World Bank
1818 H Street NW
Washigton DC 20433
USA
Tel: (202) 477 1234
Fax: (202) 477 6391
Email: feedback@worldbank.org

RESOURCES

International Financial Statistics Yearbook
Published by the International Monetary Fund
Prepared by the IMF Statistics Department Carol S. CARSON, Director
Regular updated

Other statistical publications of the International Monetary Fund
- Balance of Payments Statistics Yearbook (BOPSY)
- Direction of Trade Statistics (DOTS)
- Government Finance Statistics Yearbook (GFSY)

Central Intelligence Agency Publications and handbook/World Fact Book
Economic and political data on all countries worldwide available at
http://www.odci.gov/cia/publications/pubs.html

21. What are the various ways to enter a foreign market?

Selecting the mode of entry into a particular export market is one of the crucial decisions to make. The entry method has significant implications for a wide range of international marketing concerns. There are two main options for market entry: direct exporting and indirect exporting.

Direct exporting

With direct exporting, the manufacturer/exporter undertakes the entire export process and does not use any intermediaries. By becoming a direct exporter, the firm takes responsibility for the entire range of export activities, starting with identifying the customer through to collecting payment.

In order to export directly, the firm may have to establish an export department independent of the domestic sales division which could be funded on the basis of its requirements. Direct exporting has several advantages such as:

- the firm has complete control over the exporting process
- the firm increases its profit margin by saving on payments to an intermediary
- the firm develops a closer relationship with the overseas buyer

On the other hand, direct exporting may also imply:

- the possibility that the time and resources needed to create a successful overseas market would outweigh the benefits the exporter could gain from exporting directly
- the exporter would be exposed to more direct risk

Indirect Exporting

A firm that wishes to export but which does not have the required personnel or resources to do so, may export through commission agents, local buying offices, merchant exporters or Export Development Companies (EDCs). These entities have the necessary infrastructure and expertise to export to a number of different countries. Several advantages exist for indirect exporting:

RESOURCES

How to export - as per new import and export policy and procedures
A Nabhi publication, published by : V.K. Puri, Managing editor, Nabhi Publications, P.O Box No 37, New Delhi - 110 001, India.

World Directory of Trade Promotion Organizations
International Trade Centre UNCTAD/WTO, Palais des Nations 1211 Geneva, Switzerland, Tel: +41 (22) 730-0218, Fax: (22) 733 71 76
E-mail: itcreg@intracen.org, Web site: http://www.intracen.org. Trilingual (English, French and Spanish) directory of trade promotion organizations and other national bodies involved in international trade.
Covers ministries, trade promotion organizations, import promotion offices, chambers of commerce, trade associations in 187 countries.

Directory of Importers Associations
International Trade Centre/UNCTAD/WTO, Palais de s Nations, 1211 Geneva, Switzerland, Tel: +41 (22) 730-0218, E-mail: intracen.org.
Web site: http: //www.intracen.org, Trilingual (English, French and Spanish)
Directory listing names and addresses, services and publications, indicates products of interest.

— a firm may concentrate on production without having to learn all the technical and legal aspects to exporting

— the firm may benefit from the professional expertise that an exporting company or service provides

Disadvantages with indirect exporting include;

— the possibility of losing control over the product to an overly aggressive representative,
— the fact that some of these individuals and organisations may not have objectives that coincide with that of the producer.

Moreover, Import Promotion Offices of targeted countries may be contacted for further information. In addition, many countries have dedicated offices whose objectives are to promote import from developing countries. A list of all these offices is contained in Annex 8.

There exists other ways of entering a foreign market, namely through joint-ventures, licensing and off-shore production.

22. What are the main non-tariff barriers that the exporter must consider?

There are a number of Trade Control Measures (TCMs) that are applied by Governments to affect the flow of imports. The United Nation Conference on Trade and Development (UNCTAD) has classified these measures into broad categories according to their nature. Within the broad categories, the measures are further subdivided as far as possible according to their objectives. Tariff Measures (TMs) are the most regular component of import charges, and are used either to raise government revenue or to protect domestic industry from foreign competition. Para-tariff measures, which increase the cost of imports as compared to domestic production in a similar way as TMs, are also distinguished. All the other import measures together are known as Non-Tariff Measures (NTMs).

Although there exists a broad range of NTMs, a few are more common in application than others.

Pre-shipment inspection. The Agreement on Pre-shipment inspection (PSI), negotiated in the Uruguay Round (see question 89), provides developing countries with a means for dealing with the problem of under- or over- valuation of imported goods. The use of PSI services (see question 69) for mandatory physical inspection and verification of prices is seen as most effective in preventing capital flight through over-invoicing and the loss of customs revenue through under invoicing by traders. However, many view it as constituting a disguised NTM.

Mandatory and voluntary product standards. As a result of growing public demand that products marketed should meet minimum quality and safety standards, imported products are often required to conform to certain mandatory and voluntary standards. However, these standards should be formulated and applied so that they do not constitute barriers to trade, which is not always the case.

Import licensing procedures. Such licensing systems are often used by countries to administer quantitative restrictions on imports or for the surveillance of trade statistics or the prices of certain goods. Unless they are transparent or issued without much delay, national import licensing procedures can affect the flow of imports.

Apart from the above, there are a number of NTMs that act as barriers to trade. A comprehensive list of these measures can be obtained at Annex 9.

It is worthwhile noting that WTO regulations make provision for exporters that feel adversely affected by certain discriminatory measures by the importing country. Indeed, should such a situation arise, the matter can be brought to the notice of the appropriate government authorities which would raise the matter either bilaterally with the government of the importing country or in WTO forums so as to secure eventual modifications.

In Mauritius, the authorities that exporters should contact in this eventuality are

The Trade Policy Unit
International Trade Division
Ministry of Industry, Commerce and International Trade
New Government House
Port Louis
Tel : (230) 201 2157
Fax : (230) 212 6368
Email: motas@intnet.mu

Moreover, as part of the services rendered to its members, MCCI can also be contacted in this respect. The organisation will then take up the matter with the government authorities.

RESOURCES

Introduction to the WTO
World Trade Organisation
Information and Media Relations Division
Rue de Lausanne 154,
CH-1211 Geneva 21
Switzerland
Also available on WTO website http://www.wto.org (click on "About the WTO")

Business guide to the Uruguay Round
Published by International Trade Centre/UNCTAD/WTO in 1995
Palais des Nations, 1211 Geneva, Switzerland
Tel: +41 (22) 730-0218
E-mail: intracen.org.
Web site: http://www.intracen.org

23. What are the rules of business etiquette when doing business in different countries?

As a general rule, respecting the culture and traditions of the country with which the exporter would like to do business is a key element for being successful in the international market. In fact, what is considered polite in Mauritius may be regarded as rude elsewhere. Although an international potential buyer will often realise that the exporter is a foreigner and forgive any inadvertent *cultural faux pas*, the buyer will be more often impressed by the knowledge of cultural norms the exporter has acquired prior to entering the country. It should always be remembered that the exporter's personal image will be linked to the company. If something is considered morally objectionable, culturally insensitive, or socially outrageous, the exporter should try to understand why a foreign culture acts as it does before passing judgment. The golden rule of business etiquette is to be open-minded, non-judgmental, and flexible.

Simply put, when travelling to another country, the exporter must be more formal and polite than in Mauritius. Respect for the hosts must be shown by making formal introductions with full names and titles.

Exporters travelling abroad should be familiar with as many customs and practices as possible. Here are some examples:

Punctuality. Be it in Mauritius or abroad, it is always advisable to value the time of business partners while coming for business discussions. This should be done even if the other side is known not to be on time for appointments.

Addressing individuals. Different countries have different practices of addressing people. In some countries, using first names is considered a friendly gesture, while in some others, it is preferred to be formal and even use titles as a matter of course. An individual should never be called by his/her first name he/she invites to do so. The correct pronunciation of the names of each of the members of a delegation that are likely to be encountered should also be known before hand in order to avoid embarrassment for both parties. There may also be special rules about addressing women.

Dress codes. In some countries, the dress code is formal while it is in others, informal or causal. It may be helpful to know if there are any special tips for conventions on dressing for women. Sometimes formal discussions are followed by informal dinners or get-together. Here again, customs differ on the dress code, going from formal to casual.

Greetings. Different forms of greetings are used in different places. Shaking hands may be accepted in one country, but frowned upon in another. It may be useful to know the correct practice about greeting women.

Conversation. Some societies are serious by nature and are not in the habit of cracking jokes or narrating anecdotes during business discussions while others would consider conversations dry and uninteresting otherwise. It is also a good idea to be well informed about sensitive topics to avoid, a common example being the political situation.

RESOURCES

Exporting, Importing and Beyond - How to go global with your small business
Published by Lawrence W.Tuller in 1994
Site: http://www.adamsmedia.com

Going International
Lennie Copeland and Lewis Griggs
Random House, 201 East 50th Street, New York, NY 10022
Price: ($34.95)
Provides country-specific, demographic and cultural information.

Do's and Taboos around the World and Do's and Taboos of International Trade
3rd Ed. John Wiley & Sons. 605 Third Avenue, Nrew York, NY 10518-0012.$12.95.
Provides an interesting and informative narrative of circumstances to expect and avoid while doing business in foreign countries.

Socialising. In some cultures business people will frequently invite clients to their homes and extend hospitality, while others keep the personal side of their lives away from all business transactions. What is the natural practice in one place may be considered as attempted bribery in another.

Gift Giving. Many countries practice this custom and one must know whether a gift is expected or not. The exporter should know to whom the gift should be directed (e.g., the host, the wife of host, the family, the business contact, or the company head). A gift to a government official may appear to be a bribe, therefore it is important to make sure the gift is appropriate and will be well-received before giving it.

Negotiating styles: Some enjoy negotiating and like to haggle over the terms of any transaction. Others prefer a firm and precise proposal so that they can seriously evaluate it and respond to it.

Business Cards. An exporter should always carry business cards, preferably with information printed in the native language on the reverse side. In some countries, business cards are treated quite reverently, as a declaration of status of that person. It is important not to bend, write on, or put away the business card while in the company of the presenter of the card.

For specific information relating to a particular country, it might be a good idea to contact the Mauritian Embassy or Consulate in that country (see list at Annex 3).

SECTION 4

APPROACHING THE CUSTOMER

24. How does an exporter establish contacts with foreign potential clients?

Participation in trade events.

By participating in trade fairs and buyers/sellers meetings, an exporter can establish direct contact with foreign clients. These events also allow the exporter to display his/her products and to discuss with interested parties.

Institutions like MEDIA (see question 6 for contact details) often organise contact promotion programmes which consist of delegations of Mauritian businessmen visiting particular countries or group of countries. MEDIA also regularly organises Buyers'-Sellers' meetings to promote Mauritian products in foreign countries.

Trade directories0

Trade directories of different countries can help the exporter in establishing contact with local trade representatives. These directories can be consulted at organisations such as MEDIA and MCCI (see question 6 for contact details).

E-commerce facilities provided by WCN

The World Chambers Network (WCN) is a sub-committee of the International Chamber of Commerce (ICC). The Global Business Exchange (GBX) is one of the 'products' of WCN and is the first e-commerce project ever initiated on a global basis. It allows exporters who are members of participating chambers of commerce to list business opportunities on a worldwide database with an easy-to-operate search facility. In this way, GBX provides a platform where an exporter can establish contact on line with potential clients anywhere in the world. Further information about the network can be obtained at MCCI which is a participating chamber of commerce, and on WCN's website, www.worldchambers.com.

RESOURCES

CBI Export Planner
A comprehensive guide for prospective exporters in developing countries
John F. Laman Trip M.A - 1997

South Trade Promotion Programme - Organising Buyers - Sellers meetings
International Trade Centre/UNCTAD/WTO
Palais des Nations
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org

25. What are the preparations necessary before meeting a client?

The exporter should know his product. A thorough knowledge and complete understanding of the product being exported is a pre-requisite for a meeting with the client. The exporter should be equipped with such information as technical details, product specifications, quality, advantages and limitations, production constraints, etc.

The exporter should be able to provide accurate quotes. During the meeting, the client might ask questions concerning prices of products. The exporter should be able to give such information promptly and should be sure that the information given is correct and accurate.

The exporter should select samples of his product. Samples give the client a concrete idea of the product he or she intends to buy. Besides, a sample usually avoids the need for a lengthy description of the product. In the case of a multiplicity of products involved, a proper and careful selection of the samples to be shown should be conducted, bearing in mind the specific interests of the client.

RESOURCES

CBI Export Planner
A comprehensive guide for prospective exporters in developing countries
John F. Laman Trip M.A - 1997

Training handbook on export documentation
1994
International Trade Centre
Palais des Nations
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org

26. What are the follow-up actions that need to be undertaken after meeting a customer?

Follow-up actions help in confirming the seriousness and reliability of the exporter to the eyes of the client. They show the intention of the exporter to conclude the transaction.

Summary of discussions. After each meeting with the client, the latter should be sent a correspondence which summarises the discussions held and the actions to be taken.

Provision of requested information. The exporter should promptly supply all information that the client has asked for during the meeting. In addition, the exporter should always ask the client for feedback.

Regular communication. Regular communication with the client should be established, through fax, e-mails or simply phone calls.

RESOURCES

How to export - as per new import export policy and procedures
May 1997
Published by: V.K. Puri
A Nabhi Publication
P.O Box No 37
New Delhi - 110 001

Getting started in Export
A training manual for SME's by International Trade Centre - 1995
International Trade Centre UNCTAD/WTO
Palais des Nations 1211 Geneva 10, Switzerland
Tel: (22) 730 01 11
Fax: (22) 733 71 76
E-mail: itcreg@intracen.org
Internet: http://www.unicc.org/itc

SECTION 5

CONTRACTING

27. What is a Certificate of Origin? What are the procedures to obtain a Certificate of origin?

A Certificate of Origin is a declaration which states the origin of goods. It is usually in a mandatory form and certified by an independent official organisation. Certificates of Origin come in various forms. The types applicable to the exporter's consignment depend on the country of destination and on the possibility for it to benefit from any scheme of preferential tariffs. The following Certificates of Origin are issued in Mauritius:

	Southern African Development Community (SADC)	Common Market for Eastern and Southern Africa (COMESA)	Lomé IV Convention	Generalised System of Preferences (GSP)	Ministry of Industry Commerce & Interna-tional Trade (MCCI)	Ministry of Commerce (MOC)	Indian Ocean Community (IOC)
Certificate	SADC	COMESA	EUR1	GSP	MCCI	Ministry of Commerce	IOC
Purpose	Reduction in tariffs	Reduction in tariffs	Preferential access to EU	Duty-free access to certain developed countries	Specify origin of goods	Specify origin of goods	Reduction in tariffs
Sold by *	MCCI	Ministry of Industry	MCCI	MCCI	MCCI	Ministry of Industry	MCCI
Approved By *	Customs & Excise Department	Ministry of Industry	Customs & Excise Department	Ministry of Industry	MCCI	Ministry of Industry	Customs & Excise Department

* The contact details of these organisations are as follows:

1. **Customs & Excise Department**
   IKS building
   Trou Fanfaron
   Port Louis
   Tel: (230) 240 9702
   Fax: (230) 240 0434
   Url: http://ncb.intnet.mu/finance/custodep/custintro.htm

2. **The Ministry of Industry, Commerce and International Trade**
   Foreign Trade Division
   4th Floor, Anglo-Mauritius building
   Port Louis
   Tel: (230) 208 0765
   Fax: (230) 208 7325
   Email: minic@intnet.mu
   Url: http://ncb.intnet.mu/mic.htm

RESOURCES

Training handbook on export documentation
1994
International Trade Centre UNCTAD/WTO
Palais des Nations
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org

Training manual on preparation of trade documents in the context of export operation - discusses procedures relating to certificate of origin, commercial invoice, letter of credit, etc.

3. The Mauritius Chamber of Commerce and International Trade (MCCI)
   3, Royal Street
   Port Louis
   Tel: (230) 208 3301
   Fax: (230) 208 0076
   Email: mcci@intnet.mu
   Url: http://www.mcci.org

For further information regarding the issue of Certificates of Origin and related procedures, contact the institutions mentioned above.

Moreover, as part of the services that are offered to their clients, freight forwarders in Mauritius (see list at question 61) can assist exporters in obtaining and completing the documentation in relation to Certificates of Origin.

Specimen Certificates of Origin listed above are shown at Annex 10.

28. What are Incoterms? How are responsibilities defined with respect to Incoterms?

Incoterms (International commercial terms) are shorthand expressions (such as EXW, FCA, CIF) that state the respective responsibilities of the buyer and seller regarding matters such as transport costs, transfer of risks, customs clearance and insurance.

Incoterms have been developed by the International Chamber of Commerce (ICC). The latest version has been published in year 2000 and contains 13 Incoterms. Contracts should therefore explicitly refer to them by the term "Incoterms 2000".

Incoterms 2000 are used for the bulk of international trade in the world. However a parallel system of terms of delivery (using similar abbreviations to FOB, CIF, etc.) is used in the US. The American system does not give the same meaning to these abbreviations as Incoterms. It is for this reason that the exporters should specify the words Incoterms 2000 in referring to terms of delivery.

The 13 Incoterms currently in use are:

"E"- Terms
EXW - Ex Works: the seller makes the goods available at his premises.

"F" - Terms
FCA - Free Carrier: the seller hands over the goods, cleared for export, into the custody of the first carrier (named by the buyer) at the named place. This term is suitable for all modes of transport, including carriage by air, rail, road, and containerised / multi - modal transport.

FAS - Free Alongside Ship: the seller must place the goods alongside the ship at the named port. The buyer must clear the goods for export. Suitable for maritime transport only.

FOB - Free On Board: the seller must load the goods on board the ship nominated by the buyer, cost and risk being divided at ship's rail. The seller must clear the goods for export suitable for maritime transport only.

RESOURCES

ICC Guide to Incoterms 2000
Understanding and practical use
By Professor jan Ramberg
International Chamber of Commerce
ICC Publishing
38, Cours Albert 1er,
75008 Paris,
France
Tel: +33 (1) 49 53 29 23 or 49 53 28 89
Fax: +33 (1) 49 53 28 62
Email: pub@iccwbo.org
Website: www.iccwbo.org

Incoterms 2000
International Chamber of Commerce
ICC Publishing
38, Cours Albert 1er,
75008 Paris,
France
Tel: +33 (1) 49 53 29 23 or 49 53 28 89
Fax: +33 (1) 49 53 28 62
Email: pub@iccwbo.org
Website: www.iccwbo.org

"C" - Terms

CFR - Cost and Freight: the seller must pay the costs and freight to bring the goods to the port of destination. Risk is however transferred to the buyer once the goods have crossed the ship's rail. Maritime transport only.

CIF - Cost, Insurance and Freight: exactly the same as CFR except that the seller must in addition procure and pay for insurance for the buyer suitable for maritime transport only.

CPT - Carriage Paid To: the general / containerised / multi modal equivalent of CFR. The seller pays for carriage to the named point of destination, but risk passes when the goods are handed over to the first carrier.

CIP- Carriage and Insurance Paid to: the containerised transport/ multi modal equivalent of CIF; the seller pays for carriage and insurance to the named destination point, but risk passes when the goods are handed over to the first carrier.

"D"- Terms

DAF- Delivered At Frontier: the seller makes the goods available, cleared for export, at the named place on the frontier. Suitable for rail / road transport.

DES - Delivered Ex Ship: the seller makes the goods available to the buyer on board the ship at the port of destination, uncleared for import.

DEQ - Delivered Ex Quay: one step further than DES - the goods must be unloaded into the quay at the port of destination, and import clearance must be obtained by the seller.

DDU - Delivered Duty Unpaid - the seller must deliver the goods all the way to a named place in the country of destination. However, the buyer must clear the goods for import and pay the necessary duties.

DDP - Delivered Duty Paid: maximum obligation for the seller - seller pays for costs, charges, and official formalities up to destination.

29. How to prepare an invoice?

When a business sells goods or services on credit to a customer, it sends out an invoice. The details on the invoice should match up with the details on the sales order which is simply an order from the buyer that expresses his wish to buy.

Although an invoice is primarily used as a demand for payment, it serves for other purposes as well. This is the reason why an invoice is often produced on multi-part stationery, photocopied, or carbon-copied. While the top copy goes to the customer, other copies are used by various people within the business.

A proforma invoice refers to an invoice sent to a customer prior to the shipment of merchandise and where the details on the invoice have not yet been finalised with the customer.

An example of an invoice is shown at Annex 11, together with useful comments on its contents.

RESOURCES

Training handbook on export documentation
1994
International Trade Centre UNCTAD/WTO
Palais des Nations
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org

Training manual on preparation of trade documents in the context of export operation - discusses procedures relating to certificate of origin, commercial invoice, letter of credit, etc.

SECTION 6

AGENTS AND DISTRIBUTORS

30. What is an agent and what is a distributor? What are their respective roles and responsibilities?

Small enterprises often start exporting through the receipt of unsolicited orders from abroad. As the volume of export orders grows, the enterprise will have to give thought to setting up a long term relationship with the export market by having some kind of representation in the market. There is a range of options for such representation:

Branch office. The enterprise could set up its own office in the export market. This strategy might be suitable for a well-established export operation and would ensure that the exporter has control over channels of distribution. This option is not really applicable to small exporters as it can be costly and often involves a number of formalities.

Joint venture. Another option for the well-established exporter might be to setup an association with a local partner to form a joint venture. There are, however, often binding legal implications with this option making it difficult for the exporter to withdraw from the agreement. Before agreeing to a joint venture, the exporter should ensure that it is possible to end the arrangement if so required.

Appointing an agent. This is a common form of representation for exporters in developing countries. An agent is someone who works for the exporter in the foreign market (the exporter is called the principal). The agent locates business opportunities for the exporter and negotiates and concludes deals on behalf of the exporter. For this, the agent is paid a fee or a commission by the exporter and thus normally carries no inventory or credit risk. It is important to note that the agent does not buy the exporter's goods nor does he or she contract with a customer for those goods. The exporter controls the price at which the goods are sold.

Appointing a distributor. Many exporters confuse agents with distributors. A distributor is someone who buys goods outright from the exporter and then sells those goods to customers at a profit and in the distributor territory, often through his or her own sales outlets. There are relatively no credit risks for the exporter in such cases, although there is always the possibility of some credit risk with the distributor. The latter can also provide the exporter with services such as credit reports, marketing information and, in some cases, design engineering. With a distributor, a more direct and deeper market penetration can be achieved, and, if the distributor is well known, this choice can be an effective way of securing a quick entry for a product in the local market. Usually, though, the exporter does not have control over the final pricing of the product which is fixed by the distributor depending on market conditions.

RESOURCES

Commercial Representation (pack)
International Trade Centre UNCTAD/WTO
Palais des Nations
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org

Export / Import Basics (no. 543)
ICC Publishing
38, Cours Albert 1er,
75008 Paris,
France
Tel: +33 (1) 49 53 29 23 or 49 53 28 89
Fax: +33 (1) 49 53 28 62
Email: pub@iccwbo.org
Website: www.iccwbo.org

31. How does the exporter find information on a commission agent or a distributor?

There are a number of ways to locate qualified, interested representatives, including:

Word of mouth. Purchasing agents of a customer's company may be able to recommend someone suited for the job, but the exporter should be sure to choose the representative based on qualifications, not solely opinions of others. Other manufacturers may provide names of effective agents in a territory, though the manufacturers may be reluctant to suggest better agencies for the simple reason of competition.

Trade fairs. At trade fairs, agents circulate among exhibits and talk with potential customers about their interest in locating product lines. These conversations often produce a source of candidates, though one should be warned that many other manufacturers may have had similar conversations.

Institutions like MEDIA can assist in finding registered agencies, namely through its overseas representatives. MCCI can similarly help through its Representative Office in Geneva. (see question 9 for contact details)

Advertising media. Classified advertisements can be used to locate industry-specific representatives. Newspapers or industry trade publications contain classified sections that list manufacturers' representatives. Foreign telephone directories, such as the Yellow Pages, may be used.

Search organisations. These are professional organisations that locate agents for their client companies. The search organisations usually meet with the manufacturing client to discuss their requirements and, later, pass along the information to agencies that may be appropriate for the client. Search organisations charge for their services, but the time saved and the benefit of having agencies screened and questioned for the client makes up for the cost incurred.

Freight forwarders. These organisations, and in particular the more important ones, have many contacts overseas. They can therefore in some cases be of considerable help in finding the required information. For a list of freight forwarders in Mauritius, see question 61.

32. What criteria should be used in the selection of a commission agent or a distributor?

Whether an exporter chooses a commission agent or a distributor depends primarily on the product to be exported. For example, commission agents would be better suited to handle consumer products as they are able to keep in constant touch with consumers and therefore provide feedback on changing consumer tastes and preferences. On the other hand, distributors are more appropriate for selling consumer durables and other products requiring after-sales servicing as well as for industrial products.

Given the differences in the nature of products generally handled by both types of sales agents, different criteria should be used when selecting one or the other.

Commission agents are required to have direct communication with the consumer. They should have:

- Sound knowledge of the domestic market
- Technical knowledge of the product
- Easy access to communication facilities
- Extensive coverage of the target market
- Proven ability to conduct market research

When choosing a commission agent, the exporter should also keep in mind:

- Product lines held, especially competing lines
- Commission demanded and its mode of calculation

Distributors require similar traits as commission agents but they should also have:

- Reputable track record, or sales history
- Sound financial standing
- Extensive resources (staff, showrooms, storage facilities, etc.)
- Capability of meeting stringent customer requirements
- Facility for providing after-sales service
- Ease with which the distributor's performance can be appraised
- Clear reporting procedures

It is essential to ensure that both types of sales agents are well known in the local market and can fully meet the exporter's requirements.

RESOURCES

Pre-screening Prospective Agents: Some Guidelines. Manufacturer's Agents National Association
PO Box 3467
Languna Hills
CA 92654
Illustrates effective screening techniques for potential commission agents or distributors for the benefit of both parties involved. Contains a comparative analysis of leading distributors, dealers, commission agents and representatives in more than 90 countries.

33. What are the advantages and risks involved when working with an agent or a distributor?

Each type of sales representation has its advantages as well as its risks. A careful evaluation of these should be undertaken before making a choice, as the form of representation has a direct impact on export sales. The following facts should be taken into consideration to that end.

Distributors sometimes operate on consignment. They import large consignments of goods but do not pay for them immediately. The exporter has to wait for payment until part or all of the consignment has been resold by the distributor. The exporter may have to send a separate invoice as each part of the consignment is resold and perhaps make a separate exchange-control application as each invoice is paid.

The main advantage is the saving in cost, time and trouble that comes from dealing in large consignments. Another advantage is a better profit margin, because the distributor pays the exporter a higher price for delaying payment until goods are resold. It can be useful, too, to have large stocks of the exporter's product easily available in the export market.

Distributors operating on a consignment basis must be chosen very carefully. Most of them resell the goods as quickly as possible because it costs them money to keep the goods in the warehouse. However, some will not work too hard to sell products that they have yet to pay for.

Agents' costs are variable and usually entail no expenses unless sales are achieved. The agent is highly motivated as he is paid only if he sells.

Agents might nevertheless represent a competing producer and not have long-term interest in the exporter's products. Given that the agent works for the exporter in the foreign market, it is very important that a formal agreement be entered into by the two parties with clear indications about the duties of each..

It is advisable for exporters to work with *del credere* agents. These agents receive higher than usual payments but take the credit risk for orders they obtain and are responsible for making payment to the supplier if the customer fails to do so. Thus, they enable exporters to sell with great confidence, particularly in markets where it is difficult for them to judge the creditworthiness of prospective customers.

34. How are sales agents contracts drawn up?

The exporter must be very careful while drafting a commission agency or distributorship contract to ensure that all possible areas of the relationship are covered. Some of the general contract details are listed below:

Parties to the agreement. Names of individuals and firms and complete contact information should be mentioned.

Definition of products. A general statement would suffice. The exporter may reserve the right to discontinue manufacture of any goods upon giving reasonable notice to the sale agent. The representation of competitive goods may be totally excluded or allowed under certain conditions. The understanding on non-competitive goods should also be specified.

Territories covered. A clear definition of each territory is required.

Exclusivity or non-exclusivity. This clause is necessary to regulate whether the exporter may send other representatives into the territory of the sales agent or if the exporter may transact business there directly.

Duration of contract. This should determine the duration of the agreement.

Responsibility for local advertising. This clause should include the expenses and the nature of advertising to be subject to the exporter's authorisation.

Probationary period. When entering a contract, parties tend to be over-optimistic although their optimism may not be justified. A probationary period of, say, one year is always to be recommended.

Periodic reports. The sales agent should submit regularly scheduled reports on activities in the territory, and the exporter should keep the latter constantly informed of changes and developments in supplies.

Confidentiality requirement. The sales agent should not pledge the exporter's credit without consent, nor commence legal proceedings in the name of the exporter. He or she should not divulge to others information relating to the exporter's business.

Termination requirement. Great attention should be given to the circumstances in which the contract is either automatically terminated or may be terminated by notice.

Method of quoting by the exporter. This relates to the Incoterms used (whether FOB, CIF, CFR, CPT, CIP, etc.). This will determine the landed price for the distributor. In case of a commission agency agreement, the agent should be fully aware of the terms of delivery so that he or she can take them into account while discussing with buyers.

Force majeure clause. Such a clause, which requires careful drafting, may be appropriate particularly in distributorship agreements.

General conditions. This clause should address other conditions not mentioned elsewhere in the agreement.

Choice of law. It is important to state the law which shall apply to the contract. It is appropriate to state that the contract shall be governed by the law of the exporter.

Arbitration provisions. A well-drafted agreement should also contain an arbitration clause.

Any additional clauses like dispute settlement, delayed payments, etc. should be included.

SECTION 7

QUALITY

35. What is quality?

In ordinary language, quality implies some degree of excellence or superiority. In an industrial context, quality of a product can be defined as its "fitness for use". The latter includes two elements:

(i) Quality of design: does the product meet customers' needs in an appropriate way?
(ii) Quality of conformance, in other words a lack of defects in the finished goods.

Quality policy is defined as the overall intentions and direction of an organisation with regard to quality, as formally expressed by top management.

Managing for quality has become the overall management function to ensure that customer requirements are identified and met with satisfaction. The needs of the customer may change with time and this implies a periodic review of the requirements for quality.

The quality of a product is a major factor in any purchase decision. Before placing an order, the purchasing organisation likes to know whether the supplier is capable of supplying a product that will meet all its requirements. Traditionally, the purchaser calls for samples from potential suppliers and carries out inspection and testing to determine whether the samples conform to specifications. Major buyers may send technical experts to assess the quality management systems of suppliers to assure themselves that these suppliers will be able to supply products of consistent quality. To control problems arising from the subjective nature of assessments and the high costs for buyers to assess a supplier's quality system, the need for a universally accepted standard quality assurance system is adopted to serve as a reference or benchmark for the assessment of any supplier's quality system. The quality system should therefore be as comprehensive as needed to meet quality objectives and should be designed to satisfy internal managerial needs of the organisation. For contractual or mandatory quality assessment purposes, demonstration of the implementation of identified quality system elements are required.

In Mauritius, there are a number of institutions like MEPZA, EPZDA and MSB that promote the concept of Quality. The "Mauritian Quality Institute", c/o MEPZA (see question 6 for contact details), the objective of playing a leading role in the building of a Total Quality Mauritius through the dissemination of quality, principles, practices and processes.

RESOURCES

Applying ISO 9000 Quality Management Systems
Trade Support Services
Export Quality Management Service
Functional Advisory Services Section
International Trade Centre UNCTAD/WTO
Palais des Nations
1211 Geneva 10
Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Internet: http://www.unicc.org/itc

Introduction to Quality Control
Kaoru Ishikawa
Explains concepts like quality, quality control, quality standards, control standards, work standards and technical standards.

International Organization for Standardization (ISO)
P.O. Box 56,
1211 Geneva
Switzerland
Tel: (41-22) 749 0111
Fax: (41-22) 733 3430

36. What is quality standard ?

A "standard" is a document established by a consensus process that prescribes the requirements to be fulfilled by a product, process or service to be approved by a recognised body. While at the enterprise level the fundamental purpose of standardisation is to promote the profitability of the enterprise, at the international level its main purpose is to promote trade between countries, to eliminate technical barriers to trade and to address health and safety issues.

Since the concept of quality management systems is comparatively new, many enterprises confuse the terms "product standard" and "quality system standard."

The product standard specifies various characteristics or parameters which the product must meet if it is conform to the specified standard/customer requirements. The basic principle in product certification authorises a manufacturer, through a license, to use a prescribed certification mark on a product thus assuring that the product conforms to the specified requirements. Conformity of a product to the required specifications is ascertained by a recognised certification body through periodic surveillance of the output of the certified enterprise.

The quality system of an organisation comprises the organisational structure, procedures, processes and resources needed to implement a comprehensive quality management system to meet the quality objective. A quality system standard defines the method of managing quality in a company to assure that products conform to the standard/requirements that it has set. A company is free to set any quality level for its products on the basis of marketing considerations and customer requirements. A quality system standard helps the company to manage the quality system to consistently achieve the required quality level thus conforming to the standard. In a contractual situation, implementation of a system such as ISO 9000 will help the company to clearly understand customer requirements.

RESOURCES

Textiles and Clothing: An introduction to quality requirements in selected markets
International Trade Centre UNCTAD/GATT
Palais des Nations
1211 Geneva 10
Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Internet: http://www.unicc.org/itc

FAO/WHO Codex Alimentarius
Via delle Terme di Caracalla, 00100,
Rome
Italy
Tel: (396) 570 51
Fax: (396) 570 593
Email: gregory.orriss@fao.org
Url: http://ftp.fao.org/waincent/faoinfo/ECONOMIC/esn/codex

37. How can exporters get information regarding standards and regulations on product contents?

Products for export are manufactured according to clients' specifications or specified product standards. These can be either foreign standards or international standards. With the advent of the World Trade Organisation (WTO), most standards are being aligned to international standards.

As the national certification body, the Mauritius Standards Bureau (MSB) can provide valuable assistance for this matter. Indeed, one of its roles is to test standards of products in order to ensure that they are up to desired standards. Moreover, MSB also has a documentation where information on foreign and international standards can be obtained.

In addition, following are key organisations from which to obtain information on standards, technical regulations, certification, eco-labelling, and quality management schemes:

- WTO-TBT & SPS Enquiry Point, Standards Code and Information Program, Office of Standards Services, National Institute of Standards and Technology, TRF Building, Room A- 163, Gaithersburg, Maryland 20899 USA, tel.: (1301) 975 4040.
- Codes Alimentarius Commission, Joint FAO/MIHO Food Standards Programme, Via delle Terme di Caracalla, 00100 Rome, Italy, tel.: (396) 579 4476.
- International Telecommunications Union, Place des Nations, 12,1 1 Geneva 20, Switzerland, tel.: (4122) 799 5111.
- International Commission on Microbiological Specifications for Foods, ICMSF Secretary, 2022 La Vista Circle, Tucker, Georgia, USA, tel.: (1404) 938 8094.
- International Electrical Commission, 3 rue de Varembe, P.O. Box 13 1, 121 1 Geneva 20, Switzerland, tel." (4122) 919 0211.
- International Office of Epizooties (Animal Health), 12 Rue de Prony, 75017 Paris, France, tel.: (331) 227 4574.
- International Organisation of Standardization, I Rue de Varembe, 121 1 Geneva 20, Switzerland, tel.: (4122) 749 0111
- International Organisation of Legal Metrology, Rue Turgot, 75009 Paris, France, tel.: (331) 48 78 1282
- Department of Health and Human Services, Food and Drug Administration, Toxic Lab Monitoring Program, Room 12A-55 Parklawn, 5600 Fishers Lane, Rockville, MD 20857 USA, Tel.: (1301) 443 2390.
- Department of Agriculture, Food, Safety, and Inspection Services, Accredited Lab Program, Science, Chem, Plan. Rev., Washington, D.C. 20250 USA, Tel.: (1202) 447 5850.
- Global Environmental Management Initiative, 2000 L Street, NW, Suite710, Washington ,D.C. 20037-1101 USA, tel.: (1202) 296 7449.
- Information Handling Services, P.O. Box 1154, Invemess Way, Eastern Englewood, Colorado, USA tel.: 241-7824.

RESOURCES

Mauritius Standards Bureau
Moka
Mauritius
Tel: (230) 433 3648
Fax: (230) 433 5051
Email: msb@intnet.mu

World Directory of International Sources on Standards, Technical Regulations, Certification, Eco-Labelling and Quality Management Schemes
International Trade Centre UNCTAD/WTO
54-56 Rue de Montbrillant,
CH 1202, Geneva,
10, Switzerland
Tel: (+41-22) 7300111
Fax: (+41-22) 7334439
Email: itcreg@intracenorg

38. What are the schemes/programmes that assist exporters with the establishment of quality management programmes?

There are a number of schemes/programmes available to Mauritian exporters that include the establishment of quality management programmes as one of their objectives.

Schemes offering mainly financial support:

1. EU-ACP Business Assistance scheme (EBAS).

As one of the main tools of the European Commission Directorate General Development (DG Dev.) strategy for private sector development in ACP countries, this cost-sharing scheme provides direct grants to Mauritian private sector enterprises and suppliers of specialised business services (consultants). EBAS aims to encourage private enterprises and business and industry associations to procure all such services that will rapidly enhance their competitiveness or ability to supply specialised skills. Further information can be obtained by contacting:

The Director
EBAS Project Management Unit
110 Boulevard Auguste Reyers
B - 1030 Brussels
Belgium
Tel: (32) 2 740 0240
Fax: (32) 2 740 0249
Email: ebas@ebas.org
Url: http://www.ebas.org

2. Programme Régional Intégré de Développement des Echanges (PRIDE)

The objective of this the European Union (EU) funded scheme is to promote trade among the Indian Ocean Commission (IOC) member states. One of the components of this scheme relates to Standardisation and Quality Standards. Under this component, eligible enterprises can obtain technical and financial assistance for the improvement of the quality of their products or services. Specialised courses related to quality management are also regularly run. Further information can be obtained on the programme's website, **http://www.coi-info.org**, or through:

RESOURCES

Industry Focus magazine
No. 47, Nov - Dec 99
Export Processing Zone Development Authority (EPZDA)
Saint James Court
Saint Denis Street, 7th Floor
Port Louis
Tel: (230) 212 9760
Fax: (230) 212 9767
Email: epzda@intnet.mu
Url: http://epzda.intnet.mu
Contains a list of scheme/programmes for SMEs that are available in Mauritius.

Small Business Catalogue
Small and Medium Industries Development Organisation (SMIDO)
Industrial Zone
Royal Road
Coromandel
Tel: (230) 233 5030
Fax: (230) 233 5545
Email: smido@intnet.mu
Url: http://ncb.intnet.mu/smido
Contains information on the organisation and scheme in Mauritius that are useful to SMEs

Bureau d'Entreprises PRIDE - Maurice
C/o The Mauritius Chamber of Commerce & Industry
3, Royal Street
Port Louis
Tel: (230) 208 3301
Fax: (230) 208 0076
Email: mcci@intnet.mu
Url: http://www.mcci.org

3. Cross-Border Initiative - Technology Improvement Scheme (CBI/TIS)

This programme is funded by EU in co-operation with the International Monetary Fund, the World Bank and the African Development Bank. Its objective is to improve economic integration in Eastern and Southern Africa and the Indian Ocean region. With a view to improving the competitiveness of economic operators in the region, the Cross-Border Initiative Technology Improvement Scheme (CBI/TIS) project has been initiated to support technological developments of private sector firms, and in particular SMEs. The key features targeted are: increased labour and capital productivity, quality management systems (e.g. quality circles, ISO 9000/14000, etc.), product or service quality, product design, introduction and adaptation of new techniques of technology, etc.. For further information, contact:

The Project Manager
Project Management Unit
The Ministry of Industry, Commerce and International Trade
Air Mauritius Centre, 6th Floor
John Kennedy Street
Port Louis
Tel: (230) 208 5760/4
Fax: (230) 211 2765
Email: cbitis@intnet.mu

4. Indian Technology Diffusion Scheme (ITDS)

The Indian Technology Diffusion Scheme has been established in the context of the "Technical Assistance to enhance Competitiveness Project" by the Government of Mauritius to facilitate the transfer of expertise from India to Mauritius. This cost-sharing scheme aims at enhancing the competitiveness of the manufacturing sector by encouraging the acquisition of know-how and transfer of technology for the use of best practices and advanced technology. Under this scheme, expertise should be acquired from India and enterprises benefit from grants amounting to 50% of the consultancy cost incurred. Targeted activities are: improvement of quality, productivity and client response time, use of environmentally friendly technologies, promotion of creativity and design, etc.. Priority of consideration is given to SMEs. For further information, contact:

The Management Contractor
Indian Technology Diffusion Scheme
TDS Enterprises Co. Ltd.
605, Richard House
Cnr Rémy Ollier & Jummah Mosque Street
Port Louis
Tel: (230) 240 9777
Fax: (230) 240 0093
Email: tdsent@intnet.mu

5. Technology Introduction and Development Scheme (TIDS)

TIDS is an initiative of the Ministry of Agriculture. Its aim is to give financial refunds of up to 75% of total expenses for the use of consultancy services involving appropriate technology in the non-sugar agricultural sector. Target activities include improvement of productivity, enhancement of competitiveness, upgrading of product quality, promotion of mechanisation, improvement of packaging and storage, etc. Interested parties should contact:

The Project Manager
Technology Introduction and Development Scheme
3rd Floor, Room 319
Saint James Court
Saint Denis Street
Port Louis
Tel/Fax: (230) 210 7350
Email: emtids@intnet.mu

6. African Management Services Company (AMSCO)

AMSCO was established jointly by the United Nations Development Programme (UNDP), the African Development Bank (ADB) and the International Finance Coporation to assist in improving the competitiveness of African companies, for example by improving their quality. The Management Services Company does this by seconding managers and training services to client companies. Part of the total costs is usually covered by funds provided by donors to AMSCO. For further information contact:

AMSCO Headquarters,
Friedman Building, 5th Floor
Hogehilweg 4
1101 CC Amsterdam
The Netherlands
Tel: (3120) 664 1916
Fax: (3120) 664 2959
Email: Info@amscobv.com

Other schemes:

Some institutions are dedicated towards the promotion of the Quality concept in Mauritius. As such, they run programmes and schemes geared towards the latter concept. These organisations are:

The Mauritius Standards Bureau (MSB)

This corparate body governed by the Mauritius Standards Bureau Act 1993 helps to improve the competitiveness of SMEs by providing them Metrology, Standards, Testing and Quality Assurance products and services. The Bureau operates namely the National Quality System Certification scheme for registration of firms according to ISO 9000. It also undertakes training of SMEs in other quality related areas including Total Quality Management and Quality to Productivity improvement using statistical techniques.

It should be noted that 30% discount are offered to all SMEs registered with SMIDO (see question 6 for contact details) on total costs for tests carried out on a contractual agreement. For further information, contact:

The Director
Mauritius Standards Bureau
Moka
Mauritius
Tel: (230) 433 3648
Fax: (230) 433 5051
Email: msb@intnet.mu

Export Processing Zone development Authority (EPZDA)

In 1997, the above institution set up a User Scheme to cater for all enterprises and particularly SMEs who want to enhance their productivity, quality and creativity and be more competitive on the export market. This membership scheme works along the concept of "family doctor" whereby enterprises are given diagnoses of actual problems they face and are provided with continued monitoring according to the needs. Benefits vary from regular visits of EPZDA officers to 25% discount on all EPZDA activities through free membership to EPZDA's resource centre.

Further information can be obtained through:

The Director
Export Processing Zone Development Authority (EPZDA)
Saint James Court
Saint Denis Street, 7th Floor
Port Louis
Tel: (230) 212 9760
Fax: (230) 212 9767
Email: epzda@intnet.mu
Url: http://epzda.intnet.mu

Mauritius Export Processing Zone Association (MEPZA)

Every year, MEPZA organises the National Quality Award to promote excellence in quality management and production. Additionally in-house training and consultancy programmes and workshops can be conducted on Quality-related issues. More information can be obtained by contacting:

The Director
Mauritius Export Processing Zone Association
6th floor, Unicorn House
5, Royal Street
Port Louis
Tel: (230) 208 5216 / 211 1476
Fax: (230) 212 1853
Email: dsmepza@intnet.mu
Url: http://www.mepza.org

Moreover, technical assistance to developing countries in the areas of standardization and quality management is available through the International Trade Centre (ITC) UNCTAD/WTO. The-Export Quality Management Service is a part of the Functional Advisory Service Section, Division of Trade Support Services and provides the following assistance to firms in developing countries:

ITC will advise enterprise management on setting overall quality policies and objectives in line with target market requirements, through increased awareness of international quality requirements such as standards, specifications, technical regulations and other market requirements including health, safety, and environmental aspects. Exporting firms can also receive advice on improving their planning, organisation, and operations to achieve market-focused quality policies and objectives. Trade support institutions can receive advice on trends and new systems to assist in the improvement of the necessary infrastructure for standards, testing, inspection, certification, accreditation, and quality management at the national level.

ITC provides export quality management services through advisory missions, fact-finding activities to identify quality development needs, training missions, research and development to gather and review information on key trends in quality disciplines, publication of bulletins, technical notes, handbooks and guidelines on quality management, and the operation of specialised computer databases.

For more information, contact the International Trade Centre, Export Quality Management, International Trade Centre UNCTAD/WTO, Palais des Nations, 121 1 Geneva 20, Switzerland, Tel.: (41-22) 73 0 03 96; Fax: (41-22) 733 4439.

39. What is ISO Certification?

The expression "ISO 9000 certification" means certification against ISO 9001, ISO 9002 or ISO 9003 by a recognised body or third party. ISO itself does not give the certification. An ISO-9000 certificate is a written assurance by the certification body or third party that the quality management system covering a specific scope of activities has been assessed and found to be in conformance with a specific ISO 9000 standard.

An assessment or auditing may be carried out by the company itself to verify that it is managing its process effectively. It may invite its clients to audit its quality system in order to give them confidence that the company is capable of delivering products or services that will meet their needs. Lastly, it may engage the services of an independent quality system certification body to obtain an ISO 9000 certificate of conformity. This option has proved extremely popular in the market place because of the perceived credibility of independent assessment. The company may thus avoid multiple audits by its clients or reduce the frequency or duration of client audits. The certificate can also serve as a business reference between the company and potential clients, especially when the supplier and client are new to each other, or far from each other, as in an export context.

Third-party certification to ISO 9000 results in a high degree of market acceptance among purchasers, and sale outlets. Businesses all over the world are the driving force behind ISO 9000, and its implementation reduces possible technical barriers to trade.

Accreditation is another term that refers to the procedure by which an authoritative body gives some form of recognition that a body or person is competent to carry out specific tasks. In the ISO 9000 context, an accreditation body will accredit-or in simpler language, approve-a certification body as competent to carry out ISO 9000 certification of quality management systems.

Accreditation enhances mutual recognition of certification bodies operating with uniform principles and methodologies. A group of certification bodies may enter into mutual agreements so that their certificate are recognised by others and are regarded as of equal value.

RESOURCES

ISO 9000 - Worldwide Quality Standard
1994
Criteria for documentation and performance
James G. Patterson

Applying ISO 9000 Quality Management Systems
International Trade Centre UNCTAD/WTO,
Palais des Nations,
1211 Geneva,
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org

ISO 9000: Handbook and Guide to Registration
McGraw Hill,
10521 Braddock Road,
Fairfac,
VA 22032-2236,
USA
Tel: +1 800 750-5565
Fax: +1 630 789-5507
Website: http://www.mcgraw.com

40. How is ISO Certification awarded?

Certification is a process by which a certification body/third-party gives a written assurance that a product, process or service conforms to the specified requirements. It has become a contractual situation and enables organisations to demonstrate their commitment to quality. Certification is awarded on the successful completion of assessment by an independent third-party certification body.

More and more enterprises engaged in exporting to the international market are preparing themselves for certification or are demonstrating that their quality management systems conform to ISO 9000 through third party certification. They use certification as a marketing tool, as a competitive weapon and as an assurance of quality and services to the customer. The preparation for ISO 9000 certification involves the following steps:

1. **Get the commitment of management.** It is of utmost importance that management of the enterprise be convinced of the advantages of implementing the quality assurance system. The quality policy of the business should be defined and communicated to all employees.

   A representative who will report to management and coordinate the activities of the quality management system should be assigned. Concurrently, the necessary resources (people, equipment, and training) should be available.

2. **Set up a steering committee.** This committee is to be in charge of planning the implementation of the quality assurance system while ensuring that the resources are made available to this effect. The steering committee would typically comprise the General Manager as chairman as well as departmental senior managers. All of them should have followed training programmes on quality assurance standards according to ISO 9000.

3. **Use a consultant, if necessary.** The steering committee then decides if there is a need to appoint an external consultant to undertake the implementation of the quality assurance system. If the decision is to use a consultant, it is advisable to contact a number of consultants and check their record. The respective roles and responsibilities should be fully discussed with the chosen consultant.

4. **Conduction of an awareness programme.** An awareness programme should be conducted with the employees of the business on the benefits of ISO 9000 for them, for the business and its customers. The roles and responsibilities of the employees in the ISO system should be stated. It is advisable that members who have worked on the documentation be in charge of the awareness programme.

RESOURCES

The ISO 9000 Answer Book by Rob Kanter
" In one place, you can find accurate, precise answers to over 100 of the commonly asked questions about ISO 9000"
John Wiley & Sons Inc
Professional, Reference & Trade Group
605, Third Avenue, New York, N.Y 10158-0012
New York - Chichester - Brisbane - Toronto - Singapore

ISO 9000 for small businesses - what to do?
International Organization for Standardization
P.O. Box 56,
1211 Geneva
Switzerland
Tel: (41-22) 749 0111
Fax: (41-22) 733 3430

Enhancing Competitiveness - ISO 9000 Certification
Mauritius Standards Bureau
Moka
Mauritius
Tel: (230) 433 3648
Fax: (230) 433 5051
Email: msb@intnet.mu

5. **Analysis of activities.** The different activities of the business are then analysed, and a matrix detailing which procedures will be written into the quality system is prepared. The procedures which form the quality system are then compared with the ISO 9000 series.

6. **Plan of Action.** The areas requiring additional procedures are identified and the plan of action for the implementation of the quality system is established. At the same time, the responsibilities of different departments are defined as well as the agreed time frame to complete the activities.

7. **Elaboration of the documentation regarding the quality system.** This is a very important step in the process. It consists of three different levels: (i) the Quality Manual which describes the quality system and the main procedures, (ii) The Procedures Manual which describes the activities of the different departments, and (iii) The Quality Documents which comprise forms, reports, and job instructions for specific purposes/clients.

   Usually, in small enterprises, the three documents are compiled into a single document. However, the overriding rule is that the documentation in general should be as simple as possible. In the same spirit, it is recommended to make maximum use of diagrams and drawings as these convey messages often more efficiently.

8. **Application of the Quality System.** It is advisable to start applying the system in departments where the evaluation would be more encouraging and positive. All findings, problems, and suggestions should be recorded. An evaluation of the efficacy of the system in each department is compulsory.

9. **Internal audits.** These are then conducted with the help of some employees. The auditor should be independent; he/she should not audit a department to which he/she is related.

10. **Certification and inspection audits.** After the quality system has worked for a few months and has become stable, a compliance audit by a certification body is undertaken. If the quality system is considered satisfactory, the certification is awarded, normally for a period of three years. The certification body regularly undertakes inspection audits to ensure of the proper functioning of the quality system.

SECTION 8

PRICING

41. How does an exporter price a product?

Pricing is a key factor in any business transaction. However, it is only one element of the marketing mix and all elements of the marketing mix are interdependent. For example, product differentiation will change costs, hence the price. Likewise, the choice of a specific channel means a particular cost, thus which affects the price, and so on.

Very often, new exporters compromise on price at the beginning of discussions, thereby sidelining other negotiating strengths that they might possess. It is advisable therefore to postpone the subject of price until other aspects of the transaction have been agreed upon. Indeed, as a partner committed to long-term business relationships, the exporter can stress on the following aspects of operations: management capabilities production capacity and processes, quality control system technical cooperation, if any, structures for handling orders, export experience, including types of companies dealt with, financial standing and links with banks. After dealing with these issues, the exporter can then steer the discussion towards price quotations.

It is in this phase that the exporter must clarify all matters pertaining to credit terms, payment schedules, currencies of payment, insurance, commission rates, warehousing charges, after sales servicing responsibilities, and costs of replacing damaged goods. Agreement on these points constitutes the "price package".

There are three main pricing policies open to a firm, namely:

- Cost-oriented pricing;
- Market-oriented pricing;
- Competition oriented pricing.

Cost oriented pricing or "cost plus" pricing is the simplest and most widely used policy. A computed cost is determined for each unit of production and to this base cost a percentage or absolute mark-up is added to determine price. An example of cost oriented pricing approach is break-even pricing.

Demand-oriented pricing relates to the intensity of demand as expressed by consumers. A high price is set when customer interest is high and a low price when customer interest is low. Actual costs may be the same in both cases.

Competition-oriented pricing is based on the actual or anticipated behaviour of competitors. Companies using this approach do not seek a relationship between prices and costs or market demand. Instead, they fix their prices in relation to what their competitors are doing, maintaining prices at current levels if this is what the competition is up to.

In Mauritius, "marginal costing" is a frequently used cost-oriented pricing method under which costs are categorised by fixed and variable costs. This method of costing only takes into account costs related to export production. Variable costs include labeling, packaging, and marking of goods. After arriving at a marginal cost, a reasonable profit margin may be added to arrive at a final price. Care must be exercised

RESOURCES

Readings in International Business Negociations
International Trade Centre UNCTAD/WTO
Palais des Nations,
1211 Geneva,
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org

with this method; it is mainly suitable when:

— the enterprise has surplus production capacity
— exporting is only incidental to producing for the home market
— there are unplanned special order situations
— the home market is sufficiently large to absorb fixed costs

Marginal pricing only gives ex-factory price plus a marginal profit, other expenses incidental to exporting have to be added while preparing the quote.

Price negotiation tips

If the buyer indicates that the initial price quoted is too high and a substantial drop is required, the seller should not hesitate to ask on what basis is the drop called for; stress must be laid on product quality and benefits before discussing price.

If the buyer indicates that better offers have been received from other exporters, more details could be requested on such offers. The seller should try to convince the buyer that there could not be a better offer than the seller's proposal. If the buyer makes a counter-offer or requests a price discount, the seller should avoid making a better offer without simultaneously asking for something in return. For example, the seller could make a specific suggestion, such as "If I give you a 5% price discount, would you arrange for surface transport including storage costs?"

It is important to avoid "last offers" presented by the buyer. The seller should find out the quantities involved, determine if there will be repeat orders, and negotiate who pays for storage, publicity, and after-sales service. If the buyer indicates that the product is acceptable but the price is too high, the seller could agree to discuss the details of costing, and promote the products' benefits, own reliability as a regular supplier, and promise timely delivery.

If the buyer accepts the price quoted, then the seller needs to:

— find out why the importer/buyer is interested in the offer
— recalculate the costing, check competitors' prices
— contact other potential buyers to get more details on market conditions
— review the pricing strategy
— and agree to the order as a trial order only

42. How is a quote prepared?

Quoting for orders in the home market is relatively simple. Manufacturers know what their production costs are and they can quickly calculate a selling price that will give them a profit. But when a quote for an export order is needed, a whole set of extra costs have to be taken into account. They must know which costs the buyer will take care of and which costs they will themselves have to incur.

The following variables should be taken into account when preparing a quote:

- Packaging, marking and labeling costs
- Rates of interest at which export finance has been availed
- Costs of direct materials and labour for the production of the goods
- Factory overhead expenses
- Clearing and forwarding charges
- Port trust charges
- Insurance premium, export duties, wharfage and portage
- Insurance (both to port of shipment and destination)
- Shipping charges
- Commission

The pricing points which could be used to make a quotation are illustrated at question 45.

RESOURCES

Export Costing & Pricing and Incoterms
by Paras Ram
Anupam Publishers
R-98 Model Town-III
New Delhi - 110009
Tel: 7437784
Fax: 7214398
Email: anupub@del2.vsnl.net.in

43. How can an exporter determine whether the price quoted is competitive?

An exporter can determine if the price is competitive by simply looking at other producers within a particular market. Checking the selling prices of other exporters of the same or similar product could be useful. Sources of information to help determine foreign market competition are trade associations/export promotion councils identified with the product. A good understanding of the competition in a global market will establish some guidelines for an effective pricing policy.

It is important to complete a survey of competitors' prices. How does these prices compare with the exporter's price? What is the image of the exporter's product in the marketplace? Are the products considered "top of the line" or "deep discount"?

A high-pricing strategy should be used if the company is selling a unique or new product, or if the company wishes to establish a high-quality image for the product. This approach has the advantage of high profit margins. Conversely, selecting a high-price strategy can also limit the product's marketability and attract competition to that market.

A low-price strategy is ideal for disposing off excess or obsolete stock. However, it should be used as a short-term strategy. Although it tends to discourage new competition, this strategy offers results in low profit margins. In some cases, low prices can attract "anti-dumping" charges by foreign competitors.

A moderate price strategy is a safe alternative to the above mentioned strategies. It enables a company to meet the competition and at the same time retain an adequate margin and develop market share. Moderate pricing can lead to a long-term position in the market. The disadvantage is that it may encourage existing suppliers to present tough price competition. For this reason, prior knowledge of competitors' market entry prices is necessary.

RESOURCES

Costing and pricing for Export (Handbook)
International Trade Centre UNCTAD/WTO
Palais des Nations,
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org

44. How should an exporter respond to an unsolicited inquiry from overseas?

All inquiries from overseas should be answered promptly and precisely. Each of them has the possibility of turning into a potential export order. However, the exporter may, before disclosing certain information, wish to run a background check on the foreign buyer.

While answering the inquiry, clear and simple language must be used. All letters must be signed by the person to whom the initial inquiry was addressed.

If faxes are sent the original letter should also follow by post.

In the response, a buyer will be interested to have information on product specifications, price, shipping schedules and terms of payment.

Price quotations can vary greatly but there are certain minimum requirements the exporter should keep in mind:

Buyer's details. Clearly specify the buyer's name and address as well as any references. It may be necessary to refer to any previous correspondence and negotiations.

Product details. Ensure that the product characteristics and details are concisely and clearly stated (sizes, quality, etc.)

Packaging arrangements. Make sure that clear details of these are given.

Price and Delivery. Write out the price (and currency) clearly and refer to an Incoterm delivery point.

Terms of Payment. This will often be a confirmed, irrevocable letter of credit.

Conditions of Sale. Specify clearly the delivery time (e.g. 45 days from the notification of the issue of the letter of credit).

Validity Time. Make sure for which period the quotation is made.

Seller's details. Identify clearly the person making the quotation by name and title, and include full details of the seller's address.

45. What elements should an Export Costing Worksheet contain?

The following is a sample export costing worksheet used to establish a "cost-plus" series of pricing points which could be used to make a quotation. In this example the goods are planned to be moved by sea as the principal mode of transport; the shipment is not containerised. The worksheet is used to establish prices at a number of Incoterms points of delivery: EXW, FAS, FOB, CFR and CIF Incoterms 2000. The exporter should refer to the answer to question 28 for a brief description of these terms of delivery. For simplicity, everything is costed and priced in Euros.

Product charges and prices

Product Cost: 10 Euros per unit x 100 units (A)	1000
Target mark-up: 10% of (A)	100
Overseas agent's commissions: 5%of (A)	50
	1150
Financing costs on production: 8% of (A)	80
Export Packing Charges	100
Labelling and Marking for 100 units	50
Other direct export costs	20
EXW PRICE (Factory)	1400
Inland freight to port of shipment	100
Unloading and terminal charges	100
FAS PRICE (Port of Shipment)	1600
Loading charges on Ship	50
Export documentation, clearance for export	30
FOB PRICE (Port of Shipment)	1680
Ocean Freight to port of destination	360
CFR PRICE (Port of Destination)	1980
Insurance Coverage	20
CIF PRICE (Port of Destination)	2000

Notice that the CIF price is now twice the initial product cost; this shows how important it is to work through these costings carefully!

RESOURCES

Getting Started in Export - A Training Manual for SMEs
GENEVA (1995)
Human Resource Development
International Trade Centre UNCTAD/GATT
Palais des Nations
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org
Manual on export marketing that covers different aspects of export marketing techniques, including exercises and glossary of related terms.

SECTION 9

FINANCING AND GETTING PAID

46. What are the different methods of payment available to the exporter?

For the exporter the greatest fear is that the buyer will not pay for the goods purchased. Therefore, it is of prime importance that the exporter fully understands the terms of payment to be used in the export contract. The main methods of payment are as follows:

Cash in advance (with order). This is clearly the safest term of payment for the exporter but is not common in international trade with developing countries. This is because the buyer is the one who takes most of the risk. A partial advance payment can sometimes be obtained from a buyer when the exporter is well known.

Standby credit. Open account payment backed by a standby credit or demand also provides good security for the exporter. Although the exporter gives credit to the buyer (on so-called "open account" terms), the standby credit, or demand guarantee, is security for payment. If the buyer does not pay, the exporter can claim the amount from the bank which has issued the standby credit or demand guarantee.

Letter of Credit. An irrevocable confirmed letter of credit is the next safest term of payment for the exporter. This method of payment can be relatively costly in terms of banking fees and relies on the exporter providing a bank with a set of documents related to a shipment in order to be paid. For payment to be made, the bank will subject these documents to rigorous scrutiny. If there are any discrepancies, the bank may refuse to pay.

Documentary collection. This term of payment is not as safe as a letter of credit but is much cheaper in terms of banking fees. This method of payment requires the exporter to ship the goods and send the documents associated with the shipment to the buyer's bank through the exporter's own bank. The buyer then pays the agreed price to his or her bank. After payment is made, the buyer obtains the documents that entitle him or her the goods. There is always a risk that the buyer may decide not to accept the documents or the goods.

Open account. With this method, the exporter sends the shipping and related documents himself to the buyer. On receipt, the latter pays the exporter back by bank transfer. Payment of bank charges and other costs are avoided but given the high risks involved, this term of payment is rarely used by exporters in developing countries.

In Mauritius payment by L/C is the most commonly used method among exporters. However, documentary collection is also extensively used, usually among big companies. This is mainly due to the confidence established with long-term overseas buyers and the relatively high costs associated with L/Cs for the importer.

RESOURCES

Export Financing
1974
International Trade Centre UNCTAD/GATT
Palais des Nations,
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org

How to approach banks - A Guide to Mauritian Entrepreneurs
1999
International Trade Centre/Mauritius Chamber of Commerce and Industry
Palais des Nations,
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org

47. How important is the choice of the currency for the financial transaction?

The choice of the currency for the financial transaction is of major importance, especially for enterprises like Mauritian businesses. Indeed, financial transactions in foreign currencies carry exchange risks. In order to minimise exchange risks, it is advisable for the exporter to ask for payment in hard currencies like the US dollar and the euro. Very often, however, the exporter is not in a position to negotiate on the currency to be used.

Most of our export earnings are denominated in euros, as a result of the European Union (EU) being our main trading partner. The depreciation of the euro against the rupee and the continuing rally of the US dollar has been a major source of concern for Mauritian exporters. Indeed, while our exports are mostly denominated in euros, our imports, constituting mainly of raw materials, are purchased in dollar terms.

Firms in Mauritius are learning (the hard way) that the management of risks, be it fluctuations in exchange rates or interest rates, should always be a top priority.

As far as possible, some degree of "matching" should be sought by trying to balance receivables and payables in the same currencies. As for the remaining parts that cannot be hedged, it is advisable that the SME's banker be consulted to discuss of possible ways of minimising foreign exchange risks (see list of banks at Annex 5).

It is highly recommended that export businesses operate a dedicated Corporate Treasury department which can deliberately influence the balance mentioned above.

RESOURCES

Managing exchange rate risks
ICC Publishing
38, Cours Albert 1er
75008 Paris, France
Tel: (33) 1 49.53.29.23. or 49.53.28.89
Fax: (33) 1 49.53.28.62
E-mail: pub@iccwbo.org
Web site: www.iccwbo.org

48. How to approach banks?

Before evaluating a request for finance, banks and financial institutions must have basic information about the exporter, the business, and the proposed transaction.

If the exporter does not have a well-established relationship with a bank, presenting the following background information both specific and general will be necessary:

- A brief profile of the exporter which includes a curriculum vitae and possibly a letter of introduction or reference by a person of integrity and reputation
- A brochure or a letter describing the exporter's company, the last audited accounts and, if available, the latest annual report, the company's registration and the exporters statutes
- A description of the proposed transaction
- The annual cash flow, with or without the proposed transaction
- A forecast profit and loss account

If the exporter needs to borrow, the bank will likely need a feasibility study or business plan related to the export transaction. Both documents should show capital expenditure, current expenditures, and forecast revenues covering the full transaction cycle.

RESOURCES

How to approach banks - A Guide to Mauritian Entrepreneurs
1999
International Trade Centre/MCCI
Palais des Nations,
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org

A New Vision for SME Development - National Workshop Report
2 - 3 May 1996
Published by
SMIDO
Industrial Zone
Royal Road
Coromandel
Tel: (230) 233 5030
Fax: (230) 233 5545
Email: smido@intnet.mu
Url: http://ncb.intnet.mu/smido

49. How do we ensure that a foreign buyer is trustworthy?

Before executing an export order for a new customer, the exporter must thoroughly verify the credibility and reputation of a potential buyer. Essentially, the buyer must have a good record and be able to pay. To determine this, the buyer must be asked to provide a recent audited set of accounts, including profit-and-loss accounts, balance sheets and cash flow statements for the previous three years, and a financial forecast. It is important to verify the authenticity of the statements as well as the liability of the auditors, as forged documents have sometimes been submitted.

The exporter can also request the bank to get in touch with the foreign buyer's bank or another corresponding local bank to obtain relevant financial and market information about the company. Several banks subscribe to independent research companies which provide financial and market information about companies from all over the world. Among them are: Dun & Bradstreet, Extel, Reuters, etc.

Such information and opinions may help to reassure the exporter about the creditworthiness of foreign buyers, but still may not guarantee that the foreign buyers will discharge their obligations. Therefore, the exporter may try to involve the buyer's bank by requiring the provision of a payment guarantee.

50. What is a Letter of Credit (L/C) and how can an exporter use it when exporting?

A Letter of Credit (L/C) is an arrangement whereby a bank (the issuing or opening bank) guarantees on behalf of its customers (the applicant or importer) to make payment to the beneficiary (or exporter) upon presentation of documents specified in the credit, under specified terms and conditions. The financial transaction may be secured by the intervention of another bank. The intervening bank informs the exporter of the issue of the L/C and may add its confirmation to it, thereby guaranteeing the payment against the risk of default of the issuing bank.

The L/C is a very precise document, usually created by following an international standard form model. It contains a brief description of the goods, a listing of documents required to obtain payment, the shipping date, and the expiration date after which the payment will no longer be made. The L/C guarantees the exporter will be paid only after fulfilling certain terms and conditions. Upon the fulfillment of all the conditions set down in the L/C, the exporter can submit appropriate shipping documents to the bank to collect payment. The following documents are usually required to be submitted in order to obtain payment according to the L/C.

- Commercial invoice
- Bill of lading (B/L) or another multi-modal transport document proving that the goods have been embarked for transport, sometimes also evidencing that the freight has been pre-paid
- Insurance document
- Certificate of origin
- Inspection certificate showing conformity to quality, quantity, packaging requirements
- Packing list

If the exporter has a long-standing relationship with the foreign buyer, cash advance may be the easiest form of payment. If this is not the case, the letter of credit can act as the easiest way of getting paid while, at the same time, protecting the exporter's interests. The most commonly used forms of L/C are:

Irrevocable Documentary L/C. This form of L/C cannot be canceled or modified without agreement of all parties involved. Payment is guaranteed by the bank provided that the exporter fulfills all the terms and conditions laid down in the contract, including the presentation of the required documents.

Revocable L/C. This form offers fewer guarantees but is more flexible as it can be canceled or modified at any time without the knowledge of beneficiary. Few exporters accept these L/Cs.

Revolving L/C. This form is often used in repeated trade transactions with the same client. The funds used for the same or a similar transaction will again be available in the future, usually under the same terms, without having to issue a new L/C.

RESOURCES

How to Export
A Guide prepared by
The Mauritius Chamber of Commerce & Industry
3, Royal Street
Port Louis
Tel: (230) 208 3301
Fax: (230) 208 0076
Email: mcci@intnet.mu
Url: http://www.mcci.org

Standby and Commercial Letters of Credit (No. 923) ($159.95)
ICC Publishing
38, Cours Albert 1er,
75008 Paris,
France
Tel: +33 (1) 49 53 29 23 or 49 53 28 89
Fax: +33 (1) 49 53 28 62
Email: pub@iccwbo.org
Website: www.iccwbo.org
In addition to presenting the numerous current uses of standby letters of credit and international guarantee, this book provides step-by-step procedures for issuing and reviewing stanbys, and for proceeding with presentation when collection is necessary.

51. What problems most commonly arise with a Letter of Credit process?

Problems with the letter of credit

- Documents required by the credit are missing.
- Documents required to be signed are not signed.
- The credit amount is exceeded.
- The credit has expired or the documents are presented late.
- Shipment was short or late.

Problems with bill of lading

- The bill of lading is "unclean". For example, it has comments on it relating to damage or other deficiencies in the goods.
- A marine bill of lading is required but the bill does not state that the goods were "shipped on board" a named vessel.
- The bill of lading shows shipment between ports other than those specified in the credit.
- The bill of lading shows that the goods were shipped on deck. This is normally forbidden unless the credit explicitly allows it.
- The bill of lading offers no evidence that freight was paid by the exporter (if this was required). There is no endorsement (if endorsement is necessary).

Problems with insurance

- The insurance document is not of the kind specified in the credit (e.g. a certificate of insurance is produced while the credit calls for a policy).
- The insurance risks are not those specified in the credit.
- Insurance cover is expressed in a currency other than that of the credit. This is forbidden, unless the credit explicitly allows it.
- The sum insured is below the figure required.
- Insurance cover does not begin on or before the date of the transport document.

Inconsistencies among the documents

- Description of the goods on the invoice and in the credit are different.
- Weights differ between two documents.
- Marks and numbers differ between two documents.

Exporters should remember that it is vital to check the letter of credit when they receive it and to ask the buyer to amend the credit if they think they will have any difficulty in complying with its terms.

However, it is surprising to note that many exporters in Mauritius do not comply with the usual terms associated with L/Cs and almost all of the irregularities mentioned above are often encountered. Yet, some buyers do pay for the goods although not all the terms and conditions have been followed. The main reason is the long-standing relationship that characterise the typical Mauritian exporter and the foreign buyer.

Nevertheless, poorly completed documentation can have serious consequences in terms of costs. And very often, these costs end up being paid by the exporter.

The costs are of three main types:

- The cost of interest charges incurred by exporters as a result of delays in receiving payment.
- The costs of putting the problem right, such as telephone bills, bank charges for amending the letter of credit.
- The cost of the relationship between the exporter and the customer. More often than not, a new customer will be so upset by poor documentation and the problems that it causes that he or she might be reluctant to do further business with the exporter concerned.

52. How can an exporter ensure payment against a Letter of Credit?

The letter of credit, and particularly the documentary irrevocable letter of credit, is considered as being one of the safest methods of international trade payment. The letter of credit is an agreement by a bank to pay money to an exporter against documents presented. Provided that the documents are correct, the bank is obliged to pay, whatever the disputes between the exporter and the buyer may be. However, the bank will only pay if the documents are exactly in line with the buyers' instructions. It is for this reason that the exporter must be thorough while reviewing letters of credit and meticulous in providing the documents required by the bank. In some countries, there are so many exporters that experience major problems when presenting documents for the first time that about 50-90% are rejected on the first presentation. To prevent this from happening, exporters should do the following:

- Cross-check all terms with the foreign buyer in order to clearly and completely define which documents should be presented before the L/C is used;
- Ensure that every word in the documentary credit is related to and checked against the documents;
- Check whether the documents are consistent with one another, and that they have been drawn up in compliance with the International Chamber of Commerce's (ICC) *Uniform Customs and Practice for Documentary Credits;*
- Present documents well before the relevant time limits; and
- Make sure that any corrections are authenticated by the issuer.

The exporter can be protected against the risk of default by the bank issuing the L/C by asking another bank in the exporter's country to add its confirmation to the L/C. Once this confirmation is added, the confirming bank gives an assurance similar to that of the issuing bank. The exporter has a double assurance of payment. The exporter should bear in mind that this bank will be willing to add its confirmation only if the L/C is irrevocable and freely negotiable.

53. For what other purposes can a Letter of Credit be used?

Letters of credit, and in particular irrevocable documentary letters of credit, are often used as a basis to obtain trade finance support.

There are normally two methods available to an exporter to get financing at pre-shipment stages. These are the anticipatory letter of credit or red clause credit, and packaging letter of credit or green clause credit.

Anticipatory letter of credit. Also known as red clause credit, the anticipatory letter of credit is credit granted against L/Cs which contain a "red" clause. A red clause L/C is a normal L/C which contains a special clause authorising the negotiating/advising or confirming bank to make immediate payment to the exporter in full or in part of the amount of the L/C, or to make payment to the exporter from time to time as per L/C terms and against specified documents and/or fulfillment of any special conditions mentioned in the contract. The red clause L/C must be irrevocable.

Packaging letter of credit. Also known as the green clause credit, this covers an advance granted by a bank against a L/C not containing a red clause. These advances are made in different forms such as loans, overdrafts or cash credit.

Post-shipment financing. According to typical export contracts, if payment is not due on presentation of the document, but 60 or 90 days later, the exporter can discount the L/C at the bank. Since irrevocable documentary letters of credit are considered secure, banks and other specialised financial institutions are usually willing to discount them on favorable terms.

RESOURCES

Standby and Commercial Letters of Credit (No. 923) ($159.95)
ICC Publishing
38, Cours Albert 1er,
75008 Paris,
France
Tel: +33 (1) 49 53 29 23 or 49 53 28 89
Fax: +33 (1) 49 53 28 62
Email: pub@iccwbo.org
Website: www.iccwbo.org
In addition to presenting the numerous current uses of standby letters of credit and international guarantee, this book provides step-by-step procedures for issuing and reviewing standbys, and for proceeding with presentation when collection is necessary.

54. Are there schemes regarding export financing?

Apart from traditional methods of financing by debt and equity, there are a number of other methods of financing, and in particular export financing, that are available to exporters in Mauritius. The following gives the main methods available:

Export Credit Guarantee and Insurance Schemes.

The Export Credit Guarantee Scheme of the Development Bank of Mauritius (DBM) (see question 6 for contact details) aims at covering the loss to a commercial bank that may arise from the failure of the exporter to repay the guaranteed advances because of protracted default to pay or insolvency.

DBM also runs an Export Credit Insurance Scheme which aims at protecting exporters against loss, after the export of goods, that may arise due to:

— commercial risks, e.g. insolvency of the buyer or his protracted default to pay;

— country (or political) risks, e.g. Government action in the buyer's country which delays or blocks the transfer of payments.

Further information regarding Export Credit Insurance can be obtained at question 57.

Working Capital Scheme

This is another scheme operated by the Development Bank of Mauritius (see question 6 for contact details) whereby exporting SMEs facing working capital constraints can obtain a loan of up to a limit of Rs1,000,000 at attractive interest rates. Contact DBM for further information.

Investment Insurance

This type of insurance is offered to exporters investing in foreign countries. The Multilateral Investment Guarantee Agency (MIGA), a member of the World Bank Group, offers this type of insurance. The risks insured are:

— Expropriation without proper compensation

— Loss or damage due to war, civil unrest in the host country or the inability of the firm to operate as a result of these events

RESOURCES

Financing Means & Sources - A guide to Financing Export Projects
1995
International Trade Centre UNCTAD/GATT
Palais des Nations,
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org
Focuses on means and sources of export project financing as well as ways of determining a project's optimal capital structure and ensuring its liquidity.

The Financing of Exports
International Trade Centre UNCTAD/WTO
Palais des Nations,
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org

— Transfer restrictions on capital, dividends, interest and fees from the host country, provided these transfers were permitted before the investment was made

For further information regarding this scheme, contact MIGA, 1818 H Street, N.W. Washington D.C. 20433, U.S.A. Tel: (202) 473-6167, Fax: (202) 522-2630, Url: http://www.miga.org

Lease financing

A lease is a contract whereby an asset is supplied by one party (called the "lessor"), who is the owner of the asset, to another party (called the "lessee") for a specified period, in return for a periodic compensation (lease payment). The lessor retains title to the asset; the lessee acquires the right to use the asset without acquiring ownership rights.

For many projects, like small export projects, the purchase of assets is often not economic. In these cases, leasing can be cheaper and as effective. For example, an export project at its initial stage may find it more appropriate to lease an item of equipment until it gains a foothold firm enough to justify the outright purchase of the asset.

It should be noted that leasing carries a number of advantages but also some disadvantages. A list of companies that carry out lease financing in Mauritius is presented at Annex 12.

55. What foreign exchange risks does the exporter face?

The exporter faces two kinds of foreign exchange risks. The first is the risk of depreciation (loss of value) of the foreign currency in which an exporter has invoiced the export contract. If the currency depreciates the exporter will receive less money in the home currency. The second is the risk of appreciation of the foreign currency in which the exporter holds a due. This would effect the exporter's product by making it more expensive abroad. The categories of foreign exchange risks are briefly described below.

Economic currency risk. This occurs as a result of changes in real exchange rates. Economic currency risks are not directly accounted for in the financial statement of an exporter. Fluctuations of this sort have indirect financial effects as export transactions or sales may not take place as a result of the loss of competitiveness (i.e. economic currency risks prevent sales from taking place). Economic currency risk has effects across the board, irrespective of the currency in which the quotations or the sales are being made. Factors like the strength of competitors' currency, relative costs and prices in each country, business structures, etc., all lead to economic currency risks.

Trading risk. This occurs because there is an appreciation or depreciation in the currency in which purchases or sales are made. If the currency of the importing country appreciates, the exporter stands to gain. Trading risks occur either because the currency in which pricing was quoted is not the currency in which costing is done, or because an assumed (future) exchange rate is used at the time of the pricing decision. However, because of the time lag between the pricing decision and the conversion of the sale proceeds into the currency in which costing is done, the assumed rate can be different from the actual exchange rate.

RESOURCES

Exchange Arrangements and Exchange
Annual report from the International Monetary Fund
700 19th Street NW
Washington DC
20431 USA

56. How can foreign exchange risks be covered?

Planning for, or covering, the foreign exchange risk is termed as "hedging" the risk. Hedging techniques seek to reduce the currency risk by taking some form of compensatory action. Some hedging techniques are described below.

Forward cover. This is an agreement to exchange two currencies at a stipulated future date at a rate that is determined when entering into the cover. Forward contracts are known as outright contracts and are used for reducing trade risks. However forward contracts are time-bound and do not have an exit option.

Option forward. The option forward contract is a little more flexible since it gives the right to undertake a particular exchange rate transaction at anytime during a fixed period. The exporter is protected if the rate changes unfavourably and can benefit from any gain if the rate changes favorably.

Borrowing the exposed currency. Currency borrowings are more flexible than forward contracts, especially for small contracts. The borrowing can be for more flexible periods, with variable interest rates rather than fixed rates. The conditions for rolling over also tend to be more flexible than for forward contracts.

Creating additional assets in the exposed currency. One way of creating additional assets is to trade in financial futures or currency futures. A currency future contract is an obligation to sell or purchase a currency at a fixed price at a predetermined rate. Futures trading is done in standard units. Maturity dates also tend to be standardised and are not flexible.

Swaps. In a swap transaction of the simplest type, a currency is purchased in the spot market and simultaneously sold in the forward market. Conversely, the currency can be sold in the spot market and purchased in the forward market.

Matching liability. This technique seeks to make inflows of currency equal to outflows to reduce translation risks by borrowing in the same currency and in the same amount as the exporter's assets. Thus if the dollar value of the asset declines, the exporter's dollar liability declines as well, thereby maintaining balance sheet values at existing levels.

Discounting, factoring and forfeiting. As a hedging technique, discounting is similar to borrowing in foreign currency or a forward contract. If the shipment is on an open account basis where there are no bills that can be discounted, the invoices can be presented to a factor who would pay the exporter on maturity or prior to maturity, at a discount. Factoring tends to be more expensive than forward contracts and is not often used as a hedging device. Forfeiting is similar to discounting and factoring, except for the fact that forfeiting involves medium- and long-term bills of exchange and not short-term ones. Forfeiting is used more as a tool to avoid credit risk than as a hedging tool.

Mauritian enterprises do not generally make use of the different techniques described above, although most of our exports are denominated in euros while we pay our imports in dollar terms. Of the above techniques, borrowing in the exposed currency and matching liabilities are the most common in Mauritius.

In any case, advice should always be sought from banks (see list at Annex 5) regarding foreign exchange risks exposure and ways of mitigating the relevant risks.

RESOURCES

Managing exchange rate risks
International Chamber of Commerce
ICC Publishing
38, Cours Albert 1er,
75008 Paris,
France
Tel: +33 (1) 49 53 29 23 or 49 53 28 89
Fax: +33 (1) 49 53 28 62
Email: pub@iccwbo.org
Website: www.iccwbo.org

57. What is an export credit insurance & how can it be useful?

Besides basic risks of fire, theft, etc., exporters face commercial as well as political risks. An outbreak of war, restrictions on remittances and a moratorium on payments to foreign firms can block or delay the payments of the goods exported. There are also commercial risks of the buyer going insolvent. In order to protect the exporter from such risks, insurance of shipments is an absolute necessity.

Export credit can be beneficial to exporters as a cover against the risk of non payment. It may also facilitate and stimulate the extension of export credit by financial institutions. The insurance policy can be pledged as a collateral when applying for credit. The bank will be encouraged to provide credit at reasonable costs as the risks involved in the export transaction have been reduced.

Export credit insurance is frequently mentioned in connection with export credit guarantees which are issued by specialised financial institutions to facilitate access to credit. Such guarantees do not involve the actual provision of funds, but rather provide safeguard to the banks against losses from the export transaction they are asked to finance.

The most widely used types of export credit insurance are described below.

Short-term export credit insurance. This provides credit at the pre and post shipment stages, for credits not exceeding 180 days.

Medium to long-term export credit insurance. This type of insurance is issued to cover exports of goods and services for credits extending for long periods (up to three years or longer).

Exchange risk insurance. This covers against the fluctuation of exchange rates affecting negatively the value of credit designated in a foreign currency.

In Mauritius, the Development Bank of Mauritius (DBM) (see question 6 for contact details) operates both and Export Credit Guarantee Scheme and an Export Credit Insurance Scheme.

Further information on this issue can be obtained at:

The Functional Advisory Services Section
Division of Trade Support Services
International Trade Centre UNCTAD/WTO
Palais des Nations
1211 Geneva 10
Switzerland

Tel: (41 - 22) 730 01 11
Fax: (41 - 22) 733 44 39
Email: itcreg@intracen.org

RESOURCES

Export Financing
1974
International Trade Centre UNCTAD/GATT
Palais des Nations,
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org

SECTION 10

TRANSPORTATION AND DOCUMENTATION

58. What is the best way to ship products?

All transportation methods have some advantages and disadvantages. The decision depends on the product, the exporter's needs and preferences of the importer. Price, delivery deadlines and special needs of the of the product are factors to bear in mind. The main transportation methods are:

Maritime transportation. The main inconvenience of maritime transportation is that it is slow, and therefore may not be the most convenient method when transporting perishable products that have a high value relative to weight and/or volume of goods, or if it is an urgent delivery. This method of transportation is commonly used by Mauritian exporters mainly when exporting to European and North American markets.

Air transportation. This secure and very fast method which usually needs little packaging. This method, often dismissed by SMEs in developing countries as being too expensive can be highly cost effective for transporting high value/low volume goods. Much of our exports to countries in the Indian Ocean sub-region (Reunion, Madagascar, etc.), are undertaken by this method of transportation.

Road transportation. Direct transportation is allowed from the supplier's to the buyer's warehouses. It also heightens security and assures the greatest degree of flexibility. This method of transportation is normally fast and safe, the prices do differ greatly.

Inland waters transportation. This method is safe yet slow and inflexible, but can be inexpensive if a minimum quantity of cargo is carried.

Rail transportation. It is slow and inflexible and requires a certain number of containers before shipping. However, this method is also safe and secure, and allows an exporter to ship large quantities at relatively inexpensive rates.

Multi modal transportation. This is a combination of two or more of the methods described above. The use of containers is the preferred method of transportation.

RESOURCES

UNCTAD/ICC Rules for Multimodal Transport Documents
ICC Publishing
38, Cours Albert 1er,
75008 Paris,
France
Tel: +33 (1) 49 53 29 23 or 49 53 28 89
Fax: +33 (1) 49 53 28 62
Email: pub@iccwbo.org
Website: www.iccwbo.org

www.cargoweb.nl *contains information on suitable transport facilities by country.*

59. What is a freight forwarder and what is a customs broker?

Freight forwarders (see list at question 61) are agents who arrange land, sea, and air transportation of goods. They complete all procedural and documentation formalities involved in custom and port clearance on behalf of the shipper, and arrange for warehousing of cargo before shipment of export cargo. Some freight forwarders also undertake consolidation of shipments, which enables them to obtain preferential freight rates from the shipping line or airline.

Freight forwarders also assist the exporter in a number of ways. They assist in selecting economical shipping routes, in arranging packaging and marking of shipments, in preparing shipping and regulatory documents, in delivering goods to carriers, in collecting transport documents, in arranging insurance and processing claims, in booking shipping space and in providing advice on the relative costs of sending goods by sea and air.

Because of the variety of factors involved in the physical export process, new and experienced exporters rely on international freight forwarders to perform these services. Essentially, the freight forwarder acts as an agent for the exporter in moving cargo to the overseas destination. These agents are familiar with import rules and regulations of foreign countries, methods of shipping, government export regulations and the documents of foreign trade.

Freight forwarders can assist with an order from the first step by advising the exporter of the freight costs, port charges, consular fees, cost of special documentation, and insurance costs as well as their handling fees - all of which help in preparing price quotations. Freight forwarders may also recommend the type of packaging for best protection of the merchandise in transit; they can arrange to have the merchandise packed at the port or containerised. The cost for their services is a legitimate export cost that should be accounted into the price charged to the customer.

When the order is ready to be shipped, freight forwarders should be able to review the letter of credit, commercial invoices, packaging list, etc. to ensure that everything is in order. They also reserve the necessary space on board an ocean vessel. If the cargo arrives at the port of export and the exporter has not done the needful to comply with customs export documentation regulations, freight forwarders may make the necessary arrangements with customs brokers to ensure this. In addition, they may have the goods delivered to the carrier in time for loading. They may also prepare the bill of lading and any special required documentation. After shipment, they forward all documents directly to the customer or to the paying bank.

As opposed to freight forwarders, customs brokers ("courtiers maritime") are only concerned with completing all procedural and documentation formalities involved in custom and port clearance on behalf of the shipper.

RESOURCES

Training handbook on export documentation
1994
International Trade Centre
Palais des Nations,
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org
Training manual on preparation of trade documents in the context of export operation - discusses procedures relating to certificate of origin, commercial invoice, letter of credit, etc.

60. How should an exporter select a freight forwarder?

Before selecting a freight forwarder, the export should answer the following questions:

— What is the general reputation of the forwarder?
— Is it possible to build a relationship with the forwarder?
— Does the freight forwarder's size, system and specialisation match the enterprise's needs?
— Is the freight forwarder reliable?

61. Who are the freight forwarders in Mauritius?

Best Cargo Ltd.
3rd Floor, Aba Bahemia Bldg.
28 Corderie Street
Port Louis
Tel : 212 1650 Fax: 208 4633

Cargo Express Co. Ltd.
40 Farquhar Street
Port Louis
Tel : 240 5021 Fax : 240 0401
E-mail: cetntmru@bow.intnet.mu

Cargo Line Ltd.
24 Arsenal Street
Port Louis
Tel : 242 1360/1 Fax: 240 9174
E-mail: carline@bow.intnet.mu

Clasquin Ltd.
Freight Forwarding Centre
Plaine Magnien
Tel : 637 3230

DHL (Mauritius) Ltd.
Cnr. Mgr Gonin & Sir Virgil Naz Streets
Port Louis
Tel : 208 7711/2/3/4 Fax: 208 3908

Freight Masters International Ltd.
Rogers House
5 Pres. J Kennedy Street
Port Louis
Tel : 208 0366 Fax: 212 0194

Freight & Transit Company Ltd
12 Royal Road
Pointe aux Sables
Tel: 234 4928 Fax: 234 4060

Happy World Cargo Ltd.
28 Remy Ollier Street
Port Louis
Tel : 242 8009 Fax: 242 8670
E-mail: hwcgo@bow.intnet.mu

International Express Forwarding Ltd.
13 Leoville l'Homme Street
Port Louis
Tel : 242 9861 Fax: 242 9860

IKS Cargo Ltd.
IKS Building
Cnr Farquhar & La Paix Streets
Port Louis
Tel : 242 1300 Fax: 240 4435

Ireland Blyth Limited
10 Dr Ferriere Street
Port Louis
Tel : 208 2811 Fax: 208 1014

Jet-Freight Services Ltd
Quay D Road
Port Louis
Tel: 242 9050 Fax: 241 9784

Mauritrans International Co. Ltd.
IKS Cargo Termincal Bldg.
Port Louis
Tel : 240 8689 Fax: 240 4929

Nakufreight (Mtius) Ltd.
1 Military Road
Port Louis
Tel : 242 1020 Fax: 242 1021
E-mail: naku@intnet.mu

Nantai Shipping Enterprises Ltd.
IKS Building
Corner Farquhar & La Paix Streets
Port Louis
Tel : 240 8689 Fax: 240 5305

Nundanee Trading Ltd.
110 St Jean Road
Quatre Bornes
Tel : 464 7835

Plaisance Air Transport Services Ltd.
Rogers House
5 Pres J Kennedy Street
Port Louis
Tel : 208 6801 Fax: 208 1022
Freight Forwarders Centre
Plaine Magnien
Tel : 637 3230 Fax: 637 3437

Ready Cargo Ltd.
34 De Courcy Street
Port Louis
Tel : 212 3193
Rogers & Co. Ltd.
President John Kennedy Street
Port Louis
Tel : 208 6801 Fax: 208 1022

Seacon Maritime Ltd.
7 Remy Ollier Street
Port Louis
Tel : 211 0210

MAURITIUS RESEARCH COUNCIL

Somatrans / SDV
Société Mauricienne de Transit et de Transport
2nd Floor, Dragon House
Pump Street
Port Louis
Tel : 242 6217 Fax: 210 4748

Speedfreight Limited
1st Floor, Dragon House
Pump Street
Port Louis
Tel : 241 9202 Fax: 241 9215
E-mail: unsh@bow.intnet.mu

Transworld Cargo Ltd
Rogers Industrial Zone 2
Riche Terre
Tel : 248 1819 Fax: 248 0038
E-mail: twcrt@bow.intnet.mu

Universal Development Corporation Ltd.
9 Brown Sequard Street
Port Louis
Tel : 212 0237 Fax: 208 0235

62. Who is responsible for force majeure, damaged, or missing goods?

Despite the best of intentions, certain supervening circumstances may make it impossible for the exporter or importer to fulfill obligations under the contract. Force majeure (or excuses for non-performance) are contractual provisions which address the relief which may be available to either party to a contract in the event of supervening circumstances taking place after the conclusion of a contract. The types of events and circumstances which can be agreed upon between the exporter and importer must be listed in the contract. Typical of force majeure events listed in many international contracts are: war (whether war is declared or not), riots, insurrections, acts of sabotage, strikes or other labour unrests, fire, explosion or other unavoidable accidents, floods, storms, earthquakes or other abnormal natural events.

The use of particular Incoterms in the contract will determine where delivery is made by the seller to the buyer, as well as where risks are transferred from the seller to the buyer. In case of a CIF Incoterm, the transfer of risks takes place when the goods pass the ship's rail at the port of shipment. Thus, the risk of any loss or damage to the goods after this point (e.g. on the sea voyage) falls on the buyer. This is even though, as under the CIF term, the seller pays for the ocean freight and marine insurance.

At various stages of transit, goods pass through the custody of several different intermediaries including: agencies, carriers, ports and customs authorities. The intermediary holding possession of the goods, at that moment, may be found liable to pay damages to the cargo owners if there is loss or damage to the goods.

However, an intermediary cannot be held responsible for loss of cargo due to natural disasters, war or strikes. Also, if an intermediary exercised suitable care in keeping the goods, he or she is not liable to pay for the loss. In such cases, the cargo owner suffers the loss.

RESOURCES

Force Majeure and Hardship (no. 421)
ICC Publishing
38, Cours Albert 1er,
75008 Paris,
France
Tel: +33 (1) 49 53 29 23 or 49 53 28 89
Fax: +33 (1) 49 53 28 62
Email: pub@iccwbo.org
Website: www.iccwbo.org

Ports of the World: A Guide to Cargo Loss Control
CIGNA Corporation
P.O Box 7716,
Philadelphia,
Pennysylvania
19192-2096 USA

Recommendations on the Transport of Dangerous Goods
International Trade Centre UNCTAD/WTO
Palais des Nations,
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org

63. What is the frequency of flights from Mauritius towards the destination country?

Airlines that operate in Mauritius regularly send flight schedules to local freight forwarders to inform them of inbound and outbound flights over a certain period, usually a week. These schedules can be obtained through the forwarders.

Annex 13 gives the frequencies of different air connections from Mauritius.

64. What is the frequency of sea transportation?

Marine Lines operating in Mauritius regularly send sea schedules to freight forwarders informing them of the schedules of their vessels. The dates of arrival of their vessels at different destinations are mentioned in these schedules. Freight forwarders (see list at question 61) compile the information from the different sources and regularly issue shipping schedules that display valuable information on the vessels, the dates of arrival at ports, destinations (including transshipment), cut off times for containers, and contact details for bookings.

65. What are the sea and air freight rates in Mauritius?

Annexes 14 and 15 give an indication of air and sea freight rates that are applied in Mauritius. Note that rates can be subject to particular contracts with the carrying vessels. Exporters are encouraged to contact freight forwarders who can assist in selecting the most economical routes and negotiate with the carriers.

66. What is consolidation?

Many exporters, and in particular SMEs, often export goods in quantities that are not large enough to fill a container. In these cases, some freight forwarders can arrange for goods from different exporters, including households, to be grouped together in a single container for export. The freight forwarders also make appropriate arrangements with shipping lines and airlines. Given that special rates are given by the shipping lines and airlines for consolidation, the latter mode of sending goods overseas can generate substantial savings for exporters.

67. What are the different shipment documents that constitute a correct export documentation?

Apart from the Letter of Credit, the main documents required in most export transactions (as required to obtain payment against the L/C), details of which follow, are:

- Commercial invoice
- Packing list
- Certificate of origin
- Insurance Policy
- Carrier's declaration (or consignment note) - Airway bill / Bill of Lading
- Inspection certificate
- Export permit

The **Commercial Invoice** is the key document in any commercial transaction and one that must be prepared by the exporter. In effect, it describes the goods which form the basis of the transaction.

A number of checks should be performed to assess the correctness of the Commercial Invoice. It must contain information that is present in the consignment note and other documents. The description of the goods in the invoice should be the same as that in the letter of credit (L/C). To avoid conflicts in description, it is good practice to keep the description in the letter of credit as short as reasonably possible. The same number of copies should be submitted to the bank as are required in the letter of credit. The invoice should be made in the name of the buyer or the person mentioned in the credit. The description marks, number of packages, and weight in the invoice should conform to those appearing in the bill of lading (B/L). The basis of pricing (e.g., FOB, CIF) should be specified in the letter of credit. The amount on the invoice should not differ from the amount mentioned in the draft drawn under the terms of credit.

The **Packing List** relates closely to the invoice and normally accompanies it at all times. Like the invoice, it should be as comprehensive as possible. It provides details of the weights and measurements of each package in the consignment. It is an essential document for customs authorities in carrying out their inspection and for the customer in identifying the contents of the shipment.

The **Certificate of Origin** is a document that declares the nature of the goods it covers, together with their place of manufacture. It is normally completed by the exporter, often on a form prescribed by the country of importation. For further information regarding certificates of origin issued in Mauritius, see question 27.

RESOURCES

Clean Transport Documents
International Chamber of Commerce
ICC Publishing
38, Cours Albert 1er,
75008 Paris,
France
Tel: +33 (1) 49 53 29 23 or 49 53 28 89
Fax: +33 (1) 49 53 28 62
Email: pub@iccwbo.org
Website: www.iccwbo.org

Training handbook on export documentation
1994
International Trade Center
Palais des Nations,
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org

Instead of taking out a separate **Insurance Policy** for each shipment, regular exporters usually take out marine insurance policies to cover all their exports. Each time the exporter prepares a set of documents for the shipment, he or she also prepares and insurance certificate on forms supplied by the insurer. At the end of each month, the exporter sends his insurer a summary of all the shipments made during the month.

Banks accept only a "policy of insurance" while a "certificate of insurance" or a broker's certificate is accepted only when permitted in the L/C. The insurance policy should cover the required risks for a sufficient amount. The exporter should ensure that when using a CIF or CIP Incoterm in the price quotation, he arranges and pay for the insurance for the main carriage as a % of the CIF or CIP value. If it is not this value, banks often refuse to accept the insurance document.

The insurance policy should be taken out in the name of the shipper and the policy should be endorsed in blank, except when stipulated to the contrary. It should be negotiable and countersigned /endorsed, unless specified to the contrary. The insurance policy should mention the name of the vessel carrying the exported goods and should be same as mentioned in B/L. The description of the goods should correspond with that in the B/L or the invoice, and the place of payment of claim should be same as that in the L/C.

The **Air Consignment Note** or **Airway Bill** is a receipt issued and signed by an airline or its agent for the carriage of goods. Goods are delivered to the consignee after he or she is able to identify himself or herself as the party named in the airway bill. It is therefore desirable to consign the goods in favour of the foreign correspondent bank as it will enable the exporter to retain control over the goods until the payment is made and documents are accepted for payment. The airway bill should be dated and presented within two or three days from the date of shipment or within such period from date of issue as stipulated in the credit. The airway bill is issued in three originals and nine copies. Only the second original goes to the buyer. Sometimes a L/C calls for "a full set of original airway bills": this is obviously a mistake - the seller cannot provide the complete set. This is a point exporters should watch for in examining a letter of credit (L/C). The details of shipment such as description of the goods, weight, quantity etc. must be stated in the airway bill (AC Note). It should also state whether freight has been 'prepaid' or 'to pay' and mention the airport of discharge.

The **Bill of Lading (B/L)** is a receipt for goods shipped on board a vessel and is a document of the title to the goods which are the subject of the contract between the buyer and the seller. Two types of B/L exist: a straight bill of lading which is non-negotiable and the negotiable / shipper's order bill of lading which can be bought or sold or traded while goods are in transit and is used for letter of credit transactions. The customer needs a copy as proof of ownership to take possession of the goods.

The date of the B/L should not be later than the shipping date specified in the letter of credit. The port of shipment and destination mentioned in the L/C should be strictly followed in the B/L. The B/L should be presented to the bank at a date which makes it possible for the bank to dispatch it in time to reach the port of discharge from the vessel carrying the export merchandise. The description of goods, number of packages etc. in the B/L should correspond to those given in the invoice. The B/L should only be for the merchandise stipulated in the L/C, and it must show that the merchandise has been loaded on board (unless waived by credit terms) and that 'on board notation' must be dated and signed. The B/L must be signed by the shipping company or its authorised agents. A B/L issued by forwarding agents is not acceptable. If the B/L is made out in the name of the buyer or the foreign bank opening the credit as consignee then no one else can take delivery.

Some purchasers and countries may require a **Certificate of Inspection** attesting to the specifications of the goods shipped, usually performed by a third party and obtained from independent testing organisations.

An **Export Permit** is an authorisation permit to export goods. It is required only when exporting a list of products as stipulated under the Consumer Protection (Price & Supplies Control) Act. Refer to question 16 for further details and Annex 7 for the list of products requiring an export permit.

Moreover, before the goods are exported, a **Bill of Entry** (export) has to be processed by the Customs Department. The Bill of Entry gives all particulars about the export of a consignment of goods, such as description and quantity of goods, price, total amount, name of vessel for shipment, and place of destination. In Mauritius, submission of this document is made electronically through EDI under the management of the "Mauritius Network Services".

Exporters from Mauritius generally prepare the Commercial Invoice as well as the Packing List themselves. Freight forwarders often take care of the remaining procedural and documentation formalities on behalf of the exporter.

68. Which institutions can help in completing the required documentation?

As mentioned in question 59 above, freight forwarders usually assist the exporter in completing all the required documentation. However, institutions like the Ministry of Industry, Commerce and International Trade and the Mauritius Chamber of Commerce and Industry, also help exporters in that respect. For related issues, exporters can contact:

The Senior Trade Officer
Foreign Trade Division
Ministry of Industry, Commerce and International Trade
4th Floor, Anglo-Mauritius building
Port Louis
Tel: (230) 208 0765
Fax: (230) 208 7325

The Trade Promotion Officer
Mauritius Chamber of Commerce & Industry
3, Royal Street
Port Louis
Tel: (230) 208 3301
Fax: (230) 208 0076
Email: mcci@intnet.mu
Url: http://www.mcci.org

69. What is Pre-shipment inspection (PSI) and when is it required?

Pre-shipment inspection (PSI) refers to the employment of specialised private companies to check shipment details.

This type of inspection is carried out to ensure that the goods in question fully meet the contractual requirements of the importer with regard to price, quantity, quality and customs classification.

The use of PSI services for mandatory physical inspection and verification of prices is seen as most effective in preventing capital flight through over-invoicing and the loss of customs revenue through under invoicing by traders, and thus safeguards national financial interests. However, many view it as constituting a disguised Non-Tariff Measure (NTM).

The Agreement on Pre-shipment inspection, which forms part of the WTO Agreements, recognises that GATT principles (see questions 87 and 88) apply to the activities of preshipment agencies mandated by governments. It contains obligations such as non-discrimination placed on governments and on exporting members.

RESOURCES

Business guide to the Uruguay Round
International Trade Centre UNCTAD/WTO - Commonwealth Secretariat
Palais des Nations,
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org

70. What are the main organisations that undertake pre-shipment inspection services in Mauritius?

The two main independent organisations that undertake pre-shipment inspection services in Mauritius are:

1. **SGS I. F. Inspection Services Ltd.**
   Ireland Blyth Complex
   Cocoterie Road
   Port Louis
   Tel: (230) 242 2558 / 242 0970
   Fax: (230) 242 00 40 / 242 8782
   Email: sgsifis@intnet.mu

2. **Bureau Veritas S. A. Mauritius**
   Rooms 613, 614, 615
   6th Floor, Saint James Court
   Saint Denis Street
   Port Louis
   Tel: (230) 210 6103/211 2430
   Fax: (230) 210 5941
   Email: veritas.maurice@intnet.mu

71. Must goods be insured for shipment?

An international sale always requires insurance covering goods during carriage. Depending on the terms of delivery used in the contract, the importer/buyer or the exporter/seller will arrange the insurance. For example, under a CFR contract, the responsibility of arranging insurance rests with the buyer. Under a FAS contract, the seller is obligated to bring the goods to the side of the ship whereupon the insurance responsibility shifts to the buyer who arranges for the shipment and insurance of the goods.

Should an exporter be in doubt as to whether a particular shipment is insured, and written confirmation that their consignees or their agents are arranging insurance cannot be obtained before shipment, the exporter is strongly advised to arrange insurance even at the risk of insuring his goods twice.

It is important to obtain insurance to cover against usual risk, such as fire, sea storm, error of navigation, etc. The insurer will create the contract based on the terms of the contract of sale and will reflect standard policies used worldwide.

It should be noted that if a CIF or CIP Incoterm (2000) is used in the contract and a letter of credit is the specified term of payment, the seller is responsible for arranging and paying the insurance for the main carriage on 110% of the CIF or CIP value.

SECTION 11

PACKAGING AND LABELLING

72. What type of packaging does a product need?

Packaging protects and stores goods before, during and after shipment. When products are being packaged, their peculiar characteristics must be kept in mind. Different products need different treatment. Product factors to consider when deciding upon the best type of packaging include:

- fragility
- durability
- resistance to abrasion
- value
- susceptibility to moisture
- chemical reactions such as oxidation and corrosion
- chemical stability
- deterioration or shelf life

The mode of shipment will determine what type of packaging to use. For example, air shipments require lighter packaging than do ocean shipments. For both ocean and air shipments, freight forwarders can provide the best information on packaging.

To avoid pilferage in foreign ports, it is best to use plain packaging devoid of logos and brand names which advertise what is inside the package. It is best to make the external packaging as plain as possible to make the package less susceptible to tampering.

Various precautions should be taken by an exporter while packaging products. In specifying the packaging requirements, the exporter must conform to the customer's requirements, international packaging standards, and specific standards and regulations applicable in the market concerned. ISO, AFNOR (France), DIN (Germany), BS (UK), ASTM and ANSI (USA) standards are available.

To avoid misunderstanding with the customer, the contract should specify the type of packaging to be used to protect the goods during handling, transport and storage.

For exceptional export shipments, approval of the packaging and loading by an expert may be advisable. A fully documented dossier is needed, with particulars of the insurer, commercial description of the goods packed, premises where packed, details of products and packaging, modes of transport, handling and storage facilities.

RESOURCES

Packaging, Handbook of Food
Blackie Academic and Professional
2-6 Boundary Row,
London,
SE 1 8 HN,
United Kingdom

Packaging Technology, Fundamentals of (US$195)
Institute of Packaging Professionnals
P.O Box 979
Herdon
Virginia
22070-0979
USA

73. What type of labeling does a product need?

In exports, labeling is used:

(i) to meet shipping regulations
(ii) ensure proper handling, and
(iii) help receivers identify shipments.

There are a number of internationally recognised symbols that are used to label products (see Annex 16). In all cases, these symbols should be marked clearly, and preferably in the language of the port of destination. Freight forwarders can provide guidance on the appropriate symbols for the shipments.

Marking the packed consignment is essential for proper identification. The marks and other information needed are as follows:

- Shipper's mark
- Importer's mark as mentioned in the letter of credit
- Destination and port of entry
- Order number
- Country of origin
- Port of shipment and places of dispatch
- Gross and net weights, cubic measurement
- Number of packages, and size of cases
- Handling instructions conveying special precautions, including symbols thereof

RESOURCES

Export Packing Notes
International Trade Centre UNCTAD/WTO
Palais des Nations,
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org

International Cargo Handling Association
International Trade Centre
Palais des Nations,
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org

74. What are the packaging requirements regarding textiles products?

As a result of modern packaging materials being highly developed to perform a specific range of functions, like packaging textiles products, the production of these materials, their use and particularly their disposal create an impact on the environment. Currently, waste disposal is the major perceived environmental problem associated with the packaging materials used by the industry.

It is therefore vital that exporters make sure that the packaging of their products complies with the waste management policies in target markets. The overall trend in Europe and North America is facilitating re-use and recycling of packaging through incentives and disincentives, such as taxes and levies, and through mandatory or voluntary restraints.

The European directive 94/62/EC on packaging and packaging waste was published in 1994. The objective of the directive is twofold:

— to harmonise the differences between national legislations concerning packaging and packaging waste and to decrease their impact on the environment, without raising international trade barriers.

— to set measures regarding the prevention of packaging waste, the re-use of packaging and the recycling and recovery of packaging waste.

The packaging directive is binding for all member states of the European Union with regard to the effect to be achieved, but leaves some freedom as to the exact form and methods which are used by the member states to attain the desired effect.

Exporters are strongly advised to inform themselves of the national legislations of importing countries in this respect. The major freight forwarders in Mauritius (see question 61) can assist them for that matter.

RESOURCES

Eco-labelling and other environmental quality requirements in textile and clothing: implications
International Trade Centre UNCTAD/WTO
Palais des Nations,
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org

Environmental quick scan: textiles
Centre for the Promotion of Imports from developing countries (CBI)
P.O. Box 30009,
3001 DA Rotterdam
The Netherlands
Tel: (31) 10 2013434
Fax: (31)10 4114081
Email: cbi@cbi.nl, Url: www.cbi.nl
Overview of environmental legislation and other developments relevant to textile trade in Germany the Netherlands and Sweden and the level of the European Union

75. What are the packaging requirements regarding food products?

Most markets are very strict as far as packaging and labeling requirements for food products are concerned. Indeed, apart from quality/health consciousness, many buyers, and in particular European and North American ones, are environmentally conscious.

A balance must be found between environmental requirements and basic quality/health requirements. Basic requirements of packaging for food products, set generally by wholesalers and importers, include shelf life, humidity, odours, materials, labeling, storage indications, etc. The Centre for Promotion of Imports from Developing Countries (CBI) has published a guide that gives recommendations on functional transport packaging for fragile products.

It is rather difficult to turn packaging of food products into environmentally friendly packaging. Some general recommendations for environmentally friendly packaging are:

- Limit the amount of packaging where possible
- Use re-usable or recyclable material
- Use multiple-use sales and secondary packaging products (e.g. metal containers and crates) where possible
- Use single-material packaging; avoid composites
- Avoid the use of glues or use water-based glues in packaging material
- Avoid printing or use water based ink on packaging material

RESOURCES

Environmental quick scan for Selected food products, including food ingredients
Centre for the Promotion of Imports from developing countries (CBI)
P.O. Box 30009,
3001 DA Rotterdam
The Netherlands
Tel: (31) 10 2013434
Fax: (31)10 4114081
Email: cbi@cbi.nl, Url: www.cbi.nl
Overview of environmental legislation and other developments relevant to trade in selected food products (processed fruits, vegetables, etc.) in Germany, the Netherlands and the United Kingdom, and the level of the European Union

Packaging Requirements, a guide for developing countries
Centre for the Promotion of Imports from developing countries (CBI)
P.O. Box 30009,
3001 DA Rotterdam
The Netherlands
Tel: (31) 10 2013434
Fax: (31)10 4114081
Email: cbi@cbi.nl, Url: www.cbi.nl

76. With what materials should products be packed?

The main materials which are used for packaging purposes have not changed much over the years. Nevertheless, new technologies have resulted in a greater assortment of types of packages and applications for packing materials available to the industry than ever before. The availability of suitable packaging materials in the required quantities is essential for the success of every industry or manufacturing enterprise.

Some of the materials commonly used in packaging are:

Material	Type	Examples of packages
Metal	Sheet metal; tinplate; steel	Drums; cans; containers; pressurized containers; metal boxes
Wood	Rough sawn timber; planned timber; plywood; fibreboard; particle board	Cases; pallets; crates
Cardboard	Flat; corrugated; double-sided; double-double; triple corrugated	Boxes
Plastics	Polyethylene; polystyrene; PET, PVC	Bags; drums and bottles; bottle crates; rigid and semi-rigid containers
Paper	Multiwall bags	Sacks and bags
Glass		Bottles; flasks; carboys

RESOURCES

Food Packing - A reference Book for trainers
Trade Support Services
1998
International Trade Centre
Palais des Nations,
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org

77. What factors should be kept in mind for the most effective packaging?

Environmental concerns and changing consumer behaviour dictate packaging trends. Both importers and consumers are increasingly insisting on eco-friendly packaging. Consumers prefer packages that do not require cumbersome disposal procedures, are easy to carry and store, etc. To obtain information on these trends the exporter can consult information in technical journals and exhibitions. Suppliers of packaging equipment and materials can also provide useful information. The marketing and technical requirements for good packaging cover the following aspects:

Physical protection. Ability to withstand mechanical stresses such as shock, puncture, drop, crush and vibration.

Quality protection. Protecting the product's shelf-life (colour, flavour, safety, etc) by safeguarding the product from physical and chemical stresses arising from heat, cold, humidity, dampness, dryness, light, oxidation, bacterial contamination, etc.

Product promotion. Quality image, display value, visibility, brand name promotion, quality of decoration, printing, varnishing

Product information. Facilitate product recognition by providing readable product information on such matters as weight, contents, shelf-life, name of manufacturer, seller, importer, country of origin, instructions for use and safety warnings if necessary

Efficiency in use. Easy to handle, to empty, to open, to dispense, pack stability, firmness, environmental acceptability, disposability; child-proof

Physical attributes. Temperature resistance, stress and crack stability, performance attributes

Machinability. Machine-stop sensitivity; shape stability before, during, and after use; ease of capping, labeling, and printing, filling speed, surface smoothness, abrasion properties, glue compatibility

Storage. Fitness for pelletisation, stacking weight and strength, fitness for internal transport

Transport. Weight and volume ratio, maximum weight, dimensions

Trade aspects. Weight, stacking performance, stability; identification of product, brand, marking and code, shelf-space efficiency, display visibility; disposability

Recyclability. Weight minimization and reduction, metals, glass, no PVC, plastics, biodegradable natural materials (carton, paper, wood, etc.), returnability (glass, pallets)

RESOURCES

Manual on the Packaging of Furniture
International Trade Centre UNCTAD/WTO, Palais des Nations, 1211 Geneva, 10, Switzerland, Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39, Email: itcreg@intracen.org, Website: http://www.intracen.org

Packaging Drugs and Pharmaceuticals (US$ 75)
Technomic Publishing Company, 851 New Holland Avenue, P.O Box 3535, Lancaster, Pennysylvania, 17604 USA

Environmental quick scan series of CBI
Centre for the Promotion of Imports from developing countries (CBI)
P.O. Box 30009, 3001 DA Rotterdam, The Netherlands, Tel: (31) 10 2013434, Fax: (31)10 4114081, Email: cbi@cbi.nl, Url: www.cbi.nl
A number of Quick Scans that give overviews on environmental legislation and developments related to several products and industries have been published.

78. How can exporters get information about foreign laws and regulations regarding packaging?

Usually, freight forwarders, importers, and customers are the best sources from which to obtain information on labeling regulations for a particular country. Other sources include:

- International organisations
- Associations of packers
- Technical institutes
- Forwarding agents
- Packers
- Carriers
- Competitors
- Customers
- Export Development Companies

In Mauritius, the simplest way to seek this kind of information is to contact freight forwarders (see list at question 61).

SECTION 12

TRADE FAIRS

79. What is an international trade fair?

There is a wide variety of tools at the disposal of companies for projecting their image to potential buyers in an export market. These include: direct mail, telemarketing, advertising, editorials in trade magazines, individual visits, outgoing missions, Internet and, to use a general term, "expositions".

The latter term can take different forms: trade fairs, consumer exhibitions, trade marts, solo exhibitions, in-store displays, etc. Specialised trade fairs offer overseas exporters a most efficient way to communicate with foreign markets. Personal contacts can be made and products or services can be shown in real life. In fact, what makes trade fairs unique is their efficiency and effectiveness as tools for communication compared with other promotional instruments such as direct mail and advertising.

International fairs can be categorised according to the purpose for which they are arranged. For example, there are world exhibitions which showcase national and international achievements in diverse fields of economic activity; trade fairs which are organised with the single aim of furthering international trade (the general public is usually not allowed, since the focus is on buying organisations and traders); and specialised fairs which are focused on a single industrial or trade sector, or a limited selection of them.

While there are a number of resources, guides, and directories which contain information on industry or country-specific trade fairs, it is important to consider the following when selecting which fair in which to participate: dates and locations of upcoming fairs, contact information for the fair's exhibition management, profiles of products and exhibitors, registration fees and admission charges to exhibits seminars, and social events, founding data and frequency of event, and number of attendees, hotel rooms needed, and meeting rooms needed.

In Mauritius, institutions like MCCI and MEDIA (see question 6 for contact details) can be consulted for updated information regarding upcoming international trade fairs. Moreover, as part of its export promotion activities, MEDIA organises every year the Mauritius International Apparel & Textile Exhibition (MIATEX) in a European city. This event takes Mauritian manufacturers closer to their markets and a large number of professional buyers usually visit the exhibition.

Also, MEDIA regularly organises regional fairs and buyers'-sellers' meetings especially designed for SMEs, as well as the participation of Mauritian businesses in other international fairs, mainly in sub-Saharan Africa.

RESOURCES

Trade Fairs and Exhibitions (handbook)
International Trade Centre UNCTAD/WTO
Palais des Nations
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org

80. How does an exporter select the proper trade fair?

Trade fairs are an invaluable element of any marketing plan. However, with the proliferation of fairs offered throughout the world, it is important to be selective when considering when and where to exhibit. This is especially true for firms with small budgets. Selection of the appropriate trade fair to participate in must be decided after a careful scrutiny of the market profile, visitor profile, and cost of participation in each fair.

To classify the market profile of a trade fair, identify the target markets and the geographical coverage. Two common classifications are "vertical" trade fairs which offer a concentrated focus of interest for buyers and sellers whereas "horizontal" trade fairs are general in nature and lack a specific theme.

When identifying the visitor profile, the exporter should ask the trade fair promoter information on the typical visitor's job status, the visitor's product or service interest, and the type and size of the visitor's company.

The cost of participation in a fair should be viewed as an investment which must not be out of proportion with the financial capacity of the firm. Although trade fairs are used as a marketing and promotional tool, participation must not be at a cost detrimental to the firm. In this respect, there are a number of schemes in Mauritius that co-finance participations in certain trade fairs (see question 82 for details).

The exporter should be careful not to be lured into a fair just because it is big and promises to provide a large amount of potential customers. Firms with niche products attend more focussed fairs. Smaller fairs are typically less expensive to attend, require less expenditures for marketing, and provide a more comfortable venue for the attendee. They also often provide an opportunity for exhibitors to sponsor or share in sponsoring receptions or hospitality suites.

RESOURCES

Your show master: A guide for selection, preparation, and participation in European trade fairs
CBI
P.O Box 30009
3001 DA Rotterdam
The Netherlands

www.expobase.com *gives a world-wide overview of trade fairs.*

81. How does an exporter prepare for an international trade fair?

Letting potential buyers know that the firm will be participating in a particular trade fair is an important marketing activity undertaken to boost sales from a trade fair. Investment in pre-fair promotional activities will result in a more successful fair experience and an improved bottom line for the firm.

It has been clearly established that a personal invitation from an exhibitor is the most important reason someone visits an exhibit. Personal invitations are not to be confused with a postcard merely indicating the booth location. Invitations should be hand-written if possible and present a compelling reason to visit the exhibit. Some firms follow-up invitations with a telephone call to make sure the invitation was received and to reinforce the need to "stop and talk with us."

Some companies send a "teaser" item that allows the reception the rest of the item or an item of greater value during a booth visit. All items need to carry the company name, logo, telephone number, address, and booth number. Besides creating interest before and during the fair, these items will remain with the visitors after their visit and will be a constant reminder the firm's product or service.

In order to achieve all the objectives of participation in trade fairs, planning is crucial. Planning ensures the protection of investment and the maximisation of returns. The appointment of an exhibition co-ordinator is essential for successful planning and participation. This person is responsible for booking the stand, confirming and communicating clear exhibition objectives, preparing a detailed budget and control costs, confirming the choice and availability of items to be exhibited, executing the exhibition theme, organising the stand design and construction, recruiting stand staff and organising their training and duty roster, preparing and implementing promotional activities, devising a lead recording system, arranging transportation and handling of exhibits, and submitting a report on the fair's effectiveness and results obtained from participation.

The firms interested in participating in a trade fair will need to keep in mind that exhibition organisers help participants on all aspects of the trade fair, from choosing a stand contractor to documentation.

RESOURCES

Your show master: A guide for selection, preparation, and participation in European trade fairs
CBI
P.O Box 30009
3001 DA Rotterdam
The Netherlands

How to make the Most out of Exhibitions
Reeds Exhibition Companies
Oriel house,
26, The Quandrant
Richmond,
Surrey TW9 1IDL
Tel: +44 (181) 9107743
Fax: +41 (181) 9107749

82. How can SMEs find means to finance their participation in international trade fairs?

There are a number of schemes that exist in Mauritius and as part of which funds are available for local companies to finance their participation in local, regional and international trade fairs. The relevant schemes are listed below:

1. EU - ACP Business Assistance Scheme (EBAS)

As one of the main tools of the European Commission Directorate General Development (DG Dev.) strategy for private sector development in ACP countries, this cost-sharing scheme provides direct grants to Mauritian private sector enterprises and suppliers of specialised business services (consultants). EBAS aims to encourage private enterprises and business and industry associations to procure all such services that will rapidly enhance their competitiveness or ability to supply specialised skills. One of the identified services that consultants can provide is assistance in the preparation for attendance at trade fairs and exhibitions. For this activity to be eligible for EBAS funding, it should form part of a broader strategy that leads to improved and measurable performance for the private enterprise. Further information can be obtained by contacting:

The Director
EBAS Project Management Unit
110 Boulevard Auguste Reyers
B - 1030 Brussels
Belgium
Tel: (32) 2 740 0240
Fax: (32) 2 740 0249
Email: ebas@ebas.org
Url: http://www.ebas.org

2. Programme Régional Intégré de Développement des Echanges (PRIDE)

The objective of this EU funded scheme is to promote trade among the Indian Ocean Commission (IOC) members. One of the main components of this scheme relates to financial assistance in the form of grants to private firms and associations that wish to participate in regional trade fairs. Further information about eligibility requirements and application procedures can be obtained on the programme's website, www.coi-info.org, or through:

The Officer-in-charge
Bureau d'Entreprises PRIDE - Maurice
C/o The Mauritius Chamber of Commerce & Industry
3, Royal Street
Port Louis
Tel: (230) 208 3301
Fax: (230) 208 0076
Email: mcci@intnet.mu
Url: http://www.mcci.org

RESOURCES

How to make the Most out of Exhibitions
Reeds Exhibition Companies
Oriel house,
26, The Quandrant
Richmond,
Surrey TW9 1IDL
Tel: +44 (181) 9107743
Fax: +41 (181) 9107749

3. Export Development Fund Scheme (EDF)

Under this scheme managed by the Development Bank of Mauritius, private companies engaged in exporting or who wish to export can benefit from loan facilities at very low interest rates for their participation at trade fairs or for undertaking overseas market studies. For further information, contact:

The Manager
SMEs Department
Development Bank of Mauritius Ltd.
Chaussée Street
PO Box 157
Port Louis
Tel: (230) 208 0241, 208 3081
Fax: (230) 208 8498
Email: dbm@intnet.mu
Url: http://www.mauritius.island.com/dbm

4. Centre for the Development of Industry/Enterprise (CDI/CDE)

This ACP-EU institution was created as an operational instrument of the Lomé Convention (see question 98). At that time it was known as the Centre for Development of Industry (CDI). With the coming into force of the new Cotonou Agreement (see question 99), the Centre is now referred to as the 'Centre for the Development of Enterprise', which translates the fact that support facilities by the Centre have been extended to new service sectors including tourism, telecommunications and transport. One of the objectives of this instrument is to assist companies in the process of creation, expansion, diversification or reorganisation. As such, under certain eligibility criteria, companies can benefit from financial support for their participation in certain industrial and technological trade fairs. Further information can be obtained on the Centre's website, www.cdi.be, or by contacting the local CDI/CDE antennae at:

The Mauritius Chamber of Commerce & Industry
3, Royal Street
Port Louis
Tel: (230) 208 3301
Fax: (230) 208 0076
Email: mcci@intnet.mu
Url: http://www.mcci.org

83. What are the keys to success whilst the exporter is at a Trade Fair?

Research has revealed that a majority of buyers use trade fairs as a primary source of information when making annual buying decisions. A firm's booth tells a lot about the capabilities, efficiency, and commitment of the firm. The exporter should think of the booth as an introduction, therefore a good first impression is essential to attract potential customers. Firms with limited space can compete in the trade fair arena by using good design techniques and a well-trained staff. There are simple techniques that can be used by small companies to make the booth stand out and generate traffic.

The trade fair booth is an expression of the firm and should be designed to convey rapidly the image of the firm. The booth must make a strong visual impact on the visitor and project, at a glance, the company and product offered. It must perform the dual role of being an effective showcase for the company's products and services and at the same time an efficient platform for demonstration discussions, and sales. It has been shown that firms exhibiting at trade fairs have approximately seven seconds to capture the interest of those passing the booth.

Furniture has a significant effect on the overall image of the booth. Chairs make for inattentive employees and prospects. The objective is not to provide an oasis for fair patrons who are tired and need a quick rest!

Professional, well-designed literature should be used. Many good displays are built around "literature stations" which are often used as the focal point for a booth, allowing people to browse and more deeply delve into a product.

The stand must not look cluttered. It must have enough room so that people can come in and look at the products displayed. If a demonstration is needed, one should make sure that the booth is large enough for a sufficient number of people to have a clear view. If possible, encourage people to handle products. Buyers are wary of companies that display products with a sign that says, "Do not touch".

The key to success is the professionals who staff the booth. Staff must be friendly, approachable, and well informed about the company's products and services.

RESOURCES

Exhibition Stand Design
International Trade Centre UNCTAD/WTO
Palais des Nations
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org

84. What are the conditions governing the temporary entry of products in foreign countries?

For a number of reasons, including the need to exhibit products at international trade fairs and exhibitions, exporters need to take abroad samples of goods temporarily. In other words, they have to take the goods back with them when returning to their country. To avoid paying duty on entry or having to reclaim it when the leaving the foreign country, the "Admission Temporaire - Temporary Admission" (ATA) Carnet Scheme has been established by the Customs Co-operation Council (CCC) with the help of the International Bureau of Chambers of Commerce (IBCC).

The ATA Carnet is a simple international customs document. There are two vouchers destined for each country visited. One voucher is handed to the Customs on entering the foreign country and one voucher is handed on leaving. There are also two vouchers for presentation to the Customs in Mauritius when leaving and returning to Mauritius. These two vouchers must accompany the goods.

In Mauritius, the Mauritius Chamber of Commerce & Industry is the National Carnet Issuing Office. For further details on the carnet, contact:

The Trade Promotion Officer
Mauritius Chamber of Commerce & Industry
3, Royal Street
Port Louis
Tel: (230) 208 3301
Fax: (230) 208 0076
Email: mcci@intnet.mu
Url: http://www.mcci.org

RESOURCES

Salesmen, exibitors, business travellers
International Chamber of Commerce (ICC)
38, Cours Albert 1er
75008 Paris
FRANCE

SECTION 13

TRADING SYSTEMS

85. What is WTO and what does it do?

Its objectives

The World Trade Organisation (WTO) is an international body dealing with international trade rules. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations. The organisation aims at facilitating trade among countries by creating conditions of competition that are fair and equitable. Towards this end, it encourages countries to enter into negotiations for the reduction of tariffs and for the removal of other barriers to trade, and requires them to apply a common set of rules to trade in goods and service.

These rules are contained in the following legal instruments:

- General Agreement on Tariffs and Trade (GATT) whose rules apply to trade in goods
- Other Agreements on goods
- General Agreement on Trade in Services (GATS) whose rules apply to trade in services
- Agreement on Trade Related Aspects of Intellectual Property (TRIPS)

Member countries are under an obligation to ensure that their national legislations, regulations and procedures are in full conformity with the provisions of these agreements. The resulting harmonisation by all countries of rules and regulations applicable to trade in goods and services facilitates trade. The harmonised rules also go to ensure that national regulations do not create unnecessary barriers to trade and that the country's exports are not disrupted by the sudden imposition of higher tariffs or other barriers to trade.

Its functions

The organisation performs three important functions:

Surveillance: It exercises continuous surveillance on trade measures taken by countries with a view to ensuring that the measures taken are in full conformity with the rules prescribed by the Agreements.

Forum for negotiations: It provides a forum for negotiations on removal of barriers applicable to trade in both goods and services and for the development of rules in new subject areas.

RESOURCES

Reshaping the World Trading System: A history of the Uruguay Round
John Croome
World Trade Organisation
Rue de Lausanne 154
CH-1211 GenÈve 21
Switzerland
Tel: (41-22) 739 51 11
Fax: (41 - 22) 739 54 58
Email: enquiries@wto.org

The Political Economy of the World Trading System: From GATT to WTO
Bernard Hoekman/Michel Kostechi
Published by: Oxford University Press

An Introduction to the WTO Agreements
Bhagirath Las Das.
Published jointly by Zed Books
7, Cynthia Street
London N19JF, UK and by Third World Network
228 Macalister Road,
10400 Penang,
Malaysia
The book deals with the full range of technical provisions and issues, explaining where necessary the background, terms involved, and implications of the new provisions.

Dispute settlement: It provides a forum for the settlement of differences and disputes among countries in the area of trade. Any member country which considers that another member country has failed to abide by the rules or has taken measures which are not consistent with its obligations under the WTO Agreements could, if efforts to reach solutions through bilateral consultations prove unsuccessful, bring the matter for settlement to the Dispute Settlement Body.

Remember, however, that it is not open to a business enterprise to bring a dispute directly to the WTO. The right to invoke dispute settlement procedures rests solely with .the governments which are parties to the WTO Agreements. A business enterprise facing restrictive measures imposed by another country must therefore take the matter up with its own government. The authorities to contact in Mauritius are :

The Trade Policy Unit
The International Trade Division
Ministry of Industry, Commerce and International Trade
New Government House
Port Louis
Tel : (230) 201 2157
Fax : (230) 212 6368
Email: motas@intnet.mu

On receipt of such a complaint the government could, if it is satisfied that there was a breach of obligation under WTO law, invoke the dispute settlement procedures.

Membership

WTO has at present 132 member countries. About 30 more countries are currently negotiating for accession. These include China, the Russian Federation and a number of other transition and developing countries.

86. What benefits can SMEs derive from the WTO system?

With the increasing globalisation of the world economy SMEs, are becoming increasingly dependent on international trade both as exporters and as importers. The WTO legal system provides them with benefits both as exporters and as importers.

As exporters, the major advantage which the system provides is security of access. In trade in goods, almost all tariffs of developed countries and a high proportion of those of the developing and transitional economies have been bound against further increases by the Uruguay Round. Binding ensures that the improved market access resulting from the tariff reductions agreed in the Round will not be disrupted by sudden increases in rates of duties or the imposition of other restrictions by importing countries. In trade in services, countries have made binding commitments not to restrict access to service products and foreign service suppliers beyond the conditions and limitations specified in their national schedules.

The system also provides stability of access to export markets by requiring all countries to apply at the border the uniform set of rules elaborated by the various agreements. Thus countries are obliged to ensure that their rules for determining dutiable value for customs purposes, for inspecting products to ascertain conformity to mandatory standards, or for the issue of import licenses, conform to the provisions of the relevant agreements. The adoption of such uniform rules helps exporting enterprises by eliminating dissimilarities in the requirements of different markets.

As importers of raw materials, intermediate products and services used in production, SMEs benefit from the rules of the system. Its basic rules requiring imports to be allowed in without further restrictions upon payment of duties, and the obligation to ensure that the other national regulations applied at the border conform to the uniform rules laid down by the Agreements, facilitate importing. They give exporting industries some assurance that they can obtain their requirements without delay and at competitive costs. Furthermore, the tariff bindings assure the importers that their importing costs will not be inflated by the imposition of higher customs duties.

In addition to these benefits, the legal system has created certain rights in favour of SMEs.

For instance, the WTO system provides rights to enterprises to request their governments to take actions to restrict imports, when they find that they are not able to withstand the increased import competition resulting from the liberalisation measures which their government has taken. Likewise, they could request for levy of anti-dumping duties on imports that are being dumped and for the imposition of countervailing duties on products entering the country at extremely low prices because of the subsidies they are receiving. The invocation of these rights is subject to certain conditions. The request for such actions can be made if it is supported by enterprises who account for a substantial proportion of the domestic production and it is possible for them to demonstrate that the increased imports are injuring the industry by bringing about a decline in production, in profits or in employment.

RESOURCES

Business Guide to the World Trading System
International Trade Centre UNCTAD/WTO
Palais des Nations, 1211 Geneva, 10, Switzerland, and
Commonwealth Secretariat
CS, Marlborough House, London, United Kingdom
Provides overall picture of the World Trade Organisation (WTO) system

10 benefits of the WTO trading system
World Trade Organisation
Rue de Lausanne 154
CH-1211 Genève 21
Switzerland
Tel: (41 22) 739 52 08
Fax: (41 22) 739 57 92

Enterprises and their governments also have the right to give evidence and defend their interests in investigations undertaken by countries to which they export, for the imposition of safeguard, anti-dumping or countervailing measures.

It should be noted that when the authorities in importing countries fail to honour their rights, the exporting enterprises cannot, however, approach them directly for redress. They must take up the matter up with their own governments and leave it to the latter to follow up on a bilateral basis with the government of the importing country and, if necessary, to raise it under WTO procedures for the settlement of differences and disputes. The authorities to contact in Mauritius are:

The Trade Policy Unit
The International Trade Division
Ministry of Industry, Commerce and International Trade
New Government House
Port Louis
Tel : (230) 201 2157
Fax : (230) 212 6368
Email: motas@intnet.mu

87. What is GATT?

GATT stands for the General Agreement on Tariffs and Trade. The basic aim of GATT is to create conditions of competition that are fair and equitable by encouraging countries to reduce tariffs and remove other barriers to trade and by requiring them to apply a harminised set of rules to goods imported and exported.

The original GATT was created in 1947, after the second world war, in an attempt to give an early boost to trade liberalisation, and to begin to correct the large legacy of protectionist measures which remained in place from the early 1930s. Thereafter, for almost half a century until the establishment of WTO, the GATT's legal text remained as it was in 1948. The Uruguay Round of 1986-94 (see question 89) resulted in GATT 1994. The latter, along with 12 other Agreements in the area of goods, lays down rules that apply to trade in goods. GATT 1994 itself consists of:

— The original GATT (1947)
— Amendments brought and decisions taken until 1 January 1995
— A number of understandings reached under the Uruguay Round

RESOURCES

Business Guide to the World Trading System
International Trade Centre UNCTAD/WTO
Palais des Nations, 1211 Geneva, 10, Switzerland, and
Commonwealth Secretariat
CS, Marlborough House, London, United Kingdom
Provides overall picture of the World Trade Organisation (WTO) system

88. What are the rules that govern GATT ?

Although the rules that govern the General Agreement on Tariffs and Trade (GATT) are lengthy and complex because they are legal texts covering a wide range of activities, there are a few simple rules, categorised into 'basic rules' and 'rules applicable at the border' that run throughout the Agreement.

Basic rules

The four basic rules on which the legal framework of GATT is based are described below.

Protection through tariff. The rule permits countries to protect domestic production from foreign competition, provided that such protection is extended only through tariffs and is kept at low levels. To this end, it prohibits countries from using quantitative restrictions, except in specified cases.

Reduction of tariffs. This rule provides for the reduction and elimination of tariffs and other barriers to trade through multilateral negotiations. The tariffs so reduced are listed on a tariff-line basis in each country's schedule of concessions. The rates given in these schedules are known as bound rates. Countries are under an obligation not to increase tariffs above the bound rates shown in their schedules.

MFN treatment. This rule requires countries to conduct their trade without discriminating among countries from which goods are imported or to which goods are exported. This rule is embodied in the most-favoured nation (MFN) principle. An important exception to this rule is permitted in the case of regional preferential arrangements. Another exception is the Generalized System of Preferences (GSP). Under this system, developed countries allow imports from developing countries on a preferential and in most cases on a duty- free basis.

National treatment. This rule requires countries to refrain from imposing internal taxes such as excise duty or value-added taxes on imported products after they have entered the country and paid customs duties at rates which are higher than those levied on similar domestic products.

Rules applicable at the border

The above four basic rules are complemented by rules covering the application of regulations and procedures at the border to imported and exported goods. They include rules relating to:

- Procedures for import licensing
- The determination of the value of imported goods for levy of custom duties collected on ad valorem basis
- The application of mandatory standards (technical regulations) to imported goods, in order to ensure that they meet the prescribed safety, health and quality standards
- The application of sanitary and phytosanitary measures to imported agriculture products, in order to ensure that pests and diseases which do not exist in the country are not brought in by such imported products

The rules applicable in these areas are contained in GATT 1994 and the twelve other Agreements covering goods.

RESOURCES

Introduction To The WTO - Trading Into the Future
2nd edition Revised April 1999
World Trade Organisation
Rue de Lausanne 154
CH-1211 Genève 21
Switzerland
Tel: (41-22) 739 51 11
Fax: (41 - 22) 739 54 58
Email: enquiries@wto.org

89. What is the Uruguay Round?

The Uruguay Round and the General Agreement on Tariffs and Trade (GATT)

With a view to giving an early boost to trade liberalisation, and to begin to correct the large legacy of protectionist measures which remained in place from the early 1930s, GATT was created in 1947 following the Second World War. From then on, negotiations for liberalisation of trade took place in periodic rounds, known as GATT trade rounds, held under the auspices of GATT. The different GATT trade rounds were as follows:

Year	Place/Name	Subjects covered	Countries
1947	Geneva	Tariffs	23
1949	Annecy	Tariffs	13
1951	Torquay	Tariffs	38
1956	Geneva	Tariffs	26
1960-1961	Geneva (Dillon Round)	Tariffs	26
1964-1967	Geneva (Kennedy Round)	Tariffs and anti-dumping measures	62
1973-1979	Geneva (Tokyo Round)	Tariffs, non-tariff measures, "framework" agreements	102
1986-1994	Geneva (Uruguay Round)	Tariffs, non-tariff measures, rules, services, intellectual property, dispute settlement, textiles, agriculture, creation of WTO, etc.	123

The Uruguay Round was the most comprehensive and the most ambitious among the eight rounds of negotiations held under GATT auspices. It was called the "Uruguay Round", -as the decision to launch the negotiations was taken at the Ministerial meeting which took place in Punta del Este, Uruguay. The Round started in 1986 and ended in 1994.

GATS and TRIPS

The rules of GATT and its associate Agreements apply to trade in goods. In the Uruguay Round, these rules were further strengthened and improved. In addition, the Round resulted in extending the coverage of the

RESOURCES

Business Guide to the World Trading System
International Trade Centre UNCTAD/WTO
Palais des Nations, 1211 Geneva, 10, Switzerland, and
Commonwealth Secretariat
CS, Marlborough House, London, United Kingdom
Provides overall picture of the World Trade Organisation (WTO) system

Strengthening the Global Trading System: from GATT to WTO
1996
Edited by Kym Anderson
Centre for International Economic Studies, University of Adelaide
Email: cies@economics.adelaide.edu.au
Website: http://www.adelaide.edu.au/cies/

rules to include trade in services. The General Agreement on Trade in Services (GATS) now applies the basic principles and rules applicable to trade in goods to trade in services, with such modifications as are necessary to take into account the different nature of the trade and the four modes in which it takes place (see question 90 for further details). A new Agreement on Trade-Related Aspects of Intellectual Property (TRIPS) was also negotiated in the Round.

World Trade Organisation (WTO)

Until 1994, GATT was two things: (1) an international agreement, and (ii) an international institution created to support the agreement. One of the other important achievements of the Uruguay Round was the establishment of the World Trade Organisation (WTO). With this establishment, GATT as an institution ceased; GATT as a legal text, however, remains. As mentioned above, the text revised in the Uruguay Round is known as GATT 1994. WTO is now responsible for administering GATT 1994, other agreements on goods, GATS and the Agreement on TRIPS. The organisation also provides a forum for continuous negotiations on further trade liberalisation and for the settlement of disputes.

Removal of trade barriers

The WTO Agreement calls for the reduction of tariffs on industrial products by developed countries by agreed percentages over a period of five years from 1 January 1995. As a result, tariffs on industrial products in developed countries have been expected to fall from 6.3% to 3.8% by 1 January 2000.

The Agreement on Textiles and Clothing (ATC), which has taken over from the Multifibre Arrangement that governed trade in textiles from 1974 until the end of the Uruguay Round, further requires countries applying quantitative restrictions on imported products to eliminate them in stages over a period of ten years, ending on 1 January 2005. By that year, the sector is to be fully integrated into normal GATT rules.

In Agriculture, a reform programme has been adopted to improve market access, requiring countries to reduce trade-distorting domestic and export subsidies.

90. What is the General Agreement on Trade In Services (GATS)?

Services cover a wide range of economic activities from banking, insurance and telecommunications to recreation, cultural and sporting services. One of the main characteristics of services is that they are intangible and invisible. Goods, by contrast, are tangible and visible. These characteristics influence the modes in which international trade transactions in goods and services take place. While international trade in goods involves the physical movement of goods from one country to another, relatively few service transactions involve cross-border movements. For most service transactions, proximity between the service provider and the consumer is necessary. Such proximity can be achieved by establishing a 'commercial presence' in the importing country (e.g. opening a branch office) or by the movement of a 'natural person' for a temporary period (e.g. a lawyer or architect moving to another country). For a few service activities, consumers may have to move to the country of importation (e.g. tourism, where tourists travel to another country).

Trade in services is growing and accounts at present for over 20 per cent of international trade. GATS has created a framework for bringing this trade under international discipline. Its provisions apply to all the modes in which international trade in services takes place, viz:

- Cross-border movement of service products
- The establishment of a commercial presence in the country where the service is provided
- Temporary movement of natural persons to another country to provide services there
- The movement of consumers to the country of importation

The Agreement consists of:

— A framework text which lays down a set of general principles for measures affecting trade in services. The annexes applicable to specific sectors complement the text.

— Specific liberalization commitments listed in each country's schedule that apply to service industries and sub-industries.

RESOURCES

International Trade Centre
Palais des Nations
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Web site: http://www.intracen.org/servicexport

www.gats-info.eu.int/gats-info/gatscomm.pl *contains schedules of commitments and MFN exemptions by country.*

91. What are the main provisions of GATS?

Most Favoured Nation (MFN) Treatment and National Treatment

These two basic principles, which apply to trade in goods (see question 88) , now also apply to trade in services. However, they have been modified to take into account the special characteristics of trade in services.

Thus the Agreement requires countries to apply MFN treatment by not discriminating between service products and service providers of different countries. However, it may be possible for a country to maintain for a transitional period of 10 years measures that are not consistent with the MFN principle.

The national treatment principle visualises that countries should not treat foreign service products and service providers less favourably than their own service products and service providers. The Agreement, however, does not impose this as a binding obligation but requires countries to indicate in their schedules of concessions the sectors in which, and the conditions subject to which, such treatment would be extended.

Transparency requirements

In order to ensure that foreign service providers are fully aware of the regulations which apply to trade in services, countries are required to publish all relevant laws and regulations. Each country is further required to establish 'Inquiry points' from which other member countries can obtain information on laws and regulations in the service sector. In Mauritius, this 'Inquiry point' is :

The Trade Policy Unit
International Trade Division
Ministry of Industry, Commerce and International Trade
New Government House
Port Louis
Tel : (230) 201 2157
Fax : (230) 212 6368
Email: motas@intnet.mu

In addition, developed countries are required to establish 'contact points' from which service providers in developing countries can obtain information, inter alia, on the availability of service technology, and the commercial and technical aspects of the supply of services.

Increasing participation of developing countries

The Agreement recognises that as service industries in developing countries are not fully developed, they may have to maintain higher levels of protection. It therefore provides that they should have flexibility, while making liberalisation commitments, to open fewer sectors to import competition and to impose conditions on foreign suppliers wishing to invest or establish a branch that are necessary to secure transfer of technology or for the achievement of other developments objectives.

Liberalisation commitments

Specific commitments for liberalisation that have been assumed by countries in the Uruguay Round are contained in each country's schedule of concessions. They indicate on a sector-by-sector basis and for each of the four modes described above, the conditions subject to which countries have agreed to improve market access and to extend national treatment by eliminating or reducing discriminatory treatment of foreign suppliers as compared with domestic suppliers. Since the conclusion of the Uruguay Round, negotiations for the further liberalisation of trade were held in the telecommunications and financial services sectors.

The Agreement further imposes on countries an obligation not to apply restrictions on international transfers and payments (except when they are in balance of payments difficulties) in sectors where they have given specific liberalisation commitments.

RESOURCES

International Trade Forum magazine
Issue 1/2000
International Trade Centre UNCTAD/WTO - Commonwealth Secretariat
Palais des Nations,
1211 Geneva 10,
Switzerland
Fax: +41 22 733 4439

92. What is a regional preferential arrangement?

As mentioned in question 88 above, the Most Favoured Nation (MFN) clause of WTO stipulates that in the event that a member country grants to another country any preference (tariff or other) concerning any product, it must immediately and unconditionally extend it to the same product of other countries.

However, WTO does recognise some exceptions in terms of non-discrimination. Indeed, provided that member countries of a regional preferential arrangement largely remove tariffs and other barriers among themselves and do not impose new barriers to trade with external countries, WTO admits they can depart from the MFN clause. Under these conditions, member countries may implement reciprocal trade preferences among themselves without granting them to non members.

In this respect, different types of regional preferential arrangements departing from the non-discriminatory principle can be identified (even if WTO's regulation only refers to free trade areas (ii) and customs union (iii)):

(i) The **Tariff Preference Area** is the least formal grouping. In this arrangement, member countries impose lower taxes on all or part of their reciprocal flows of products compared to those paid by third party countries.

(ii) A **Free Trade Area** is more integrated and consists of a group of countries which have cut out customs duties and non-tariff restrictions on the movement of goods among themselves. However, each member keeps unchanged its own tariffs on imports from external countries.

(iii) The **Customs Union** constitutes another form of discriminatory trade arrangement. Tariffs are eliminated among members of this arrangement. In addition, there exists a common external tariff on goods imported and not originally produced in the area covered by the agreement. Customs duties are then shared among the members.

(iv) A **Common Market** is a fourth level of preferential arrangement. Apart from the removal of internal barriers to trade and the organisation of external tariffs on goods imported, this system contributes to strengthening liberalisation by ensuring the free movement of factors of production (labour and capital).

(v) The **Economic Union** is a more integrated zone. In it, members harmonise their economic policies as well as the use of a currency shared by all members.

RESOURCES

Tacis: Free Trade Agreements and Customs Unions
Experiences, challenges and constraints
Co-published by the European Institute of Public Administration, Maastricht, the Nethelands
May 1997
Edited by Madelaine O.Hosli/Arild Saether

93. What are the Preferential Trade Agreements that exist between Mauritius and other countries?

Mauritius forms part of a number of Trade Arrangements:

(i) COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA (COMESA)

COMESA comprises 20 member states of Eastern and Southern Africa with a total population of about 385 million. These member states are Angola, Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe. It was established in 1994 in replacement of the Preferential Trade Agreement (PTA) which was launched in 1982. The objective of this Agreement is to develop the natural and human resources of the member states. However, owing to COMESA's economic history and background, its main focus is on the formation of a large economic and trading unit. As such, its current strategy is to achieve economic prosperity through regional integration. Country members have agreed to gradually cut tariffs on regional trade so that a free trade area is created by October 2000. Moreover, a customs union is expected to be established by 2004 with the introduction of a common external tariff.

(ii) SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC)

SADC was established in August 1995 with a view to enhance the standard and the quality of life of the people and to make the maximum use of natural resources of its member countries. SADC groups 14 member states, namely Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. Mauritius has adhered to seven SADC Protocols, including a Trade Protocol. The latter is operational since 1st September 2000 and paves the way for a phasing out of a minimum of 85% of tariffs as from that date and within eight years, and all tariffs by 2012. A free trade area is expected to be created by 2012.

The presence of an economic power and trading partner like the Republic of South Africa in this bloc gives SADC a much larger dimension than other Agreements to which Mauritius is party.

(iii) INDIAN OCEAN COMMISSION (IOC)

Together with Madagascar, Seychelles, Comoros and Reunion, Mauritius forms part of IOC. Its objective is to enhance cooperation among member states on a range of fronts, mainly diplomatic, economic, cultural and scientific. Among other achievements on the trade front, customs duties have been removed on a reciprocal basis between Madagascar and Mauritius on originating goods.

(iii) INDIAN OCEAN RIM - ASSOCIATION FOR REGIONAL COOPERATION (IOR - ARC)

Mauritius also forms part of the Indian Ocean Rim Association for Regional Cooperation. This association was created in 1997 and has the objective of establishing a regional framework for improving trade

RESOURCES

Mauritius Export Development & Investment Authority (MEDIA)
BAI Building
25, Pope Hennessy Street
Port Louis
Tel: (230) 2087750, 212 5965
Fax: (230) 208 5965, 2083914
Email: media@intnet.mu
Url: http://ncb.intnet.mu/media.htm

www.comesa.int *contains information on COMESA*

www.sadc.int and **www.sadcreview.com** *contain information on SADC*

www.coi-info.org *contains information on IOC*

relationships among member countries. There are 19 members, totaling a population of over 1595 million, that constitute the arrangement: Australia, Bangladesh, India, Indonesia, Iran, Kenya, Madagascar, Malaysia, Mauritius, Mozambique, Oman, Seychelles, Singapore, South Africa, Sri Lanka, Tanzania, Thailand, United Arab Emirates and Yemen. Two countries, namely Egypt and Japan, have an observer status.

It is should be noted that in addition to the above agreements, Mauritius also benefits from other Trade Arrangements which have other objectives than those mentioned above. Examples are the Lomé Convention (which has now become the Cotonou Convention - see questions 98 and 99) the Africa Bill (see question 96), and the GSP programme (see question 94). These arrangements are non-reciprocal and as such, WTO should be notified of the preferential treatment to certain countries that these programmes entail.

94. What is the Generalised System of Preferences (GSP)?

In 1971, UNCTAD created a preference scheme to favour goods exported from developing countries. This programme, which provides 140 countries, including Mauritius, with preferential access of a number of products into industrialised countries, is an exception to the Most Favoured Nation principle (MFN) of GATT (see questions 87 and 88).

To be eligible for preferential treatment in these countries, goods exported from Mauritius must be

— either wholly obtained in Mauritius or meet a percentage criterion; and
— transported directly to the preference giving country.

It should be noted that each GSP scheme has its own list of products covered under the scheme as well as its own product quotas, ceilings and administration, including eligibility criteria.

Products sent to the preference giving countries should be accompanied by a GSP certificate issued by:

The Ministry of Industry, Commerce and International Trade
Foreign Trade Division
4th Floor, Anglo-Mauritius building
Port Louis
Tel: (230) 208 0765
Fax: (230) 208 7325

The above Ministry should also be contacted for further details regarding GSPs.

RESOURCES

Global Economic Co-operation: A Guide to Agreements and Organizations
Edited by Bernard Colas
ICC Publication no. 932
ISBN 92 842 11743

95. Which countries offer Mauritian exporters GSPs?

The countries that offer Mauritian exporters GSPs are:

(i) The United States of America
(ii) Canada
(iii) New Zealand
(iv) Austria
(v) Japan
(vi) Australia
(vii) Sweden
(viii) Switzerland
(ix) Norway
(x) The European Economic Community: Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, United Kingdom, Portugal, Spain

Further details can be obtained through ;

The Ministry of Industry, Commerce and International Trade
Foreign Trade Division
4th Floor, Anglo-Mauritius building
Port Louis
Tel: (230) 208 0765
Fax: (230) 208 7325

RESOURCES

Handbook of the GSP Scheme of the European of Community
UNCTAD Technical Cooperation Project on Market Access
Trade Laws and Preferences
16 April 1998

(Handbooks for other prefrence giving countries also available)

96. What is the "Africa Bill"?

The Africa Bill, enacted into the "African Growth and Opportunity Act " (AGOA), is the first ever trade and investment legislation on Africa that was adopted by the US Congress. The bill encourages a transition from aid to trade for Sub-Saharan African countries committed to economic and political reforms. This non reciprocal Trade Agreement provides that African products meeting eligibility requirements when imported from designated beneficiaries will receive duty free treatment in the United States for a renewable period of 8 years. The Act qualifies the sub-Saharan region as having enormous economic potential and of enduring political significance to the United States. Designation of beneficiaries is left to the US President who decides if the potential beneficiaries in Africa meet the requirements laid out in the bill. These requirements are a combination of GSP and eight additional conditions specifically applicable to AGOA. In effect, the criteria have been put together so as to allow designation of almost all countries accepting democratic values and market oriented policies. Out of the 48 sub Saharan African countries, 34, including Mauritius, were in the first list of eligible countries proclaimed by the US President on 2nd October 2000.

The passage of the Act would not have been possible without the participation of African governments. Mauritius has played a remarkable role in the process, serving as leader among African countries in supporting the Africa Bill. In fact, the successful enactment of the Africa Bill culminates five years of effort by the African Coalition for Trade, Inc. (ACT) and the Mauritius-US Business Association (MUSBA).

RESOURCES

www.USAfrica.org *contains the Act as well as related relevant information.*

www.agoa.gov *is the official American government site for this Act.*

97. What are the benefits of the "Africa Bill"?

The trade preferences contained in the Africa Growth and Opportunity Act (AGOA) will create very big opportunities for expanded trade and investment ties with the United States. The most important of the preferences deal with apparel exports, although there are significant benefits for other sectors like agriculture.

Eligibility. A Sub-Saharan country would be eligible for benefits only if the President determined that the country is taking steps to establish a market-based economy, does not engage in gross violations of internationally recognised human rights, and does not engage in activities contrary to U.S. national security or foreign policy interests.

Generalized System of Preferences (GSP). The Africa Bill extends US GSP to eligible African beneficiary countries by eight years until 2008 and expands the list of products that may receive duty-free treatment. This latter decision for expansion is based on the International Trade Commission's advice regarding the import-sensitiveness of the products. To be eligible for GSP, countries must observe internationally recognised worker rights.

Quota-free access on apparel trade. Existing export quotas on Mauritius and Kenya will be lifted within 30 days of the establishment of "an effective visa system to prevent unlawful transshipment." Even products that do not qualify for duty-free access, i.e. apparel made in Mauritius from third-country fabric, will nevertheless be quota-free.

Duty-free access on apparel trade. The Bill extends duty-free access to apparel imported from Africa subject to certain conditions. With certain exceptions, such duty-free access will be capped during the first year at 1.5% of total U.S. apparel imports during the most recent 12 months for which import data is available, growing in regular annual increments to 3.5% over eight years. The percentage cap will grow reflecting annual growth in total U.S. imports

Special provision for LDCs. Only those (eligible) countries with per capita income of less than $1,500 will be eligible for duty-free access for a period of 4 years for apparel made from third-country fabric. This means that Mauritian companies which are already engaged in regional integration, for example in Madagascar, will benefit from this advantage during 4 years. However, another consequence is that Mauritian companies will have to prepare themselves to produce yarn or identify potential suppliers of yarn in sub Saharan Africa.

Vertical Integration. The provisions of the Bill encourage vertical integration of the Mauritian textiles industry and concurrently create high-value added jobs in the sector.

U.S.-Africa Economic Cooperation Forum. The objective of this forum is to allow annual high-level meetings to discuss economic and trade matters in all sectors.

U.S.-Africa Free Trade Area. The Bill directs the US President to develop a plan to negotiate such a FTA or FTAs with individual countries in Africa in due course

Economic Cooperation. It is sensed a $150 million equity fund and a $500 million infrastructure fund for Sub- Saharan Africa should be established by the US to accompany growth in the region.

RESOURCES

Industry Focus magazine No. 51 July - Aug 2000, C/o EPZDA, Saint James Court, Saint Denis Street, Port Louis, Tel: (230) 212 9760, Fax: (230) 212 9767, Email: epzda@intnet.mu, Url: http://epzda.intnet.mu

Air Mauritius Cargo magazine No. 7 - Special issue, Air Mauritius Cargo News, 3rd Floor, Air Mauritius Centre, John Kennedy Street, Port Louis, Tel: (230) 207 7336, Fax: (230) 210 8882

www.USAfrica.org *contains valuable relevant information.*

98. What is the Lomé Convention?

The Lomé Convention is a partnership agreement that is characterised by its non-reciprocal trade benefits for ACP states including unlimited entry to the European Community (EC) market for most industrial goods and many other products. The agreement also provides for updated aid packages for each ACP country and region.

Cooperation between EC and the ACP group of countries dates back to the birth of the Treaty of Rome that established the European Economic Community in 1957. The expression of solidarity with the colonies and overseas countries and a commitment to contribute to their prosperity was a marked feature of the Treaty.

The Yaounde I Convention (1963) between the Associated African States and Madagascar (AASM) and EEC was the first association concluded in that respect in the capital of Cameroon. It was followed by Yaoundé II in 1969. These two Conventions were signed between 18 "ACP" and 6 European countries. The membership of the United Kingdom to EEC in 1973 led to the signing of a wider reaching Lomé I Agreement between 46 ACP and the then 9 EEC member states in 1975. It was then that UK put its special trading preferences for bananas and sugar under the EC umbrella and extended its assistance to some former colonies beyond bilateral support. One of the outcomes of huge importance to Mauritius was the Sugar Protocol whereby the Community agrees to buy a fixed quantity of sugar annually from ACP producers at attractively high guaranteed prices aligned to EU's own internal sugar price and establishes annual quotas for sugar producers.

For two decades that the Convention continued, through the Lomé II Convention in 1980 and the Lomé III Convention in 1990, the agreement became the finest and the most complete instrument of North-South cooperation. This was testified and accompanied by the growth in the membership of the Convention.

Lomé IV was signed in December 1989 between 69 ACP countries and 12 EC members. The first difference from the preceding agreements was its duration of ten years from 1990 to 2000, with a mid-term review in Mauritius in 1995. In conjunction with IMF and the World Bank, support was brought to structural adjustment programmes in ACP states to promote economic growth. Also, human rights became an essential element of the cooperation.

Lomé IV expired at the start of the new millennium. It was an opportunity to build on the acquis of twenty-five years of experience and bring about changes and novelties needed to adapt to global developments including WTO regulations. Thus a new Agreement was signed in Cotonou in Benin in June 2000.

RESOURCES

The Courrier
Lomé IV Convention
As revised by the agreement signed in MAURITIUS on 4 November 1995
No. 155 January - February 1996 - ISSN 1013-7335
Commission of the European Communities
200, rue de la Loi
1049 Brussels
Belgium

www.euforic.org *contains more information on ACP - EU issues.*

99. What is the Cotonou Convention?

Following the end of the Lomé IV Convention in 2000 (see previous question), the Cotonou Agreement was signed in Benin in June 2000 for a twenty-year period, from 2000 to 2020, with a clause allowing for revision every five years, and a financial protocol for each five-year period. This new Agreement takes the successive Lomé Conventions as model and builds on the acquis of twenty-five years of experience.

Evaluations of the financial aid deployed by EC under the Lomé Convention have shown rather mixed results. Also, except for a few countries like Mauritius, the impact of non-reciprocal trade preferences have proven to be disappointing with, for example, a decline in ACP countries' share of the EU market from 6.7% in 1976 to 3% in 1998. A reform of the partnership was overdue.

In this respect, the new Agreement clearly defines a perspective that combines politics, trade and development. It is based on the following five independent pillars.

— A comprehensive political dimension
— Participatory approaches
— A strengthened focus on poverty reduction
— A new framework for economic and trade cooperation
— A reform of financial cooperation.

An important aspect of this new Agreement is the introduction of a process for the gradual phasing out of the unilateral preferences granted by EU to ACP countries. Indeed, to ensure full conformity with WTO provisions, trade will be liberalised by 2008, at the latest, during a transitional period of 12 years.

RESOURCES

The New ACP - EU Agreement
The Courrier
No. 181 June - July 2000 - ISSN 1013-7343
Commission of the European Communities
200, rue de la Loi
1049 Brussels
Belgium

Implementing the New ACP-EU Partnership Agreement
European Centre for Development Policy Management (ECDPM)
Newsletter Issue of 14 June 2000
http://www.oneworld.org/ecdpm

www.euforic.org *contains more information on ACP - EU issues.*

SECTION 14

IMPORTING

100. How can an exporter best manage purchase and supply of inpu needed for export production?

Purchased goods and services usually account for a considerable portion of a company's turnov Improving the cost effectiveness of purchasing and supply management can lead to substantic improved competitiveness through reduced costs, better quality, faster response to market changes a technological improvements. To achieve this, the exporter should:

- Make a careful assessment of the requirements to be met through purchased inputs in terms of quali quantity, delivery, and other relevant factors
- Monitor international supply markets in order to take advantage of the best supply opportunities
- Obtain the necessary information so as to be able to appraise potential suppliers
- Analyse the cost and risk factors that determine the relative levels of importance of each input to b purchased in order to know where to focus priorities
- Determine which are the most effective supply strategies for each category of inputs
- Adopt the most effective method for appraising supply options and carrying out the purchase
- Determine what type of business relationship with the supplier is needed in order to meet supp objectives
- Establish an efficient system for monitoring and administering purchase contracts in order to minimi and resolve problems in execution
- Ensure that the purchased goods are stored efficiently and securely, properly accounted for ar easily and economically available as and when required
- Establish a system for measuring supplier's performance as well as exporter's own ability to effective manage the whole purchasing and supply process

RESOURCES

International Purchasing and Supply Management Section
International Trade Centre UNCTAD/WTO
Palais des Nations
1211 Geneva
10, Switzerland
Tel: (41-22) 730 01 11
Fax: (41-22) 733 44 39
Email: itcreg@intracen.org
Website: http://www.intracen.org

International Federation of Purchasing and Materials Management
C/o POWZ
P.O Box 131 Rockhgasse
6, A-1014 Vienna,
Austria
Tel: +431 533 86 36 78
Fax: +431 533 86 36 79

ANNEX 1

Formalities for setting up a business

(source : MEDIA)

1. Export Enterprise Certificate

An investor who wishes to operate a manufacturing unit in the Mauritius Export Processing Zone must apply for an Export Enterprise Certificate.

• ***Procedure:*** The promoter should submit his application in 3 copies on the prescribed form obtainable either from the Ministry of Industry, Commerce and International Trade or MEDIA, together with documentary evidence of export markets.

• ***Contact:***

→ **The Permanent Secretary**
Ministry of Industry, Commerce and International Trade
Industry Division
7th Floor, Air Mauritius Centre
Port Louis
Tel: (230) 201 1068
Fax: (230) 212 8201
Email: minic@intnet.mu
Url: http://ncb.intnet.mu/mic.htm

2. Formation of Company

• ***Procedure:*** A notary should be contacted for the incorporation of the company.

• ***Contact:***

→ Registrar of Companies
Emmanuel Anquetil Building
Port Louis
Tel: (230) 201 1748/9
Fax: (230) 211 2852
Email: rocd@intnet.mu

3. Authorisation to invest in Mauritius by a foreign investor

All foreign investors wishing to invest in an Export Enterprise Company should get an authorisation from the Prime Minister's Office.

• ***Procedure:*** An application in 2 copies should be submitted to the Prime Minister's Office on the appropriate forms which can be obtained from the Prime Minister's Office or from the Ministry of Industry Commerce and International Trade.

• ***Contact :***

→ **Prime Minister's Office**
6th Floor, New Government centre
Port Louis
Tel: (230) 201 1018
Fax: (230) 212 9393

4. Scheduled list of machinery, equipment and raw materials

In the case of an Export Enterprise company which benefits from exemption of duties on the import o machinery, equipment and raw materials, an authorisation should be obtained in this respect.

• ***Procedure:*** A complete list of productive machinery, equipment and raw materials to be used in the factory should be submitted to the Ministry of Industry, Commerce and International Trade who will transmit it to the Customs authorities for approval. This list should be submitted together with a copy of the Certificate of Incorporation of the company.

• ***Contact:***

→ **Ministry of Industry, Commerce and International Trade**
Industry Division
7th Floor, Air Mauritius Centre
Port Louis
Tel: (230) 201 1068
Fax: (230) 201 8201

→ **The Comptroller of Customs & Excise Department**
IKS Building, Trou Fanfaron
Port Louis
Tel: (230) 240 9702, 240 3475
Fax: (230) 240 0434

5. Work Permit

Companies that wish to employ expatriates should obtain a work permit for each foreign employee.

• ***Procedure:*** Application on the prescribed form should be made to the Ministry of Training and Skills Development at least three months prior to the projected date of employment.

	FEES APPLICABLE (per year)
* **Manufacturing Sector**	
1st - 5th year	Rs 1,000
5th year onwards	Rs 10,000
* **Other Sectors**	
1st - 3rd year	Rs 5,000
4th - 5th year	Rs 10,000
6th year onwards	Rs 15,000

• ***Contact:***

→ **The Permanent Secretary**
Ministry of Human Resources Development
Employment Division
10th Floor, Sterling House
Lislet Geoffroy Street
Port Louis
Tel: (230) 211 7769
Fax: (230) 211 0029

6. Residence Permits

Any foreign investor or technician who wishes to reside in Mauritius must obtain a residence permit.

• ***Procedure:*** The application should be submitted to the Prime Minister's Office.

• ***Contact:***

→ Prime Minister's Office
6th Floor, New Government Centre
Port Louis
Tel: (230) 201-1639
Fax: (230) 212-9393

7. Location of factory premises

EPZ companies can be located anywhere on the island provided that permission is obtained from the appropriate authorities.

• **Procedure:** The company can either rent or construct its own factory building. Buildings for rental can be obtained either from MEDIA or the private sector . If the factory building is to be erected in an urban area Development and Building Permits should be obtained from the Municipality concerned. If it is to be located in a rural area, the Development Permit should be obtained from the District Council concerned and the Building Permit from the Ministry of Public Utilities.

• ***Contact:***

→ **MEDIA**
B.A.I. Building
Pope Hennessy Street
Port Louis
Tel: (230) 208-7750
Fax: (230) 208 5965
Email : media@intnet.mu

→ **The Town Clerk of the Municipality concerned.**
OR The Secretary, District Council of the Area concerned

The Administrative Officer, Ministry of Public Utilities
OR The Office of the Ministry of Public Utilities in the locality concerned.

8. Application for Water Supply

• ***Procedure:*** Companies that need water in excess of 30 m^3 or 20,000 litres/day should apply directly to the General Manager, Central Water Authority. For domestic purposes the application should be made to the CWA Office of the locality concerned.

• ***Contact:***

→ **The General Manager**
Central Water Authority
St Paul
Phoenix
Tel: (230) 686-5071
Fax: (230) 686 6264

9. Application for Electricity Supply

• ***Procedure:*** Application should be submitted to the General Manager, Central Electricity Board. The total load requirements and, if possible the expected maximum demand (KVA) and monthly consumption in KWh should be indicated. The CEB will deliver a permit only after authorisation to operate a factory in the locality has been obtained from the Municipality or District Council concerned.

• ***Contact:***

→ **The General Manager**
Central Electricity Board(Head Office)
Royal Road
Curepipe
Tel: (230) 675 5010
Fax: (230) 675 7958

10. Application for telephone

- *Procedure:* Application should be made to the Mauritius Telecom.

- *Contact*

→ **The Director**
Mauritius Telecom
Telecom Tower
Port Louis
Tel: (230) 203 7000
Fax: (230) 208 5035
Email : mtelecom@intnet.mu

11. Application for telex and fax and e-mail services

- *Procedure:* Application should be made to the Mauritius Telecom.

- *Contact:*

→ **The Director**
Mauritius Telecom
Telecom Tower
Port Louis
Tel: (230) 203-7000
Fax: (230) 208 5035
Email : mtelecom@intnet.mu

12. Development Permit

A Development Permit Prior is required prior to the start of operations.

- *Procedure:* Application should either be made to the Municipality concerned if the factory is to be located in an urban area or to the District Council concerned if it is to be found in a rural area.

- *Contact:*

→ The Town Clerk, Municipality concerned
The Secretary, District Council concerned.

13. Manufacturing Licence

A Manufacturing Licence should also be obtained by the company before starting its operation. This licence is delivered only after the police and other departments concerned (e.g., Ministry of Health) have given their clearances.

- *Procedure:* The promoter of the project must contact the Municipality or District Council of his locality. Once the application has been approved, the company will have to pay an annual fee in order to operate his factory.

- *Contact:*

→ The Town Clerk, Municipality concerned - Licences Section
The Secretary, District Council concerned

14. Electric Motor Permit

If the company needs to operate one or more power motors, an Electric Motor Permit should be obtaine

• ***Procedure:*** The applicant should also pay a notice in 2 daily newspapers for that matter. A delay of 1 days from the date of publication should be given for anyone who wishes to object to the installation to d so. Furthermore, the applicant has to cause a notice to be served on the contiguous owners of the proper where the motors are to be installed.

• ***Contact:***

→ The Town Clerk, Municipality concerned
→ The Secretary of District Council concerned.

15. Clearance from the Factory Inspectorate Services

The purpose of this clearance is to ensure safety, health and welfare of all employees.

• ***Procedure:*** The company must register with the Factory Inspectorate Section of the Ministry of Labour & Industrial Relations and obtain the necessary clearance.

• ***Contact:***

→ **Chief Factory Inspector**
Factory Inspectorate Division
Ministry of Labour & Industrial Relations
16, Dr Eugène Laurent Street
Port Louis
Tel: (230) 201 2890/2899
Fax: (230) 212 3088

16. Clearance from the Police Department

The Police Department must be satisfied that on the proposed factory premises
* parking facilities are provided;
* storage facilities are adequate;
* the environment is not adversely affected.

• ***Procedure:*** The Police Station in the area where the factory will be set up must be contacted.

• ***Contact:***

→ Police Station in the area concerned.

17. Sanitation and Hygiene

Clearance must be obtained from the Ministry of Health which has to ensure that workers are not subjected to health hazards and that the production processes used and the effluents discharged do not cause serious adverse effects on the environment.

• ***Procedure:*** The Ministry of Health must be provided with the following:-

* Detailed layout plan of the factory building;
* Site plan;
* Description of the process to be used;
* List of chemicals to be used;
* Means of disposal of wastes;
* Sanitary and hygienic conditions for workers.

Once satisfied that the sanitation requirements are met, the Ministry of Health will communicate the authorisation to the Municipality or other authorities concerned.

- *Contact:*

→ **The Sanitary Engineer,**
Environment Health Unit
Emmanuel Anquetil Building
Port Louis
Tel: (230) 212-6080
Fax: (230) 212 9406

18. Fire Prevention

The Fire Services operated by the Ministry of Local Government have to ensure that all fire precautions are included in the building plan and that the premises are adequately safe against fire before clearance is given.

- ***Procedure:*** Every person who uses or proposes to use any place of work :-

* where more than 20 persons are so employed elsewhere than on the ground floor;
* where explosive or flammable material is stored/used or situated in premises.

shall make a written application to the fire authority for a fire certificate, furnishing drawing plan, document or other information which are required.

- *Contact:*

→ **The Controller, Government Fire Services**
Cnr Poivre Street & St Georges Street
Port Louis
Tel: (230) 212-0214 , 212-4726
Fax: (230) 208 3875

→ **The Chief Officer, Fire Brigade**
Municipal Fire Section
Maillard Street
Port Louis
Tel: (230) 242-0221
Fax: (230) 208 3875

19. Registration of Trade Marks

An enterprise wishing to produce under a Trade Mark must enquire whether the chosen Trade mark is not already registered and check whether it conforms to legislation.

- ***Procedure:*** Verification of whether the trade mark has already been registered should be made at the International Trade Division, Ministry of Industry, Commerce and International Trade, against a search fee. In the event that it has not, the applicant must proceed by sending his/her application in writing (word processed) in 3 copies for each trade mark. It should mention the name of the person on behalf of which company/person as well as the logo, name and design in respect of the particular brand. A filing receipt is issued on acknowledgement of the appplication, and an answer should be provided within 6 weeks to 2 months.

In case the application is accepted, a registration fee of Rs 302.50 has to be paid. The applicant should arrange for the publication of a notice in the Government Gazette and in 2 daily newspapers not later than 2 months after the date of acceptance. He/She should produce a copy of the publication at the Ministry concerned. If there is no objection within 3 months from the date of the last publication a certificate of Registration will be issued.

It is valid for 7 years after the date of application and renewable for a subsequent 14 years.

- *Contact:*

→ **The Permanent Secretary**
Ministry of Industry, Commerce and International Trade
2nd floor, Anglo Mauritius House
Port Louis
Tel: (230) 201-1043

20. Registration of Patents

According to the Patents Act every inventor of any manufacture shall be entitled under the conditions an restrictions enacted, to the sole exclusive right of this new invention.

- *Procedure:* A petition should be lodged in the office of the Ministry of Industry, Commerce an International Trade along with a specification describing and ascertaining the nature of the invention Once the petition is approved by the Attorney-General, a certificate for interim protection shall be issuec The applicant shall cause, within 2 months of the issue of the certificate, his application to be advertised i the gazette in order to allow persons who have an divergent interest the opportunity of objecting to th grant of the patent. Where no objection is made within one month of the advertisement, the patent sha be issued. Various Fees have to be paid when applying for a patent.

- *Contact:*

→ **The Permanent Secretary**
Ministry of Industry, Commerce and International Trade
2nd floor, Anglo Mauritius House
Port Louis
Tel: (230) 201-1043

21. Registration as an Employer

Any Export Enterprise should register itself with the National Pension Scheme operated by the Ministry o Social Security.

- *Procedure:* The Ministry of Social Security and National Solidarity should be contacted and appropriate forms filled in.

- *Contact:*

Ministry of Social Security and National Solidarity
National Pension Scheme
Renganaden Seeneevassen Building
Pope Hennessy Street
Port Louis
Tel : (230) 212 9834
Fax: (230) 212 8190

ANNEX 2

Fiscal Incentives

a) MANUFACTURING

INCENTIVE SCHEME	QUALIFYING ACTIVITIES	INCENTIVES
Pioneer Status Enterprise	• Activities involving technology and skills above average existing in Mauritius and likely to enhance industrial and technological development.	• No customs duty, or sales tax on scheduled equipment or materials. • 15% corporate tax
	• Applicant companies may come under one of three broad categories: (a) new technology, (b) support industries and (c) service industries	• No tax on dividends
Strategic Local Enterprise	• Local industry manufacturing for the local market and engaged in an activity likely to promote and enhance the economic, industrial and technological development of Mauritius.	• 15% corporate tax • No tax on dividends
Modernisation and Expansion Enterprise	Two Broad categories:- • Investment in productive machinery and equipment, such as automation equipment and processes and computer applications to industrial design, manufacture and maintenance (CAD/CAM) • Investment in anti-pollution and environment protection technology to be made within 2 years of date of issue of certificate.	• No customs duty on production equipment • Income Tax credit of 10% (spread over 3 years) of investment in new plant and machinery, provided at least Rs 10 million are spent and this occurs within two years of date of issue of certificate. (This is in addition to existing capital allowances which amount to 125% of capital expenditures). • Enterprises incurring expenditure on anti-pollution machinery or plant benefit from a further incentive, i.e. an initial allowance of 80% instead of the normal 50%.

Industrial Building Enterprise	• Construction for letting purposes of industrial buildings or levels thereof, provided floor space is at least 1000 square meters • Special conditions: The applicant can only be a company intending to erect an industrial building to be let to the holder of a certificate (other than an industrial building enterprise certificate) issued under the Industrial Expansion Act or to an enterprise engaged in the manufacture or processing of goods or materials except the milling of sugar.	• 15% corporate tax • No tax on dividends • Registration dues for land purchase: 50% exemption • There is also a non-fiscal incentive, namely the non-application of the Landlord and Tenant Act, i.e. rent control
Small and Medium Enterprise	• Any manufacturing activity, including repair, packing and assembly of inputs into finished or semi-finished goods, provided the aggregate CIF value of production equipment does not exceed Rs 10 million	• No customs duty on production equipment • 15% corporate tax

b) SERVICES

INCENTIVE SCHEME	QUALIFYING	ACTIVITIES INCENTIVES
Offshore Business	• Conduct of business with non-residents and in currencies other than the Mauritian Rupee • Activities include: offshore banking, offshore insurance, offshore funds management, international financial services, operational headquarters, international consultancy services, shipping and ship management, aircraft financing and leasing, international licensing and franchising, international data processing and other information technology services, offshore pension funds, international trading and assets management, international employment services	• No tax on profits • Free repatriation of profits • Complete freedom from exchange control • Concessionary personal income tax for expatriate staff • Complete exemption from taxes on imported office equipment • Complete exemption from import duties on cars and household equipment for two expatriate staff per company • No withholding tax on interest payable on deposits raised from from non-residents by offshore banks • No withholding tax on dividends and benefits payable by offshore entities, no estate duty or inheritance tax is payable on the inheritance of share in an offshore entity, no capital gain tax.
Free Port	• Transhipment and re-export trade, e.g. warehousing and storage, bulk breaking, sorting, grading, cleaning, mixing, packing and repacking, minor processing and simple assembly	• No corporate tax • Complete exemption from payment of customs duty and sales tax on : (a) all machinery, equipment and materials imported into a freeport zone for exclusive use in the freeport, (b) all goods destined for re-export, access to offshore banking facilities, warehousing and storage fees at preferential rates
Export Service Zones	• Export oriented service companies, such as accountancy, law, medicine, international marketing, quality testing, pre-shipment services, civil engineering, management consultancy, re-insurance, entrepot trade, transhipment	• 15% Corporate tax, exemption from payment of income tax on dividends • No customs duty on office equipment

c) OTHERS

INCENTIVE SCHEME	INCENTIVES
Agricultural Development Certificate	• 15% corporate tax • exemption from payment of income tax on dividends • free repatriation of capital, profits, and dividends • complete exemption from payment of customs duty on machinery, equipment and spare parts exemption from payment of 50% of the normal registration fee on land and buildings purchased by the new enterprise.
Hotel Management Service Certificate	• 15% corporate tax • Tax free dividends for 10 years • Free repatriation of profit, dividends and capital subject to original investment being received "A" status from the Bank of Mauritius • Term loans and overdraft at preferential rates
Hotel Development Certificate	• 5% corporate tax • Tax free dividends for 10 years • Exemption of customs duty on importation of equipment as per the approved list • Free repatriation of profit, dividends and capital subject to original investment being received "A" status from the Bank of Mauritius • Term loans and overdraft at preferential rates

In addition, two schemes have been launched with a view to attract foreign investors to Mauritius. These schemes are:

(i) **Permanent Residence Scheme:** A foreigner investing a sum of not less than US$500,000 in any qualifying business activity in Mauritius could obtain Permanent Resident Status. Applications should be made on the prescribed form which may be obtained at the Diplomatic Missions or Consular Offices of Mauritius abroad (see Annex 3) or at:

Mauritius Export Development & Investment Authority (MEDIA)
BAI Building
25, Pope Hennessy Street
Port Louis
Tel: (230) 2087750, 212 5965
Fax: (230) 208 5965, 2083914
Email: media@intnet.mu
Url: http://ncb.intnet.mu/media.htm

(ii) **Regional Headquarters Scheme:** This scheme is aimed at companies wishing to make the most of the strategic position of Mauritius to provide headquarters services to related corporations in countries of the region. Various incentives ranging from a ten-year tax holiday to Permanent Resident Status through concessionary personal income tax are offered under this scheme. Further information can be obtained from MEDIA at the above address.

ANNEX 3

Embassies, Consulates & High Commissions

EMBASSIES, CONSULATES AND HIGH COMMISSIONS OF FOREIGN COUNTRIES IN MAURITIUS

AUSTRIA CONSULATE
5th Floor, Rogers House
5 John Kennedy Street
Port Louis
Tel: 208 2811
Fax: 208 5045, 212 4210
Email:rene.sanson@rogers.intnet.mu

HIGH COMMISSION OF BANGLADESH
A.G. Joonas Group
P.O.Box 48, Port Louis
Tel: 242 6333
Fax: 242 1471

CONSULATE OF BELGIUM
C/o Ireland Blyth Limited
10 Dr Ferriere Street
Port Louis
Tel: 212 4811, 208 7289
Fax: 211 9561, 208 8471, 208 1014

CONSULATE OF BRAZIL
18th Edith Cavell Street
Port Louis
Tel: 207 3000
Fax: 207 3030

CONSULATE OF CANADA
C/o Blanche, Birger Co Ltd
18 Jules Koenig Street
Port Louis
Tel: 212 5500
Fax: 208 3391

CONSULATE OF CHILE
C/o Harel Mallac Building
18 Edith Cavell Street
Port Louis
Tel: 207 3000
Fax: 207 3030

CONSULATE OF COMOROS
299 Royal Road
Rose Hill
Tel: 454 9334, 464 5377
Fax: 463 7053
Email: smpint@intnet.mu

CONSULATE OF CZECH REPUBLIC
St. James Court, Ground floor
St Denis Street
Port Louis
Tel: 211 9200, 211 7405
Fax: 211 5388
Email: aeromru@intnet.mu

CONSULATE OF DENMARK
Rogers Riche Terre 1
Riche Terre
Tel: 248 9401-7
Fax: 248 1637
Email: scott.admin@intnet.mu

CONSULATE OF FINLAND
5 Pres John Kennedy Street
Port Louis
Tel: 208 6801, 208 0298
Fax: 211 9971

CONSULATE OF GABON
Societe Solicar
B P Libreville
Tel: 76 68 98

CONSULATE OF HUNGARY
C/o MTTB
Cnr Sir W. Newton & Royal Streets
Port Louis
Tel: 208 4739, 208 4734
Fax: 211 7617

CONSULATE OF THE REPUBLIC OF INDONESIA
AG Joonas Group
PO Box 48
Port Louis
Tel: 242 6333
Fax: 242 1471
E-mail: novind@bow.intnet.mu

CONSULATE OF ISRAEL
C/o St. Felix Sugar Estate
Chemin Grenier
Tel: 622 6538
Fax: 622 6577
Email: scurpen@intnet.mu

CONSULATE OF THE REPUBLIC OF KOREA
TM Building, Pope Henessy Street
Port Louis
Tel: 208 7945
Fax: 208 7949
E-mail: nchong@bow.intnet.mu

CONSULATE OF LUXEMBOURG
Suite 802, St James Court
St Denis Street, Port Louis
Tel: 212 7600
Fax: 212 3557

CONSULATE OF MALAWI
14 Bourbon Street
Port Louis
Tel: 212 8114-6
Fax: 208 3253

CONSULATE OF NEW ZEALAND
Anchor Bldg, Les Pailles
Tel: 212 4920, 212 5579
Fax: 212 9479
Email: anchor@intnet.mu

CONSULATE OF NORWAY
4th floor, Labourdonnais Court
St Georges Street, Port Louis
Tel: 210 1509, 208 0301
Fax: 210 2597
Email: norway@intnet.mu

CONSULATE OF OMAN
Groupe Roland Maurel
Les Pailles
Tel: 212 4607, 212 4225
Fax: 212 4308, 212 4226

CONSULATE OF PORTUGAL
5th floor, Harel Mallac Building,
18 Edith Cavell Street
Port Louis
Tel: 207 3000
Fax: 207 3030-1

CONSULATE OF SPAIN
1st floor, Orchid Tower,
11 Sir William Newton Street
Port Louis
Tel: 210 6636
Fax: 211 9920
Email: avtolconsult@intnet.mu

CONUSLATE OF SWEDEN
5 Pres. John Kennedy Street
Port Louis
Tel: 208 6801, 208 0298
Fax: 211 9971

CONSULATE OF TURKEY
Currimjee Jeewanjee & Co. Ltd.
38 Royal Street, Port Louis
Tel: 242 6011-6
Fax: 240 8133

CONSUL GENERAL HONORARY FEDERAL REPUBLIC OF GERMANY
32 bis, St Georges Street
Port Louis
Tel: 212 4100, 211 4111
Fax: 211 4111

CONSULATE OF JAPAN
4th floor, Wing B, Ken Lee Bldg
Edith Cavell Street, Port Louis
Tel: 211 1749
Fax: 211 1789

CONSULATE OF THE NETHERLANDS
Ireland Blyth Limited
10 Dr Ferriere Street, Port Louis
Tel: 212 4811, 208 7289
Fax: 211 9561, 208 1014

CONSULATE OF SEYCHELLES
616 St James Court, St Denis Street, Port Louis
Tel: 211 1688
Fax: 238 4526
Email: gfok@intnet.mu

CONSULATE OF SWITZERLAND
2 Jules Koenig Street
Port Louis
Tel: 208 8763
Fax: 208 8850

CONSULATE OF THAILAND
5 Duke of Edinburgh Street
Port Louis
Tel: 208 0877-8
Fax: 208 1614
Email: pmsl@intnet.mu

EMBASSY OF THE FRENCH REPUBLIC
14 St. Georges Street
Port Louis
Tel: 208 3755, 208 4103, 208 2282
Fax: 208 8145, 211 0577

AUSTRALIAN HIGH COMMISSION
2nd floor, Rogers House
John Kennedy Avenue
Port Louis
Tel: 208 1700-2
Fax: 208 8878

BRITISH HIGH COMMISSION
1st Floor, Les Cascades Building
Edith Cavell Street
Port-Louis
Tel: 211 1361
Fax: 212 8470

EMBASSY OF THE ARAB REPUBLIC OG EGYPT
Forest Lane
PO Box 8, Floreal
Tel: 696 5012, 696 5162
Fax: 686 5775

EMBASSY OF THE PEOPLE'S REPUBLIC OF CHINA
Royal Road, Belle Rose
Tel: 454 9111 (Administration)
454 9113 (Commercial & Economic Section)
464 5556 (Consular Section)
208 8596 (Cultural Section)
Fax: 464 6012 (Administration)

EMBASSY OF THE REPUBLIC OF MADAGASCAR
Guiot Pasceau Lane
Floreal
Tel: 686 5015-6
Fax: 686 7040

SOUTH AFRICAN HIGH COMMISSION
4th floor, BAI Building
Pope Henessy Street
Port Louis
Tel: 212 6925-30
Fax: 212 6936
E-mail: sahc@intnet.mu

EMBASSY OF THE RUSSIAN FEDERATION
Queen Mary Avenue
Floreal
Tel: 696 1545, 696 5533
Fax: 696 5027

EMBASSY OF THE UNITED STATES OF AMERICA
4th floor, Rogers House
Port Louis
Tel: 208 2347, 208 2354
Fax: 208 9534
E-mail:usembass@intnet.mu

HIGH COMMISSION OF INDIA
6th floor, LIC Building
John Kennedy Street, Port Louis
Tel: 208 3775, 208 0031

HIGH COMMISSION OF THE ISLAMIC REPUBLIC OF PAKISTAN
Queen Mary Avenue
Floreal
Tel: 698 8501-2
Fax: 698 8465

DELEGATION OF THE EUROPEAN COMMISSION
8th floor, St James Court
St Denis Street
Port Louis
Tel: 207 1515
Fax: 211 6624

UNITED NATIONS DEVELOPMENT PROGRAMME
6th floor, Anglo Mauritius House
Intendance Street, Port Louis
Tel: 208 2416, 212 3726
Fax: 208 4871

INDIAN OCEAN COMMISSION
Q4 Sir Guy Forget Avenue
Quatre Bornes
Tel: 425 1652, 425 9564
Fax: 425 2709

INDIAN OCEAN RIM ASSOCIATION FOR REGIONAL COOPERATION
Vacoas
Tel: 698 3979
Fax: 697 5390

UNICEF
3rd floor, Anglo Mauritius house
Intenmdance Street
Port Louis
Tel: 212 0257, 208 9894
Fax: 208 3823

WHO
1st floor, Anglo Mauritius House
Intendance Street
Port Louis
Tel: 210 1899, 210 7300
Fax: 210 6474

HONORARY CONSULS OF MAURITIUS OVERSEAS

Mauritius Consulate
124 Lipson Street
Port Adelaide, POB 155
South Australia 5015
Australia
Tel: (08) 8341 0477
Fax: (08) 8341 0513

Mauritius Consulate
73 Waterloo Crescent, St Kilda,
Victoria 3182
Melbourne
Australia
Tel: 03 9245 0245
Fax: 03 9245 0231
Email: richard@wa2000.com.au

Mauritius Consulate
12/1 High Street, Freemantle,
Western Australia 6160
Australia
Tel: 09 4305 872
Fax: 09 4305 367

Mauritius Consulate
Sylvania - Southgate
PO Box 20
New South Wales 2224
Australia
Tel: 02 522 7007

Mauritius Consulate
A-1010 Wien
Seilerstatte 5
Vienna
Austria
Tel: 431 513 8944
Fax: 431 513 8735

Mauritius Consulate
606 Cathcart Street
Suite 200, Montreal, Quebec
Canada H3B 1K9

Mauritius Consulate
SOCOMECA
BP 196, Moroni
Federal Islamic Republic of Comoros
Tel: 269 73 21 65
Fax: 269 73 15 69

Mauritius Consulate
16300 Prague 6
Sochanova 1126
Czech Republic
Tel: 420 2 23 25 420
Fax: 00 42 2 231 2382
Email: deserv@login.cz

Mauritius Consulate
Gibbs Harley Cooper Ltd.
8 Alasias Street
Christodool Des Building
PO Box 3250
3301 Limassol
Cyprus
Tel: 05 37 32 79
Fax: 05 35 58 69

Mauritius Consulate
Davis A/S
Kronprinsessegade 44
1306 Copenhagen K
Denmark
Tel: 33 33 8182
Fax: 33 33 0507

Mauritius Consulate
Bulevardi 44
00120 Helsinki
Finland
Tel: 358 98562 6290
Fax: 358 98562 6214
Email: email@jwt.fi

Mauritius Consulate
28 Boulevard Paul Peyral
13006 Marseilles
France
Tel: 00 33 91 33 38 29
Fax: 33 91 55 61 41

Mauritius Consulate
126 Place de la Sous
Prefecture, BP 210
69657 Villefranche
France 754
Tel: 74 62 12 74
Fax: 74 62 39 43

Mauritius Consulate
Landwehrstrasse 10
PO Box 201003
80336 Munchen 2, FRG
Federal Republic of Germany
Tel: 089 55 55 15
Fax: 089 55 35 04

Mauritius Consulate
D 82031 Gruenwald
Robert-Kooh-Strasse 24
D-04357 Liepzig
Mockaeur Strable 123
Mockam Centre Leipzig
Federal Republic of Germany
Tel: 49 341 21 188 22
Fax: 49 341 840 219

Mauritius Consulate
21 Rue Glesener
L-1631 Luxembourg
Grand Duchy of Luxembourg
Tel: 352 45 3207
Email: buchler@luxconsult.lu

Mauritius Consulate
1st floor, K Tsatsou street, 4 PETA
Athens 10558
Synthagma
Athens
Greece
Tel: 301 324 6257
Fax: 301 322 6388
Email: mauritius@mail.acci.gr

Mauritius Consulate
1st floor, Room 103
Wing On Plaza, 62 Mody Road
Tsim Sha Tsui
Kowloon
Hong Kong
Tel: 852 27 44 4063
Fax: 852 27 21 17 60

Mauritius Consulate
Mittal Tower, C Wing
11th floor, Office No. 115
Nariman Point, Mumbai 400021
India
Tel: 91 222 845 466
Fax: 91 222 845 468

Mauritius Consulate
No 44 Beach Road
Kalakshetra Colony
Chennai 60090
India
Tel: 91 44 234 6693
Fax: 91 44 491 8183

Mauritius Consulate
20 Sir RN Mukherjee Road
Calcutta 700-001
India
Tel: 33 248 0114
Fax: 33 248 1200
Email: chairman@jimorison.com

Mauritius Consulate
J1 K H Hassyim Ashari
No. 33B Jakarta
Indonesia
Tel: 37 33 41
Fax: 622 34 5317

Mauritius Consulate
2 Ibn Gvirol Street
Tel Aviv 64077
Israel
Tel: 972 369 20 912
Fax: 972 369 56 995

Mauritius Consulate
Res. Acquario
Via dei Gardini 2
20121 Milano
Italy
Tel: 39 26 55 2772
Fax: 39 26 55 2594

Mauritius Consulate
Via Alfredo Serranti 14
00136 Rome
Italy
Tel: 349 7586
Fax: 475 5252

Mauritius Consulate
Mitsubishi Corporation
6-3 Mammouchi 2 Chome
Chiyodabu, Tokyo
Japan
Tel: 3210 2587
Fax: 3210 8084

Mauritius Consulate
1st floor, Union Towers Building
Moi Avenue, PO Box 49326
Nairobi
Kenya
Tel: 33 02 15
Fax: 254 222 1006

Mauritius Consulate
Korean Overseas Fishing Co. Ltd.
Room No. 1503
KAL Building 118, 2-KA
Namdean-Ro, Chung Ku
Seoul
Korea
Tel: 75 31 252

Mauritius Consulate
PO Box 275
Beirut
Lebanon
Tel: 96 11 866700
Fax: 96 11 602 200

Mauritius Consulate
9 Avenue Princess Alice
14 Boulevard des Moulins
BP 153 MC 98003
Monte Carlo
Monaco
Tel: 377 92 16 58 92
Fax: 377 92 16 59 16

Mauritius Consulate
Cooperative Bank
37 Ria Joaquimlapa
Maputo
Mozambique
Tel: 258 13 07 294
Fax: 258 14 21 372

Mauritius Consulate
Prinses Irenestraat
PO Box 2838
1000 CV Amsterdam
Netherlands
Tel: 0205 405 800

Mauritius Consulate
Ullrich Aluminium Co Ltd
29-37 Great South Road
PO Box 22-244
Otahuhu, Auckland
New Zealand
Tel: 649 276 3789
Fax: 649 276 3342

Mauritius Consulate
Arbinsgate 3
N-0253 Oslo
Mail Address:
PO Box 1447-Vika
N-0110 Oslo
Norway
Tel: 47 22 55 40 50
Fax: 47 22 55 05 92

Mauritius Consulate
96A Sindhi Muslim Cooperative Housing Society
Karachi 3
Pakistan
Tel: 92 21 455 1990
Fax: 92 21 455 6675

Mauritius Consulate
246-A/3 Gulberg III
Lahore
Pakistan
Tel: 92 42 57 12 638
Fax: 92 42 57 11 759

Mauritius Consulate
Klishin & Partners
5th floor, 24 Myasnitskaya Street
101851 Moscow
Russian Federation
Tel: 00 95 92 50 247
Fax: 00 95 92 49 371

Mauritius Consulate
PO Box 23741
Jeddah 21436
Saudi Arabia
Tel: 966 2 644 2945
Fax: 966 2 644 2934

Mauritius Consulate
PO Box 1310
Aarti Chambers, Mont Fleuri
Mahe
Seychelles
Tel: 248 22 50 97
Fax: 248 22 51 21
Email: birdlife@seychelles.net

Mauritius Consulate
K27 Embassy Building
199 Smith Street
Durban 4001
South Africa
Tel: 27 31 36 84 293
Fax: 27 31 33 25 929

Mauritius Consulate
Honorary Consulate of MauritiusC/o Ambassador Tours
Diputacion Street, 2385050
08007 Barcelona
Spain
Tel: 00 349 34 87 9634
Fax: 349 34 88 1657

Mauritius Consulate
104/11 Grandpass Road
Colombo 11
Sri Lanka
Tel: 074 796 794
Fax:47 11 32
Email: eswaran@eureka.lk

Mauritius Consulate
C/o Air Mauritius
Norrlandsgatan 15
S - 111 43 Stockholm
Sweden
Tel: 46 8 723 0695
Fax: 46 8 7232 0712

Mauritius Consulate
12 Wahid Circular Drive
Sumadh Gardens
San Fernando, Trinidad
Trinidad & Tobago
Tel: 809 657 6440

Mauritius Consulate
10100 Santa Monica
Boulevard Eighth Floor
Los Angeles, California 20067
United States of America
Tel: 310 557 2009
Fax: 310 551 2283

MAURITIAN EMBASSIES OVERSEAS

Mauritius High Commission
1163 Pretorius Street
Hatfield 0083
Pretoria
Republic of South Africa
Tel: 00 27 12 342 1283
Fax: 00 27 12 342 1285
E-mail: mhcpta@smartnet.co.za

Mauritius High Commission
2, Beal Crescent
Deakin
Canberra (ACT 2600)
Australia
Tel: 00 612 6281 1203
Fax: 00 612 6282 4436
E-mail: mauritius@caber.net

Mauritius Embassy Brussels
68 rue des Bollandistes
Etterbeek
1040 Bruxelles
Belgium
Tel: 00 32 2 733 99 88
Fax: 00 32 2 734 4021
E-mail: ambmaur@mail.beon.be

Mauritius Embassy
Beijing
Apartment No 2-2-11
San Li Tun Diplomatic Apartments
San Li Tun - Dong San Jie
Chao Yang District
Beijing 100 600
People's Republic of China
Tel: 00 86 10 6532 5695
Fax: 00 86 10 6532 5706
E-mail: menj@public.bta.net.cn

Mauritius Embassy
156, El Sudan Street
Mohandesseen
Cairo
Egypt
Tel: 00 20 2 361 8102
Fax: 00 20 2 361 8101
E-mail: embamaur@instinct.net

Mauritius Embassy
House No. 750
Woreda 17
Kebele 19
Addis Ababa
Ethiopia
Tel: 00 25 11 615 997
Fax: 00 2511 614 704
E-mail: mauri.emb.addis@telecom.net.et

Mauritius Embassy
127, rue de Tocqueville
75017 Paris
France
Tel: 00 33 1 42 27 30 19
Fax: 00 33 1 40 53 02 91
E-mail: amb-maurice.paris@gofornet.com

Mauritius High Commission
32-33, Elvaston Place
London S.W.7 5NW
United Kingdom
Tel: 00 44 171 581 0294
Fax: 00 44 171 584 9859
E-mail: londonmhc@btinternet.com

Mauritius High Commission
5, Kautilya Marg
Chanakyapuri
New Delhi 110021
India
Tel: 00 91 11 301 1112
Fax: 00 91 11 30 199 25
E-mail: mhcnd@giasd101.vsnl.net.in

Mauritius High Commission
Mittal Tower C - Office No. 15
11th Floor, Nariman Point
Mumbai 400021
Bombay
India
Tel: 00 9122 281 5127
Fax: 00 91 22 284 5468
E-mail: consul@bom3.vsnl.net.in

Mauritius Consulate
Via GB Morgagni No. 6/A
00161 Rome
Italy
Tel: 00 39 0644 24 56 52
Fax: 00 39 0644 245 659
E-mail: consmaur@pronet.it

Mauritius Embassy
Route Circulaire
Anhahana
B.P. 6040
Ambanidia
Antananarivo 101
Madagascar
Tel: 00 261 20 22 321 57
Fax: 00 261 20 22 1939
E-mail: memad@dts.mg

Mauritius High Commission
Letter Box 122
Suite ABC
14t Floor
Bangunan Angkasa Raya
Jalam Ampang
50450 Kuala Lumpur
Malaysia
Tel: 00 603 2411870
Fax: 00 603 2415 115
E-mail: maur@tm.net.my

Mauritius Mission to the United Nations
211 East
43rd Street # 1502
New York 10017
United States of America
Tel: 00 1 212 949 0190
Fax: 00 1 212 697 3829
E-mail: mauritius@un.int

Mauritius High Commission
House No. 27
Street No. 26
Sector F-6/2
P.O. Box 1084
Islamabad
Pakistan
Tel: 00 92 51 821 628
Fax: 00 92 51 824 656
E-mail: mauripak@isb.comsats.net.pk

Mauritius Mission to the United Nation
Immeuble 7-9
Chemin Louis Dunant
1202 Geneva
Switzerland
Tel: 00 41 22 734 8550
Fax: 00 41 22 734 8630
E-mail: mission.mauritius@ties.itu.int

Mauritius Embassy
Washington
4301 Connecticut Avenue, N.W.
Suite 441
Washington D.C. 20008
United States of America
Tel: 00 1 202 244 1491
Fax: 00 1 202 966 0983
E-mail: mauritius.embassy@cwix.com

ANNEX 4

Major Consultants in Mauritius

Absonco Services
36 Louis Pasteur Street
Port Louis
Tel : (230) 240 7091 Fax: (230) 208 7088
E-mail: abson@intnet.mu

Administrators and Consultants
27 Saint Louis Street
Port Louis
Tel : (230) 212 5823 Fax: (230) 208 5653
E-mail: consult@intnet.mu

Africa Sugar Consultants
2 Labourdonnais street
Port Louis
Tel : (230)211 1153 Fax: (230) 208 7092

Appavoo Consultancy Services
Appavoo Business Centre
Mere Barthelemy Street
Port Louis
Tel : (230) 211 5093 Fax: (230) 211 3152
E-mail: appavoo@bow.intnet.mu

BDO-FIDECO
28bis, Eugene Laurent Street
Port Louis
Tel : (230) 208 3966/7 Fax: (230) 208 8774
E-mail: fideco@intnet.mu

Brokers and Consultants
Albion Dock Building
Trou Fanfaron
Port Louis
Tel : (230) 242 4449 Fax: (230) 242 4855
E-mail: consultants@intnet.mu

CAS and Associates
40 Sir S Ramgoolam Street
Port Louis
Tel/Fax : (230) 242 8286

CCL Management Consultants
Nova Building
St Jean Road
Quatre Bornes
Tel : (230) 464 6320 Fax: (230) 464 0438
E-mail: ccl@intnet.mu

Price Waterhouse Coopers
3rd Floor, TM building
Cathedral Square
Port Louis
Tel : (230) 207 5000 Fax: (230) 208 8037
E-mail: coopers@bow.intnet.mu

De Chazal du Mee Consulting
Les Jamalacs Building
Vieux Conseil Street
Port Louis
Tel : (230) 202 3000 Fax :(230) 212 5265
E-mail: 100100.3057@compuserve.com
URL: www.dcdm-consulting.com

DGT International Business Consultants
3rd Floor, Nirmal House
22, Sir William Newton Street
Port Louis
Tel : (230) 211 6641 Fax: (230) 211 6644

EGO Consultants
3rd Floor, Labourdonnais Court
Cnr. Labourdonnais & St. Georges Streets
Port Louis
Tel : (230) 211 2543 Fax: (230) 211 2556
E-mail: ego@intnet.mu

ECS Secretaries
5th Floor, Anglo Mauritius House
Intendance Street
Port Louis
Tel : (230) 212 1998 Fax: (230) 211 0982
E-mail: ecs@intnet.mu

Financial Consulting Associates
2nd Floor
Cerné House
Chaussée Street
Port Louis
Tel : (230) 212 5351 Fax: (230) 208 8002
E-mail: dtouche@intnet.mu

ICE
6th Floor
Discovery House
St Jean Road
Quatre Bornes
Tel : (230) 465 1311 Fax: (230) 465 2096
E-mail: ice@intnet.mu

Knights & Johns Management
3C Barkly Wharf
Caudan Waterfront
Port Louis
Tel : (230) 211 0852/3 Fax: (230) 208 9947
E-mail: kjm@intnet.mu

MBM Overseas
508 St. James Court
St. Denis Street
Port Louis
Tel : (230) 208 3320 Fax: (230) 212 3097
E-mail: mbm@intnet.mu

Management & Development Co
C/o Food & Allied Industries Ltd
Gentilly
Moka
Tel : (230) 433 4225, 433 4356
Fax: (230) 433 4145, 433 4805

Quality Management Promotion and Development
27, Antoine Valasois Avenue
Vacoas
Tel : (230) 698 6861 Fax: (230) 696 6178
E-mail: vklqmpd@intnet.mu

SAM Commercial Reporting Service
30 Surcouf Avenue
Quatre Bornes
Tel : (230) 425 0378 Fax: (230) 425 1564
E-mail: sam@bow.intnet.mu

SVS International
134, Mgr. Gonin Street
Port Louis
Tel : (230) 211 2064 Fax: (230) 211 2073
E-mail: svs@intnet.mu

Wilton Associates
3 Leoville L'Homme Street
Port Louis
Tel : (230) 212 6060 Fax: (230) 208 4923

ANNEX 5

Banks in Mauritius

CENTRAL BANK

Bank of Mauritius
Sir William Newton Street
Port-Louis
Tel : 208 41 64, Fax : 208 92 04
E-mail: bomrd@intnet.mu
Web site: http://bom.intnet.mu

COMMERCIAL BANKS

Bank of Baroda
Sir William Newton Street
Port-Louis
Tel : 208 15 04, Fax : 208 38 92
Email: bobgen@intnet.mu

Banque Nationale de Paris Intercontinentale
Sir William Newton Street
Port-Louis
Tel : 208 41 47, Fax : 208 81 43
Email: bnpidom@intnet.mu

Barclays Bank PLC
Sir William Newton Street
Port-Louis
Tel : 212 18 16, Fax : 208 27 20
Email: barclays.mauritius@intnet.mu

The Delphis Bank
Sir William Newton Street
Port-Louis
Tel : 208 50 61, Fax : 208 53 88
Email: info@delphis-mauritius.com
Web site: http://www.delphis-mauritius.com/delphis

Habib Bank
Sir William Newton Street
Port-Louis
Tel : 208 08 48, Fax : 212 38 29
Email: habib@intnet.mu

The Hongkong and Shanghai Banking Corporation
Place d'Armes
Port-Louis
Tel : 208 18 01, Fax : 208 84 49
Email: hsbc.mauritius@intnet.mu
Web site: http://www.hsbc.co.mu

Indian Ocean International Bank
Sir William Newton Street
Port-Louis
Tel : 208 01 21, Fax : 208 01 27

The Mauritius Commercial Bank
Sir William Newton Street
Port-Louis
Tel : 202 5000, Fax : 208 70 54
Email: mcb.pub-rel@intnet.mu
Web site: http://www.mbcgroup.com

South East Asian Bank
2nd Floor, Max City Building
Corner of Rémy Ollier and Rue Pasteur St
Port-Louis
Tel : 216 88 26, Fax : 241 73 79
Email: seab@intnet.mu

State Bank of Mauritius
State Bank Tower
1, Place d'Armes
Port Louis
Tel: 202 1111, Fax: 202 1234
Email: sbm@sbm.intnet.mu

DEVELOPMENT BANK

Development Bank of Mauritius
Chaussée Street
Port-Louis
Tel : 208 02 41, Fax : 208 84 98
Email: dbm@intnet.mu
Web site: http://www.mauritius.island.com/dbm

OFFSHORE BANKS

Bank of Baroda
Nirmal House
22 Sir William Newton Street
Port-Louis
Tel : 212 39 00, Fax : 212 39 01
Email: bobobu@intnet.mu

Banque Internationale des Mascareignes
4th Floor, Barkly Wharf
Caudan Waterfront
Port-Louis
Tel : 212 49 78, Fax : 212 49 83
Email: bim@intnet.mu

Banque Nationale de Paris Intercontinentale
5th Floor, British American Insurance House
25, Pope Hennessy Street
Port-Louis
Tel : 212 44 40, Fax : 212 44 48
Email: bnpiobu@intnet.mu

Barclays Bank PLC
Sir William Newton Street
Port-Louis
Tel : 207 19 60, Fax : 208 40 95
Email: barobumau@intnet.mu

Hong Kong & Shanghai Banking Corporation
5th Floor, Les Cascades Building
Edith Cavell Street
Port-Louis
Tel : 212 88 18, Fax : 208 51 87
Email: offshore.hsbc@intnet.mu

SBI International (Mauritius)
10th Floor, SICOM Building
Célicourt Antelme Street
Port-Louis
Tel : 212 20 54, Fax : 212 20 50
Email: sbilmaur@intnet.mu

Investec Bank (Mauritius)
8th Floor, Max City Building
Corner of Rémy Ollier and Rue Pasteur St
Port-Louis
Tel : 240 79 50, Fax : 240 79 54
Email: seab@intnet.mu

Bank Internasional Indonesia
5th Floor Barkly Wharf
Caudan Waterfront
Port-Louis
Tel : 210 63 65, Fax : 210 54 58
Email: bii.mrt@intnet.mu

Deutsche Bank (Mauritius)
4th Floor Barkly Wharf
Caudan Waterfront
Port-Louis
Tel : 202 78 78, Fax : 202 78 98
Email: dbml.enquiries@db.com

African Asian Bank
Max City Building
Corner of Rémy Ollier and Rue Pasteur St
Port-Louis
Tel : 240 70 02, Fax : 240 70 09

SBM Nedbank International
Level 6 - State Bank Tower
1, Queen Elizabeth II Avenue
Port Louis
Tel : 202 14 65, Fax: 210 78 19
Email: sbmnedbank@sbm.intnet.mu

ANNEX 6

Useful Internet Sites

Country/Area	Internet address
Africa	http://africa.com/
Argentina	http://www.mecon.ar/
Australia	http://www.austrade.gov.au/index.htm
Austria	http://www.wk.or.at/aw/
Belgium	http://www.obcebdbh.be/
Brazil	http://brazilexporters.com
Canada	http://www.statcan.co
European Union	http://www.europa.eu.int; http://www.eurunion.org
Chile	http://www.chilnet.cl
China	http://www.chinax.com/
Czech Republic	http://www.mpo.cz/
Estonia	http://www.ciesin.ee/estcg
Finland	http://www.finland.fi/
France	http://www.cfce.fr/
Germany	http://www.bfai.com; http://www.ihk.de/
Ghana	http://www.ghanaclassifieds.com
Honduras	http://www.hondurasweb.com/bus.htm
Hong Kong (China)	http://www.hongkong.org/; http://www.tdc.org.hk/
Iceland	http://www. Icetrade.is/
Ireland	http://www.itw.ie/; http://www.irish-trade.ie/
India	http://sunsite.sut.ac.jp/asia/india/jitnet/india/
Indonesia	http://www. idola.net.id/agrinusa/ginfo/itpc.htm
	http://www.indonesianet.com/indtoday/
Israel	http://www.unicc.org/untpdc/incubator/isr/tptel/
Japan	http://www.jetro.go.jp/
Korea, Democratic People's,	http://www.eckoreo.net
Korea, Republic of	http://kotro.or.kr/
Latvia	http://binet-lv
Malaysia	http://www.jaring.my/at-asia/
Mexico	http://www.trace-sc.com
Morocco	http://maghreb.net/
Netherlands	http@//www.hollandtrade.com
Philippines	http://www.philexport.org/
Portugal	http://www.portugal.org
Romania	http://www.romamcc.org
Russian Federation	http://www.online.ru
Singapore	http://www.sci.org.sg/sci, http://www.tdb.gov.sg/singbiz.html
South Africa	http://www.cbn.co.zo/buslist/category.htm
Spain	http://www.impi.es/icex0l.html
Sweden	http://www.chamber.se/; http://www.swedishtrade.se/
Thailand	http://www.nectec.or.th/bureaux/dep
Turkey	http://www.igeme.org.tr
United Kingdom	http://www.brainstorm.co.uk/
United States	http://www.census.gov/; http://www.sbaonline.sba.gov
	http://www.ita.doc.gov; http://www.stat-usa.gov
	http://bizserve.com/sbdc/
Zimbabwe	http://www.zimtrade.co.zw
Various countries	http://www.commerce.com

ANNEX 7

List of products requiring an export permit

H.S. CODE	DESCRIPTION
0101-0106	Live animals, all species including birds
0201-0210	Meat, all species including poultry, meat, fresh, chilled or frozen
0301-0307	All fish and fish products (fresh, frozen, salted)
0508	Çorals, raw sea shells
0601	Aquatic bulbs
0603-0604	Ornamentals: plants, flowers and leaves (green or dried)
0701-0712	Vegetables (general and green)
0713	Red lentils, broad beans
0714	Roots
0801-0814	Coconuts, including dry coconuts, fruits
0910	Spices
1005	Maize, Popcorn
1006	Rice
1101	Wheat, flour
1201-1207	Oil seeds
1211	Medicinal herbs
1401	Dry rafia
1601-1602	Cooked meat, or processed, canned, smoked, salted
1701	Sugar
1704	Sugar confectioneries and products with sugar content
2008	Palms
2009	Fruit juice
2106	Soyabean meal
2202	Soft beverages (limonade & pepsi)
2302	Wheat bran
2505	Sand
2521	Limestone
2523	Portland cement
3001	Organs (animals)
3002	Serum, samples of blood, biologicals needed for veterinary research, vaccines, dead or live attenuated, freeze-dried or wet form
4101-4111	Product of animals, origin skin and hides, stuffed heads
5001-6310	Textile and textile products for export to USA and Canada
6701	Birds' feathers
7106	Silver
7107	Base metal clad with silver
7108	Gold

ANNEX 8

Import Promotion Offices of a list of selected countries/regions

AFRICA
Africa.com
http://africa.com

ARGENTINA
Argentina International Chamber of Commerce
http://www.iccwbo.org/html/argentina.htm

Argentina Chamber of Commerce
http://www.cac.com.ar

AUSTRALIA
Austrade(Australian Trade Commission)
http://www.austrade.gov.au/

AUSTRIA
Austrian Federal Economic Chamber
http://aw.wk.or.at/awo

BELGIUM
OBCE (Office Belge Du Commerce Extérieur)
http://www.obcebdbh.be

BRAZIL
Brazil Exporters
http://www.brazilexporters.com/

Brazilian Business Development Programme
http://www.bbd.com.br/

CANADA
DFAIT (Departrnent of Foreign Affairs and International Trade)
http://www.dfait-maeci.gc.ca/

World Trade Centre Toronto
http://wtca.org/wtc/toronto.html

CHILI
Prochile
http://www.prochile.cl/

Chile Trade
http://www.beachnet.org/chiletrade

CHINA
China World Trade Web
http://www.chinaonweb.com/wt3.html

China Express
http://www.chinax.com

CZECH REPUBLIC
Ministry of Industry and Trade of the Czech Republic
http://www.mpo.cz

DENMARK
DMFA (Danish Ministry of Foreign Affairs)
http://www.um.dk/

Ministry of Business and Industry
http://www.em.dk/engvers.htm

FINLAND
Finland Trade Centre
http://www.finland.fi

FRANCE
Centre Francais du Commerce Exterieur
http://www.cfce.fr

GERMANY
DIHT (German Association of Chambers of Commerce and Industry)
http://www.ihk.de

Federal Office of Foreign Trade
http://www.bfai.com

GREECE
Hellenic Foreign Trade Board.- HEPO
http://www.hepogreektrade.com/

GHANA
Ghana National Chamber of Commerce
http://www.g77tin.org/gncchp.html

Ghana Classifieds
http://www.ghanaclassifieds.com/

HONG KONG
Hong Kong Trade Development Centre
http://www.tdc.org.hk

Hong Kong Economic and Trade Office
http://www.hongkong.org/

HUNGARY
ITD (Hungrian Investment and Trade Development)
http://www.itd.hu

INDIA
Associated Chambers of Commerce & Industry
http://www.indiamart.com/assocham

FIEO (Federation of Indian Export Organisation)
http://www.fieo.com

India
http://sunSITE.sut.ac.jp/asia/india/jitnet/india/geninfo/

INDONESIA
Indonesian Trade Promotion Centre
http://www.idola.net.id/

Indonesianet
http://www.indonesianet.com/

IRELAND
Irish Trade Board
http://www.itw.ie/

Export Trade Information Ireland
http://www.irish-trade.ie

ISRAEL
Federation of Israeli Chambers of Commerce (FICC)
http://www.chamber.org.il

ITALY
ICE (Italian Institute for Foreign Trade)
http://www.ice.it

JAPAN
JETRO (Japan External Trade Organization)
http://www.jetro.go.jp

KOREA
KOTRA (Korea Trade-investment Promotion Agency)
http://www.kotra.or.kr

MALAYSIA
MATRADE (Malaysia External Trade Development Corporation)
http://www.worldyellowpages.com/matrade/index.htm

MOROCCO
Mashreb
http://maghreb.net/

MEXICO
National Bank of Exterior Commerce, S.N.C
http://www.bancomext.gob.mx

Mexico Index Chanel
http://www.trace-sc.com/index1.htm

NETHERLANDS
EVD (Netherlands Foreign Trade Agency)
http://www.evd.nl/BODYHOME.htm

Netherlands Foreign Investment Agency
http://www.minez.nl/nfia/default.htm

PORTUGAL
ICEP (Portugal Investments, Commerce and Tourism)
http://www.portugal.org/

RUSSIA
Russia - On - line
http://www.online.ru

SINGAPORE
Singapore Confederation of Industry
http://www.sci.org.sg/

Singapore Trade Development Board.- TDB
http://www.tdb.gov.sg/

Economic Development Board
http://www.sedb.com

SPAIN
ICEX (Spanish Institute of Exterior Commerce)
http://www.icex.com

SRI LANKA
Ceylon Chamber of Commerce
http://www.lanka.net/chamber/

SWEDEN
Stockholm Chamber of Commerce
http://www.chamber.se/dhtml.html

Swedish Trade Council
http://www.swedishtrade.se

SWITZERLAND
Trade with Switzerland OSEC
http://www.osec.ch/en/index.html

SOUTH AFRICA
Cape Business News
http://www.cbn.co.za/buslist/category.htm

THAILAND
DEP (Department of Export Promotion)
http://www.thaitrade.com/

TAIWAN
Taiwan Chamber of Commerce
http://www.tcoc.com.tw/index.htm

TURKEY
Export Promotion Center of Turkey (IGEME)
http://www.foreigntrade.gov.tr/english/igeme/igeme.htm

EUROPEAN UNION
Europa
http://www.europa.eu.int/

European Union
http://www.eurunion.org/

UNITED KINGDOM
ABCC (Association of British Chambers of Commerce)
http://www.britishchambers.org.uk/

DTI (Departrnent of Trade and Industry)
http://www.dti.gov.uk/

UNITED STATES
Federal Trade Commissions
http://www.ftc.com

Department of Commerce
http://www.census.gov

Chicagoland Chamber of Commerce
http://www.chicagolandchamber.org

California Chamber of Commerce
http://www.calchamber.com/

ZAMBIA
EBZ (Export Board of Zambia)
http://www.zamnet.zm/

ZIMBABWE
http://www.zimtrade.co.zw

ANNEX 9

Non-Tariff Measures

The following Non-Tariff Measures, based on UNCTAD's Coding System of Trade Control Measures, have been compiled by UNCTAD:

3000	PRICE CONTROL MEASURES
3100	ADMINISTRATIVE PRICING
3200	VOLUNTARY EXPORT PRICE RESTRAINT
3300	VARIABLE CHARGES
3400	ANTIDUMPING MEASURES
3500	COUNTERVAILING MEASURES
3900	PRICE CONTROL MEASURES N.E.S.
4000	FINANCE MEASURES
4100	ADVANCE PAYMENT REQUIREMENTS
4200	MULTIPLE EXCHANGE RATES
4300	RESTRICTIVE OFFICIAL FOREIGN EXCHANGE ALLOCATION
4500	REGULATIONS CONCERNING TERMS OF PAYMENT FOR IMPORTS
4600	TRANSFER DELAYS, QUEUING
4900	FINANCE MEASURES N.E.S.
5000	AUTOMATIC LICENSING MEASURES
5100	AUTOMATIC LICENCE
5200	IMPORT MONITORING
5700	SURRENDER REQUIREMENT
5900	AUTOMATIC LICENSING MEASURES N.E.S.
6000	QUANTITY CONTROL MEASURES
6100	NON-AUTOMATIC LICENSING
6200	QUOTAS
6300	PROHIBITIONS
6600	EXPORT RESTRAINT ARRANGEMENTS
6700	ENTERPRISE-SPECIFIC RESTRICTIONS
6900	QUANTITY CONTROL MEASURES N.E.S.
7000	MONOPOLISTIC MEASURES
7100	SINGLE CHANNEL FOR IMPORTS
7200	COMPULSORY NATIONAL SERVICES
7900	MONOPOLISTIC MEASURES N.E.S.
8000	TECHNICAL MEASURES
8100	TECHNICAL REGULATIONS
8200	PRE-SHIPMENT INSPECTION
8300	SPECIAL CUSTOMS FORMALITIES
8900	TECHNICAL MEASURES N.E.S.

A Harmonized Commodity Description and Coding System (HS), called **TRAINS** (Trade Analysis and Information System) has been set up by UNCTAD in collaboration with ITC. This system is intended for specific use by policy-makers and economic operators engaged in exporting, providing them with a comprehensive information system

Such a System allows a number of operations, like the extraction, for selected products and markets, of information on trade control measures, combined with trade flows, as well as information on potential importers. Further information on this System can be obtained by contacting:

TRAINS System Manager
UNCTAD
Palais des Nations
CH-1211 geneva 10
Switzerland
Fax: (41-22) 917 0247
Email:TRAINSCD@unctad-trains.org
Url: http://www.unctad-trains.org

ANNEX 10

Main Certificates of Origin for Mauritian Exporters

REPUBLIC OF MAURITIUS

ORIGINAL

MINISTRY OF INDUSTRY AND COMMERCE

1. Exporter (Name and office address) *Exportateur (Nom et adresse commerciale)*	*Ref. No.....* *No. de réf.....* COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA *MARCHE COMMUN DE L'AFRIQUE DE L'EST ET DE L'AFRIQUE AUSTRALE* **CERTIFICATE OF ORIGIN** ***CERTIFICAT D'ORIGINE***
2. Consignee (Name and office address) *Destinataire (Nom et adresse commerciale)*	3. Country, Group of countries in which the products are considered as originating from. *Pays ou groupe de pays dont les produits sont considérés comme originaires*
4. Particulars of transport *Renseignements concernant le transport*	5. For official use – Réservé à usage officiel

6. Marks and numbers : number and kind of package description of goods *Marques et numéros : nombre et types d'emballages : - désignation des marchandises*	7. Customs tariff No. *Tariff Douanier No.*	8. Origin criterion (see overleaf) *Critère d'origine (voir au verso).*	9. Gross weight or other quantity *Poids brut ou autre quantité*	10. Invoice No. Facture No.

11. DECLARATION BY EXPORTER/PRODUCER/SUPPLIER* *DECLARATION DE L'EXPORTATEUR/PRODUCTEUR FOURNISSEUR**	12. **CERTIFICATE OF ORIGIN** ***CERTIFICAT D'ORIGINE***
I, the undersigned, hereby declare that the above details and statements are correct that all the goods are produced in..... *Je soussigné, déclare que les éléments et déclarations ci-dessus sont corrects, et que toutes les marchandises sont produites .....* ..... Place, date, signature of declarant *Lieu, date et signature du déclarant*	It is hereby certified that the above mentioned goods are of..... *Nous certifions que les marchandises susmentioneés sont d'origine.....* ..... Certificate of Customs or other Designated Authority *Certificat des douanes ou d'autres autorités désignées*

*Please delete the description not applicable - *Rayer les mentions inutiles.*

MOVEMENT CERTIFICATE

1. Exporter (Name, full address, country)	**EUR. 1** No **AMS/** See notes overleaf before completing this form
3. Consignee (Name, full address, country) (Optional)	**2. Certificate used in preferential trade between** ..... **and** ..... (insert appropriate countries, groups of countries or territories)
	4. Country, group of countries or territory in which the products are considered as originating **5.** Country, group of countries or territory of destination
6. Transport details (Optional)	**7. Remarks**

8. Item number; Marks and numbers; Number and kind of packages (1); Description of goods	**9.** Gross mass (kg) or other measure (litres, m^3, etc.)	**10.** Invoices (Optional)

11. CUSTOMS ENDORSEMENT	**12. DECLARATION BY THE EXPORTER**
Declaration certified. Export document (2): Stamp Form ..... No. ..... Customs office: ..... Issuing country or territory: .... Date .... (Signature)	**I, the undersigned, declare that the goods described above meet the conditions required for the issue of this certificate.** Place and date: .... (Signature)

(1) If goods are not packed, indicate number of articles or state "in bulk" as appropriate

(2) Complete only where the regulations of the exporting country or territory require

1 Goods consigned from (Exporter's business name, address, country	Reference No. **GENERALISED SYSTEM OF PREFERENCES** **CERTIFICATE OF ORIGIN** **(Combined declaration and certificate)** **FORM A** Issued in..... (country) See Notes overleaf
2 Goods consigned to (Consignee's name, address, country)	
3 Means of transport and route (as far as known)	4 For official use

5 Item number	6 Marks and numbers of packages	7 Number and kind of packages; description of goods	8 Origin criterion (see Notes overleaf)	9 Gross weight or other quantity	10 Number and date of invoices

11 Certification	12 Declaration by the exporter
It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct. ..... Place and date, signature and stamp of certifying authority	The undersigned hereby declares that the above details and statements are correct; that all the goods were produced in ..... (country) and that they comply with the origin requirements specified for those goods in the Generalised System of Preference for goods exported to ..... (importing country) ..... Place and date, signature of authorised signatory

1. Exportateur (Nom et adresse commerciale) *Exporter (Name and business address)*	N° de Référence..... *Reference N°*..... COMMISSION DE L'OCEAN INDIEN INDIAN OCEAN COMMISSION **CERTIFICAT D'ORIGINE** **A** **CERTIFICATE OF ORIGIN**			
2. Destinataire (Nom et adresse commerciale) *Consignee (Name and business address)*	3. Pays dont les produits sont considérés comme originaires *Country in which the products are considered as originating*			
4. Renseignements concernant le transport *Transport details*	5. Réservé à l'usage officiel : *For official use only :*			
6. Marques et numéros; Nombre et types d'emballage; Désignation des marchandises *Marks and numbers; Numbers and kind of Packages; Description of goods*	7. Position tarifaire N° *Tariff heading N°*	8. Critère d'origine (voir au verso) *Origin criterion (see overleaf)*	9. Poids brut ou autre quantité *Gross weight or other quantity*	10. Facture N° *Invoice N°*
11 **DECLARATION DE L'EXPORTATEUR/ PRODUCTEUR/FOURNISSEUR * DECLARATION BY EXPORTER/PRODUCER/ SUPPLIER*** Je, soussigné, déclare que les éléments et déclarations ci-dessus sont corrects, et que toutes les marchandises ont été produites à (pays) ..... Conformément aux règles d'origine COI. *I, the undersigned, hereby declare that the above details and statements are correct, and that all the goods have been produced in (country) .....* *in conformity with the IOC rules of origin* Lieu, date et signature du déclarant : *Placè, date, signature of declarant :*	12. **VISA DE LA DOUANE** ***CUSTOMS STAMP*** La déclaration ci-dessus est certifiée exacte *Declaration certified correct* Documents d'exportation : ..... *Export documents* Bureau de douanes de : ..... *Customs office* Pays de délivrance : ..... *Issuing country* *A .....le.....(Cachet - Stamp)* *Signature :*			

* Rayer les mentions inutiles/*Please delete all non-applicable descriptions*

1. Exporter (name, address, country)
Exportateur (nom, adresse, pays)

2. N°

3. Consignee (name, address, country)
Destinataire (nom, adresse, pays)

4. Particulars of transport (where required)
Renseignements relatifs au transport (le cas échéant)

MAURITIUS
CHAMBER OF COMMERCE
AND INDUSTRY

CHAMBRE DE COMMERCE
ET D'INDUSTRIE DE MAURICE

3, Royal Street, Port Louis — Mauritius
Tel : (230) 208 3301
Fax : (230) 208 0076
E-mail: mcci@intnet.mu

CERTIFICATE OF ORIGIN
CERTIFICAT D'ORIGINE

5. Marks and numbers : Number and kind of packages: Description of goods Marques et numéros: Nombre et nature des colis : Désignation des marchandises	6. Gross Weight Poids Brut	7.

8. Other information
Autres renseignements

It is hereby certified that the above-mentioned goods
Il est certifié par la présente que les marchandises mentionnées ci-dessus

.....

.....

.....

(Place and date of issue)
(Lieu et date d'émission)

.....
(Exporter's Signature)
(Signature de l'exportateur)

.....
(Authorised signature)
(Signature autorisée)

ORIGINAL

Imp. IPC/100x50x4

CERTIFICATE OF ORIGIN

DUPLICATE

Ministry of Trade & Shipping
Port Louis—Mauritius

This Certificate is valid for only six (6) months from the date of issue.

Certificate No.
Reference No.
Quote in All Correspondence

I hereby certify that the goods described hereunder were made in Mauritius by

.....
Name and Address

to be shipped/airfreighted per.....on/about.....
Carrier Date

from Mauritius to.....
Destination

Shipping Marks	Number and Type of Packages	Weight or Quantity	Description of Goods	Brand Names or Labels (if any)

Date of Issue

COPYRIGHT
RESERVED

.....
Permanent Secretary
Ministry of Trade & Shipping

544-7-89—300 × 50T

ANNEX 11

ANNEX 11

Example of an invoice

ZENESS SPORTSWEAR LIMITED
24, Farquhar Road
Port Louis
Mauritius **(1)**

Telephone: (230) 212 1213
Fax: (230) 212 1214
Email: zene@isp.mu
Telex: 12345 ZESL MU **(2)**

INVOICE NO.: GH/00/12488
DATE: 12 October 2000

VAT Registration No. 67891011 **(3)**

Invoice to: **(4)**	Consign to: **(5)**
Sportissimo Centrale d'Achat 12, Avenue Kléber 75016 Paris FRANCE VAT Registration No. 23569872 **(6)**	Sportissimo SAS Import/Export 2, rue Schumann 75012 Paris FRANCE

Customer's Order No. JH/43653 **(7)**

Quantity	Description	Unit Price	Total Value
PCS **(8)**	*TEXTILE PRODUCTS* **(9)**	FRF **(10)**	FRF **(11)**
10,000 pieces	TARIFF REFERENCE 4546 6546 6574 25 Men's Rugby long sleeves Style Ref. RB654654(O/N 1324)	70.80	700,800
	Yellow: 5,000 pieces Blue: 5,000 pieces		
	Net Weight: 5000 kgs Gross Weight: 5900 kgs		
	No. of Cartons: 500		
	TOTAL VALUE FOB PORT LOUIS, MAURITIUS **(12)**		**700,800**
	Shipped by: Bell Lines via Cape Town **(13)** *on: 14 October 2000*		
	Signed: ..... **(14)** *Date: 12 October 2000*		

Key to information:

(1) The exporter's address should be shown in full.
(2) Give as much information as possible on how you can be contacted.
(3) Make sure that any statutory information is shown, in this case the exporter's value-added tax number.
(4) Be careful to follow the instructions from your customer exactly.
(5) The address to which you ship the goods may not be the same as the address to which you send the invoice.
(6) Check with the customer whether any tax reference or other information needs to be shown.
(7) The order number or other reference on the order you receive from your customer should appear in full.
(8) The quantity of goods covered by the invoice should be clearly stated.
(9) The description of the goods should allow them to be easily identified and should include the tariff reference of the importing country.
(10),(11) The currency of the price and value must be stated.
(12) Show the FOB (free on board) value of the invoice separately to allow for different methods of calculating import duties and taxes. If the exporter is responsible for paying the freight costs, these should be indicated. Similarly, if the exporter is responsible for arranging insurance, the cost should be shown.
(13) If the exporter is arranging shipment, the invoice should show how the goods are being shipped.
(14) Each original and copy invoice should be signed individually.

Key to common problems

(2) If the communication details are incomplete, unnecessary delays may occur.
(4) An incomplete address may lead to delayed delivery of documents.
(5) If the delivery address is not shown or is incorrectly shown, delivery may be delayed.
(6) If a tax reference or other information asked for by the customer is not shown, delays and costs may arise.
(7) When the customer's purchase reference is not shown, payment is frequently delayed.
(8) If the quantity of goods covered by the invoice is not clearly shown, it may be difficult for customs officials or the customer to check the goods.
(9) If the description of the goods is not complete, it may be difficult to identify individual items.
(10) If the currency used for the invoice is not stated, misunderstandings may arise and result in costs for the exporter.
(11) If the values of the individual items covered by the invoice are not shown, the invoice may be difficult to check.
(121 If the FOB value is not shown separately, the importer may pay more import tax than he or she should. If you do not state what the freight charge covers, misunderstandings may arise, bringing about extra costs for the importer.
(13) If the carrier and the date of shipment are omitted, it is more difficult to trace the consignment.
(14) If each original and copy invoice is not signed, it may not be accepted by the customs authorities at the port of importation.

ANNEX 12

Leasing institutions in Mauritius

ABC Finance and Leasing
1st Floor ABC Centre
Military Road
Port Louis
Tel: 242 1168
Fax: 242 1193
Email: efabcg@intnet.mu

BNPI Leasing Company
7th Floor Moorgate House
Sir William Newton Street
Port Louis
Tel: (230) 210 0801
Fax: (230) 210 1585
Email: bnpilcl@intnet.mu

Finlease Company
5th Flr., Travel House
Sir William Newton Street
Port Louis
Tel: (230) 202 5504
Fax: (230) 202 5000
Email: finlease@intnet.mu

General Leasing Company
14 Line Barracks Street
Port Louis
Tel: (230) 208 0801
Fax: (230) 212 8808
Email: cim@intnet.mu

Island Leasing Company
Sir William Newton Street
Port Louis
Tel: 211 2970
Fax: 211 2669
Email: isl.leasing@intnet.mu

Mauritius Leasing Company
Ground Floor BAI Building
25 Pope Henessy Street
Port Louis
Tel: (230) 212 0261- 4
Fax: (230) 212 6456
Email: mleasing@intnet.mu

MUA Leasing Company
4 Léoville L'Homme Street
Port Louis
Tel: 207 41 85
Fax: 212 2962

SBM Lease
Level 9 State Bank Tower
1 Queen Elizabeth II Avenue
Port Louis
Tel: 202 1509
Fax: 202 1234
Email: sbm@intnet.mu

ANNEX 13

Frequency of air connections from Mauritius

(source : MEDIA)

The following illustrates the number of flights per week from Mauritius.

Europe		Asia & Pacific	
Brussels	1	Perth	1
Cologne	1	Mumbai	3
Frankfurt	2	Kuala Lumpur	1
Geneva	1	Singapore	4
London	7	Melbourne	1
Manchester	1	Hong Kong	1
Milan	1	New Delhi	1
Munich	2		
Paris	13		
Rome	3		
Vienna	1		
Zurich	2		
TOTAL	**35**	**TOTAL**	**12**

ANNEX 14

Indication of air freight rates in Mauritius

(source : MEDIA)

The rates quoted below are per kilo or 6000 cm^3, whichever is higher, and are expressed in Mauri Rupees. Also, these rates are indicative only and are subject to changes. Further information can obtained through freight forwarders (see list at question 61).

(i) Textile Products:

Destination: Brussels, Frankfurt, Geneva, London, Munich, Paris, Rome, Zurich

Min. Charge	Less than 45 Kg	+ 45 kg	+ 100 kg	+ 200 kg	+ 300 kg	+ 500 kg	+ 750 kg	Over 1000 k
1070.0	114.50	74.50	67.55	62.95	59.55	52.45	50.40	44.60

(ii) Non-Textile Products:

Destination: Brussels, Frankfurt, Geneva, London, Munich, Paris, Rome, Zurich

Min. Charge	Less than 45 Kg	+ 45 kg	+ 100 kg	+ 200 kg	+ 300 kg	+ 500 kg	+ 750 kg	Over 1000 kg
1070.0	114.40	56.65	50.60	50.60	44.60	44.60	44.60	44.60

(iii) All Products:

Destination: North America

	+ 45 kg	+ 100 kg	+ 200 kg	+ 300 kg	+ 500 kg	+ 1000 kg
Los Angeles						
San Francisco	231.10	110.50	102.45	78.35	76.00	76.00
San Diego	240.35	110.50	102.45	78.35	76.00	76.00
Montreal	185.20	99.00	90.90	76.75	70.00	70.00
Toronto	191.15	99.00	90.90	76.75	70.00	70.00
New York	168.75	92.75	84.75	75.70	70.00	70.00
Washington	193.40	92.75	84.75	75.70	70.00	70.00

Destination: Some African countries

	Type of rate	+ 45 kg	+ 200 kg	+ 500 kg	+ 1000 kg
Antananarivo	IATA rates	33.40	33.40	33.40	33.40
	General rates	33.40	33.40	33.40	33.40
	Printed Matter	33.40	33.40	33.40	33.40

Blantyre (*-via JNB)	IATA rates General rates Printed Matter	123.95 87.40 66.60	123.95 74.80 54.00	123.95 71.95 51.4	123.95 71.65 50.85
Cape Town	IATA rates General rates Printed Matter	90.20 36.75 36.75	90.20 24.15 24.15	59.15 21.85 21.85	59.15 21.00 21.00
Dar-Es-Salaam (*-via NBI)	IATA rates General rates* Printed Matter*	123.95 65.40 49.00	123.95 59.70 44.45	123.95 53.55 39.90	123.95 51.50 38.40
Durban	IATA rates General rates Printed Matter	80.50 36.75 36.75	80.50 24.15 24.15	55.20 21.85 21.85	55.20 21.00 21.00
Entebbe (*-via NBO)	General rates* Printed Matter*	56.65 48.80	51.45 42.10	46.20 37.80	44.45 36.35
Harare	IATA rates General rates Printed Matter	48.10 36.75 36.75	40.00 24.15 24.15	28.40 21.85 21.85	28.70 21.00 21.00
Johannesburg	IATA rates General rates Printed Matter	71.80 36.75 36.75	71.80 24.15 24.15	46.35 21.85 21.85	46.35 21.00 21.00
Maputo (via JNB/HRE)	IATA rates General rates Printed Matter	81.30 64.15 54.05	81.30 50.65 41.45	55.90 39.95 38.95	55.90 39.30 39.30
Nairobi	IATA rates General rates Printed Matter	71.80 30.90 30.90	71.80 26.45 26.45	71.80 24.00 24.00	71.80 22.05 22.05

Air-Sea Rates from Mauritius to U.S.A. via Far East

The rates provided below are subject to contract with Air Mauritius

		+1000 k	+5000 k	Sailing time from transit point
New York	(Via Singapore) (Via Hong Kong)	37.00 49.50	35.00 47.50	27-30 days 18-22 days
Seattle	(Via Singapore) (Via Hong Kong)	42.00 50.50	36.60 48.65	24-27 days 11-13 days
Los Angeles	(Via Singapore) (Via Hong Kong)	38.00 36.00	46.50 44.50	17-19 days 11-13 days
Columbus	(Via Singapore) (Via Hong Kong)	37.00 48.70	35.00 46.70	25-27 days 18-20 days

ANNEX 15

Indication of sea freight rates in Mauritius

(source : MEDIA)

The rates below are indicative only. The actual rates depend on the volume of goods transported by the shipper. Also, rates are subject to any bunker surcharge. Further information can be obtained through freight forwarders (see list at question 61).

GENERAL CARGO 20 TEU

Country of destination	Export Freight Rate from Mauritius to	Import Freight Rate: to Mauritius from
Australia	US$ 1500/1700	AUD $ 2200/2500
Canada	US$ 2400/2700	US$ 2800/3200
Dubai	US$ 1000/1200	
India	US$ 1000/1200	US$ 1400/1800
Japan	US$ 1200/1400	US$ 1500/1600
Kenya	US$ 500/700	US$ 800/1000
Madagascar	US$ 300/500	US$ 600/700
Mediterranean Ports	ECU 1200/1300	ECU 1500/1700+BAF
Northern Europe	ECU 1200/1300	ECU 1600/1800+BAF
Pakistan	US$ 1000/1200	US$ 1800/2100*
Reunion	US$ 400/600	US$ 500/600
Singapore	US$ 900/1100	US$ 1200/1300
South East Asia (Malaysia & Indonesia)	US$ 1000/1200	US$ 1400/1500
South Africa	US$ 500/700	US$ 900/1100
South America	US$ 3250/3500	US$ 3250/3500
Taiwan	US$ 1000/1200	US$ 1400/1500
Tanzania	US$ 500/700	US$ 900/1000
United Kingdom	ECU 1200/1400	US$ 1600/1900**+ BAF
USA (East Coast & US Gulf)	US$ 2300/2900	US$ 2800/3200
USA(West Coast & Vancouver)	US$ 2900/3500	US$ 2800/3200

* A Port Detention Surcharge is applied on imports from Pakistan

** A Currency Adjustment Factor, presently at 4.25 %, is applied on imports from the United Kingdom.

COMMODITY FREIGHT RATES - 20 FT CONTAINER

Commodity from Mauritius	To France, England & Germany
Garments (including knitted goods, jeans, shorts, pullovers, trousers)	EURO 1200/1400
Towels, bedsheets, cloth	EURO 1200/1400
Shoes	EURO 1200
Ship models	EURO 1200

CARGO HANDLING CHARGES IN MAURITIUS

The rates below include stevedoring charges and shore charges, for loading/unloading cargo.

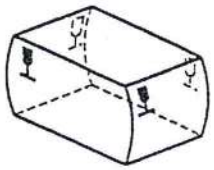
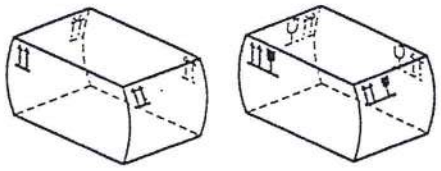
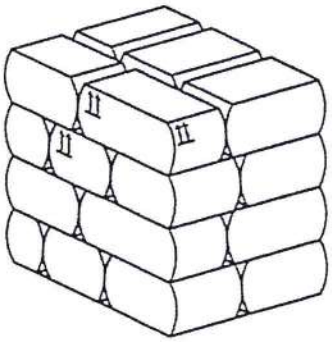
Full Container	- Rs 2;950 per container
Empty Container	- Rs 1,675 per container
General cargo	- Rs 320 per tonne

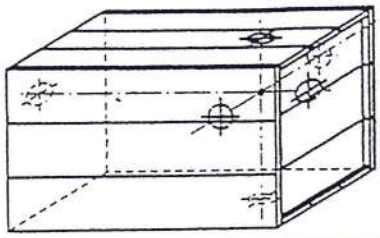
TERMINAL HANDLING CHARGES:-

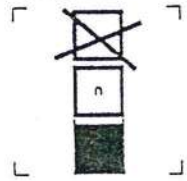
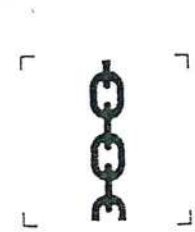
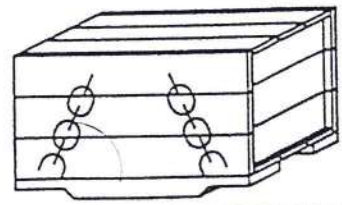
Full Container	- US$ 50 per container
Empty Container	- US$ 19 per container
General Cargo Inwards/Outwards	- US$ 2.44 per m^3 or per 1000 kgs

ANNEX 16

Examples of Internationally Used Labeling Symbols

No.	Instruction/ Information	Symbol	Meaning	Reference/Remarks
1	FRAGILE		Contents of the transport package are fragile therefore it shall be handled with care.	ISO 7000, No. 0621 Example of application: 
2	USE NO HAND HOOKS		Hooks are prohibited for handling the transport package.	ISO 7000, No. 0622
3	THIS WAY UP		Indicates correct upright position of the transport package.	ISO 7000, No. 0623 Example of application:  a) b)  c)
4	KEEP AWAY FROM SUNLIGHT		Transport package shall not be exposed to sunlight.	ISO 7000, No. 0624

No.	Instruction/ Information	Symbol	Meaning	Reference/Remarks
5	PROTECT FROM RADIOACTIVE SOURCES		Contents of the package may deteriorate or may be rendered totally unusable by penetrating radiation.	ISO 7000, No. 2401
6	KEEP AWAY FROM RAIN		Transport package shall be kept away from rain.	ISO 7000, No. 0626
7	CENTRE OF GRAVITY		Indicates the centre of gravity of the transport package which will be handled as a single unit.	ISO 7000, No. 0627 Example of application: 
8	DO NOT ROLL		Transport package shall not be rolled.	ISO 7000, No. 2405
9	DO NOT USE HAND TRUCK HERE		Hand trucks shall not be placed on this side when handling the transport package.	ISO 7000, No. 0629
10	USE NO FORKS		Transport package should not be handled by forklift trucks.	ISO 7000, No. 2406

No.	Instruction/ Information	Symbol	Meaning	Reference/Remarks
11	CLAMP AS INDICATED		Clamps shall be placed on the sides indicated for handling the transport package.	ISO 7000, No. 0631
12	DO NOT CLAMP AS INDICATED		Transport package should not be handled by the clamps on the sides indicated.	ISO 7000, No. 2404
13	STACKING LIMIT BY MASS		Indicates the maximum stacking load permitted on the transport package.	ISO 7000, No. 0630
14	STACKING LIMIT BY NUMBER		Maximum number of identical packages which may be stacked on one another, where "n" is the limiting number.	ISO 7000, No. 2403
15	DO NOT STACK		Stacking of the transport package is not allowed and no load should be placed on the transport package.	ISO 7000, No. 2402
16	SLING HERE		Slings shall be placed where indicated for lifting the transport package.	ISO 7000, No. 0625 Example of application: 

CORRIGENDA

Question 15, Page 23: In the 'Resources' section, please read "Mauritius Chamber of Commerce & Industry (MCCI)" instead of "Mauritius Chamber of Commerce and International Trade"

Question 27, Page 42: At the 6th column on the 1st row of the table, please read "Mauritius Chamber of Commerce & Industry (MCCI)" instead of "Ministry of Industry, Commerce & International Trade (MCCI)"

Trade Secrets - The Export Answer Book for Small and Medium-Sized Exporters is intended to be a primary reference tool and consultative device for small businesses currently exporting who seek to expand their sales in foreign markets, for small businesses selling well domestically who seek to sell internationally, for trade development professionals and for university level students. This manual offers prescriptive approaches and hints to solving problems in the export process.

Trade Secrets - The Export Answer Book for Small and Medium-Sized Exporters identifies 100 most commonly asked questions on exporting and answers them in plain English. The answers are supplemented by the names and addresses of relevant contacts, including service providers in the public and private sectors, and by a list of publications and periodicals.

The answer book is based on a generic handbook developed by the International Trade Centre UNCTAD/WTO (ITC). It is customised for use in various countries by local partner agencies in close collaboration with, and under the technical guidance of, ITC. For this version, the partner agency is the Mauritius Chamber of Commerce and Industry (MCCI).

ITC is the focal point in the United Nations system for technical cooperation with developing countries in trade promotion. ITC works with developing countries and economies in transition to set up trade promotion programmes for expanding their exports and improving their import operations. This covers six areas: product and market development, development of trade support services, trade information, human resource development, international purchasing and supply management, and needs assessment and programming design for trade promotion.

MCCI is a private association founded in 1850 and whose objective is to promote the interests of its members, including Small and Medium-sized Enterprises, through representation to various parties both locally and internationally, promotion of investment, dissemination of information, organisation of training activities and promotion of exports from Mauritius. The Chamber has over 400 members representing a number of economic activities ranging from Commerce and Industry to Tourism through Banking and Transport.

International Trade Centre UNCTAD/WTO
Palais des Nations, 1211 Geneva, 10, Switzerland
Tel : (41-22) 730 0111; Fax : (41-22) 733 4439
E-mail : itcreg@intracen.org
Web site : http://www.intracen.org

Mauritius Chamber of Commerce and Industry
3, Royal Street, Port Louis
Tel: (230) 208 3301; Fax: (230) 208 0076
Email: mcci@intnet.mu
Web site : http://www.mcci.org

ISBN 92-9137-156-4

Price : Rs. 350

International Trade Centre

The Mauritius Chamber of Commerce and Industry