

International Conference on International Trade and Investment (ICITI2025)

'Trade and FDI Facilitation in the IORA Region'

25 – 26 September 2025



INTERNATIONAL CONFERENCE ON INTERNATIONAL TRADE AND INVESTMENT (ICITI2025)

'Trade and FDI Facilitation in the IORA Region'

BOOK OF ABSTRACTS

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FOREWARD

It is with great pleasure that we present the Book of Abstracts of the *International Conference on International Trade and Investment (ICITI 2025)*, held on **25–26 September 2025** at the **Voilà Hotel Bagatelle, Mauritius**, under the theme “*Trade and FDI Facilitation in the IORA Region.*”

ICITI 2025 was jointly organised by the **University of Mauritius (UoM)**, the **UoM WTO Chair Programme (WcP)**, the **Centre of Excellence for International Trade and Investment (CEITI)**, and the **Indian Ocean Rim Association (IORA)**. The conference provided a timely and important platform for scholars, policymakers, practitioners, and researchers to engage in meaningful dialogue on contemporary issues shaping international trade and investment within the Indian Ocean Rim Association region.

The conference featured **43 paper presentations**, reflecting a wide range of theoretical and empirical perspectives. The selected papers addressed critical and emerging themes, including **Intra-IORA Trade, Trade Facilitation, Trade and the Environment, Foreign Direct Investment, Digital Trade, Trade in Services, Regional Trade Integration and Development, and Investment Facilitation**. Collectively, these contributions highlight the evolving nature of trade and investment dynamics and underscore the importance of regional cooperation in promoting sustainable and inclusive economic development.

This Book of Abstracts showcases the diversity, depth, and quality of research presented at ICITI 2025. It is our hope that the ideas and findings shared herein will stimulate further research, inform policy discussions, and contribute to enhanced trade and investment facilitation across the IORA region and beyond.

We extend our sincere appreciation to all authors, reviewers, session chairs, and participants for their valuable contributions, as well as to the organising and supporting institutions for their commitment to the success of ICITI 2025.

**On behalf of the Organising Committee
Conference Co-Chairs**

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**Intra-IORA Trade: Opportunities, Challenges and Recommendations in the Context of
Seychelles**

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The Indian Ocean Rim Association (IORA), which was launched in 1997 and consists of 23 member states, offers opportunities for Seychelles with regards to trade and economic progress. The study delves into the potential opportunities and challenges that confront the country as it seeks to leverage on the agreement. Drawing information from trade data, economic indicators and policy frameworks and in the lenses of intra-IORA trade, areas for potential development and growth (e.g sectors like fisheries, tourism, renewable energy) are identified. Also, findings bring forth some potential challenges that confront Seychelles in the context of Intra-IORA trade, some of which include non-tariff barriers, limited infrastructure as well as climate change related issues among others. On the basis of the aforementioned, the study recommends stronger trade relationships between Seychelles and other member states, an improvement in trade facilitation and the development of a trade strategy that is in alignment with IORA objectives. The study makes contributions towards the broader discourse on trade integration by offering insights into the challenges and opportunities that confront Small Island Developing State (SIDS) within the IORA framework. Moreover, the study can inform policymakers, businesses, stakeholder in Seychelles and amongst other members on how to enhance intra-regional trade and cooperation.

Key words: Trade; Small Island Developing States; Intra-regional trade.

JEL Classifications : O30 ; F13 ; O55

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India's Intra-IORA Trade Potential: An Empirical Analysis

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The Indian Ocean Rim Association (IORA) is a 23-member regional bloc having footprints in the continents of Asia, Africa, and Australia. A culturally and economically diverse bloc, IORA was established with an objective to enhance trade and investment facilitation to drive the members' economic growth and development. As a founding member, India has demonstrated a role of committed and significant trade partner. This paper devises a systematic approach to assess potential enhancements in India's role as a key export partner within the intra-IORA trade framework. An analysis is performed to understand India-IORA integration in terms of trade, sectoral, and structural aspects, supported by Trade Openness Index, Hirschman Herfindahl Index, Trade Intensity Index, Trade Complementarity Index. IORA members' import data is analysed and correlated with Export Specialization Index (ESI) to derive revealed specialization and potential in the export sectors of India. The study identified the key potential export sectors are petroleum products, electrical and optical equipment (excl. medical and dental instruments), other machinery and equipment, non-metallic minerals products, and chemical products. Further, an attempt is made to understand the institutional aspects using World Trade Organization (WTO) - Trade Facilitation Agreement (TFA), and the Logistics Performance Index (LPI) of World Bank. Results show despite a steady progress on TFA implementation level amongst IORA members, enhancements are needed to realize potential trade opportunities within the region.

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Intra-IORA Regional Trade Trends, Patterns, and Implications for IORA Countries.

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This paper takes a close look at recent trends and examines the pattern, focusing on total intra-IORA trade in goods and the most traded products for the period covering 2020 to 2024. The findings show that merchandise intra-IORA trade, or trade between IORA member states, has seen a decline, particularly after the COVID-19 pandemic. In 2024, total IORA trade (US\$ 1577424971) declined by 3.3% from 2022, when it recorded US\$ 1630751750. Similarly, the extra-IORA trade declined 9.5%, while the intra-IORA trade fell 11%. Despite the slump, intra-IORA regional trade increased to 22% of total trade in 2024, up from 21% in 2023 and 20% in 2022. Consequently, the Intra-IORA trade balance recorded -58% in 2022, -44% in 2023, and 4% in 2024. The main intra-IORA products are 8542: Electronic integrated circuits; parts thereof), 2710: Petroleum oils and oils obtained from bituminous materials (except crude); preparations including, and 8471: Automatic data-processing equipment and units thereof; magnetic or optical. Malaysia, Singapore, India, Indonesia, Australia, the United Arab Emirates, South Africa, France, Iran, and Thailand are the largest importers and exporters of IORA's trade. Furthermore, in the nine African member countries of IORA, the products with the greatest export potential is from Tanzania to India - gold, unwrought, for nonmonetary purposes worth \$765 million, and diamonds, worked worth \$667 million, which is unrealized for South Africa to India, and South Africa \$6 billion, with an unrealized potential of \$3.6 billion to the Middle East. The Food and Live Animals sector had the largest Revealed Comparative Advantage (RCA) among the 9 African IORA countries, with Comoros leading with Spices at \$13671k and RCA of 710.9, and Kenya with Tea and Mate at \$1243299k and RCA of 427.7.

Key terms: *intra-IORA trade, export potential, Unrealized potential, RCA, 9 African IORA countries*

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Exploring the determinants of FDI – A panel analysis from selected IORA Member States

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Foreign direct investment (FDI) in the Indian Ocean Rim Association (IORA) region reflects significant potential due to its strategic location and substantial share in global trade flows. The region benefits from key maritime chokepoints like the Straits of Hormuz and Malacca, which facilitate over half of the world's maritime oil trade, making it attractive for investment in various sectors. IORA member states are actively working to enhance trade and investment facilitation by streamlining procedures, improving transparency, and fostering regional cooperation to boost FDI inflows. This study investigates the key determinants of FDI inflows in selected member states of the Indian Ocean Rim Association (IORA), namely Bangladesh; Comoros; France; India; Indonesia; Mauritius and Mozambique using a panel data analysis over the period 1998 – 2023. Employing econometric techniques, the research examines the impact of economic growth, trade openness, inflation rate, human capital, regulatory quality and the ease of doing business on FDI inflows. The findings demonstrate the relevance of solid economic policies, transparent governance, and investment facilitation measures to boost the appeal of IORA member countries to foreign investors. Policy implications suggest that enhancing institutional frameworks and lowering bureaucratic hurdles can greatly increase FDI, consequently contributing to the region's long-term economic development.

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**The Impact of US Reciprocal Tariffs on African Indian Ocean Rim Association (IORA)
Member States**

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On April 2nd, 2025, the United States announced a new trade policy that introduced a 10% tariff on all imported goods, with even higher 'reciprocal' rates for certain countries. While the focus is on larger economies like China and the European Union, this new policy also affects IORA countries. Each country in IORA would face a unique rate of tariff based on an erroneous formula which considers US bilateral trade deficits. Those countries enjoying a large surplus with the US would face larger retaliatory tariffs. However, on 9 April 2025, the US declared a 90-day suspension on applying tariffs for most countries, except for China. At that same time, the US also announced a 10% universal tariff on all imports, along with several sector-specific tariffs that are all currently in force. The reciprocal tariffs are now due to come into effect on 1 August 2025. Utilising a partial equilibrium-based Trade Simulation Model, this paper analyses the potential impact of the currently applicable tariffs and the threatened tariffs from the US to the African Indian Ocean Rim Association (IORA) Member States compared to the situation before the Trump Administration took office. This will be supplemented by examination of negotiating strategies by selected countries, including both those having concluded a deal and those still under negotiations, with a view to providing insights for policymakers in the African Indian Ocean Rim Association (IORA) Member States in designing coping strategies.

Key words: *AfCFTA, United States, Reciprocal Tariffs, International Trade*

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Trade Facilitation in Kenya: Progress, Challenges, and Opportunities in the Context of Regional and Continental Integration

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This article critically examines the state of trade facilitation in Kenya, highlighting the interplay between institutional reforms, infrastructure development, and regional integration commitments. Anchored within the framework of the WTO Trade Facilitation Agreement (TFA) and Kenya's obligations under the African Continental Free Trade Area (AfCFTA), the paper analyzes the progress and challenges of trade facilitation measures including customs modernization, digitization, and border agency coordination. Special attention is given to the inclusion of Micro, Small and Medium Enterprises (MSMEs), women, and youth — stakeholders often marginalized yet crucial to Kenya's trade ecosystem. Drawing on policy reviews, trade performance indices, and case studies from major trade corridors such as the Mombasa Port and Malaba border post, the article identifies key constraints such as corruption, infrastructural bottlenecks, and limited access to trade-enabling information. It proposes a set of inclusive, pragmatic policy recommendations to enhance efficiency, equity, and competitiveness in Kenya's trade facilitation landscape.

Keywords

Trade facilitation, Kenya, WTO Trade Facilitation Agreement, AfCFTA, MSMEs, women, youth, customs, regional integration, infrastructure

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The Utility of IORA to achieve Trade and Investment Facilitation

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The Indian Ocean Rim Association (IORA) adopted trade and investment facilitation as one of the priority areas for members to pursue within the limits of open regionalism framework of cooperation at the Council of Ministers held at Bengaluru; India, in 2011 (IORA, 2025). For centuries, the region has been known for commercial trade that has seen its development to become the centre of global trade and investment flows. There are, of course a variety of internal or external factors identified as challenges to trade and investment facilitation to realise the potential of regional trade which include transparency as a ground level barrier (Attri, 2015). Fourteen years onwards, trade and investment in the Indian Ocean Region remains fragmented into different regimes among member states; between member states and dialogue partners to take a regional outlook. Related to this is what the Institute of International Trade at the university of Adelaide considers a challenge compounding the divide – “. . . weak regional institutions, characterised by a lack of resources and formal legal structures to effectively support regional trade and investment-related cooperation” (Draper, 2020: VI). Regarded as a structural factor peculiar to the regional body extrapolated from the existing trade and investment facilitation environment, it is apparent that it is within the body’s purview to consider structural changes necessary to mitigate the challenge. UNCTAD Trade Facilitation Handbooks Part I pays particular attention to the importance of structural imperatives to transform national mechanisms (UNCTAD, 2006). Emphasis here is placed on the importance of trade facilitation bodies as indispensable, with the mandate of managing trade facilitation between and among trading states. In the same vein, UNCTAD (2020,VII) acknowledges the long-known existence of the National Trade Facilitation Committees (NTFCs) that need to be transformed to be “drivers of trade facilitation measures and harness their multistakeholder potential for trade facilitation reforms”. This paper follows the strength of the structural limitation of the Indian Ocean Rim Association and endeavours to undertake a secondary literature analysis to examine the potential of existential institutional framework as a limitation to achieve trade and investment facilitation in regional cooperation. The paper will employ institutional theory to gain a deeper understanding of the institutional framework and how its aesthetics and developing ideas on the subject matter. The paper acknowledges a development in the regional body that includes the establishment of the Working

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Group on Trade and Investment Facilitation and takes keen interest to assess its transformative agenda as required to achieve desired outcomes – effective trade and investment facilitation.

Unravelling the Environmental Consequences of Trade and Energy on Greenhouse gas emissions in IORA countries

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This study examines the effect of trade activity, captured by trade openness and Foreign Direct Investment (FDI) flows and level of economic development, among other variables on Greenhouse gas emissions (GHG). This paper adds to the existing body of literature on energy and environmental economics by unravelling the role played by international trade and international capital flows in influencing industrial emissions. Moreover, the paper investigates into the Environment Kuznets Curve and Pollution-Haven Hypothesis, which has become a major issue in the context of a more globalized world where competitiveness is of paramount importance. FDI's now constitute a blessing in disguise for sustainable development in developing countries as while creating employment and enhancing economic growth they can simply compromise environmental quality. The aim of this study is to analyse the effect of trade openness, energy consumption and GHG emissions in IORA countries. This is achieved by examining the relationship between trade openness and energy consumption on GHG emissions that include CO₂, CH₄, N₂O and F-gases emission for a sample 10 developing IORA countries (Bangladesh, Comoros, India, Indonesia, Kenya, Madagascar, Mauritius, Mozambique, Seychelles and Tanzania) and 3 developed IORA countries (Australia, Singapore and UAE) using dynamic panel data analysis and covers the period 2000 to 2023. It extends the existing literature by providing a comparative analysis of the above effect for a group of developed and developing countries. Moreover, it also takes into consideration of the effect of Foreign Direct Investment and role of institution on environment quality. These variables are important for the economic development of a country but may also affect the environment in a country. The preliminary results show that trade may have reduce effect on GHG emission whereas energy consumption may have positive effect on GHG emissions. The policy recommendations indicate that trade strategies matter in influencing emissions in a way that may harm the environment in developing countries.

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Green Industrial Policies In Driving Economic Transformation And Sustainability In Kenya

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The resurgence of industrial policy in the agendas of national governments, research centres, international development bodies, and philanthropic funding agencies worldwide marks a significant departure from decades of market fundamentalism. However, this renewed interest has primarily centred on policy strategies launched in other regions and fail to address most Global South countries' distinct challenges. As climate change accelerates and ecological breakdown threatens development prospects, there is an urgent need for industrial policy approaches that simultaneously address environmental sustainability, social justice, and economic development in social formations characterized to a large extent by institutional weakness, resource constraints, and complex and polarized political relations. Industrial policy in the Global South must transcend conventional frameworks that prioritize aggregate GDP growth and the primary objective of industrial policy should be refocused on specific forms of production that are necessary to improve human well-being, meet ecological objectives, and achieve national development. The aim of the paper is to deepen knowledge and understanding of industrial policy's meanings, challenges and prospects in the Kenya. The paper used a mixed methods where a process tracing was done, document review and Key Information Interviews. The findings indicate the government of Kenya has adopted several policies and initiatives aimed at driving the country's industrial transformation and sustainable economic development including:- the Kenya Vision 2030 has an ambitious aim of transforming the country into a globally competitive and successful economy with a higher standard of living by 2030 (GoK 2007), Sessional Paper No. 2 of 1996 on the Industrial Transformation to the Year 2020 (GoK 1996), Sessional Paper No. 9 of 2012 on the National Industrialization Policy Framework for Kenya, 2012 - 2030 (GoK 2012) all emphasizing the aspects of competitiveness and diversification Policies have been developed focusing on leveraging clean energy and infrastructure to enhance climate resilience among them the Energy Act 2019, Feed-In-Tariffs policy 2008 revised in 2010, Energy Transition and Investment Plan 2023-2050 and Renewable Energy Action Policy (2021). In order to embrace digital

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transformation and fourth industrial revolution to boost competitiveness policies such as Kenya Digital Economy Blueprint(2019), National ICT Policy 2006 & 2020 revisions, National digital Master plan(2022-2032), Computer Misuse & Cybercrimes Act(2018) and the Data Protection Act(2019) To foster innovation, research & development (R&D) for sustainability achieved by strengthening the innovation ecosystem through enhanced links between universities, research institutions and industry to facilitate knowledge transfer and development of new technologies. National Industrialization Policy Framework (NIPF): It seeks to promote clean technologies and sustainable production. Climate Change Act, 2016 requires climate mainstreaming in all sectors including industry. And the Green Economy Strategy and Implementation Plan (GESIP), 2016–2030 to enable a transition to a low-carbon, resource-efficient, and socially inclusive path of economic growth. Environmental Management and Coordination Act (EMCA), 1999 (Revised 2015) and Sustainable Waste Management Act, 2022 provides for mandatory waste segregation at source (GoK, 2022), National Energy Efficiency and Conservation Strategy (2020) provides for mandatory energy audits with the effect of energy saving and reduced emissions and check appliance labeling for efficient use and reduce demand as well as cost savings and efficiency in public buildings. Challenges however abound in relation to the implementation of these policy interventions. Some of the challenges include: limited budget allocations and slow disbursements; infrastructure gaps and the need for strong private sector participation and technical capacity both at the country and at county level. With regards to prospects, Kenya has developed several approaches towards environmental sustainability among them the Financing Locally-Led Climate Action (FLLoCA) program which is an initiative led by the National Treasury and Economic Planning in partnership with counties and development partners

Key words: Climate change, Economic transformation & Sustainability

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Towards a Bottom-Up Blue Economy Innovation Network: A Micro-Political Economic Perspective on Indian Ocean Rim Association (IORA)

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Within the debate on trade integration in IORA, there has been an emerging international community attention to blue economy, which is believed to be a bridge to regional sustainability and prosperity. Such trade-sustainability nexus worth more analysis in the context of how top-down and bottom-up international trade practices are being restructured. Across policy debate, IORA member countries have made their national action plan on blue economy much more explicit and develop various policy adjustments. What happens at the micro level, namely, the structure of production of blue economy, however, has been lack of discussion. This paper assumes that within and across IORA member states, knowledge production on blue economy has been marked by dynamic interactions involving local knowledge and its wider knowledge production ecosystems. While understanding these processes potentially contributes to the economic restructuring, there is lack of efforts in identifying how local knowledge on blue economy intersects with science and technology as well as policy knowledge with their respective policy outcomes. This paper, therefore, seeks to fill the gap by identifying modes of knowledge co-production on blue economy in few selected IORA countries and how the political economic setting of innovation policy shapes the innovation outcomes. In doing so, it employed Robert Cox's structure of production framework which comprises of ideas, institutions, and material capabilities that connects various knowledge production nodes. This study traces the process through which blue economy innovations are founded as economic potentials. It also unpacks the policy context in which these potentials have been further leveraged with respects to its benefits to international trade conducted by innovation home countries and their trading partners. Lastly, it identifies policy issues that are worth to deliver as shared knowledge within the knowledge network of the IORA.

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Keywords: blue economy, bottom-up innovation network, IORA, knowledge co-production

How Can Central Bank Digital Currencies Facilitate Trade and Investment in Africa?

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This paper examines how Central Bank Digital Currencies (CBDCs) can facilitate trade and investment in Africa. CBDCs present transformative trade and investment opportunities for Africa. CBDCs provide significant benefits to improve cross-border payments and boost trade and investment. These benefits include reduced transaction costs, faster transactions speed, improved transparency and traceability, and enhanced financial inclusion. CBDCs can streamline foreign exchange processes by enabling direct conversion between digital currencies or even supporting multi-currency interoperability. The paper also identifies the challenges and risks associated with CBDCs, including limited technological infrastructure, cybersecurity threats, privacy concerns, limited interoperability and standardization, regulatory uncertainty, reliance on government-backed digital currencies, scalability and performance, and dependence on external systems. Some policy recommendations aimed at maximizing the opportunities CBDCs offer are provided.

Keywords: *Central Bank Digital Currencies; Cross-border payments, Trade and investment, Africa*

JEL Classification: E52; E58; F10; F30; O32

The interplay between Digital Transformation, Trade Facilitation, and Non-Tariff Barriers to Trade

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Digital transformation is reshaping international trade dynamics and offers promising pathways to boost trade facilitation, especially in the Indian Ocean Rim Association (IORA) region. However, it also introduces new, complex non-tariff barriers (NTBs). Contemporary research highlights that digital trade significantly reduces transaction costs and broadens participation in global value chains. Nonetheless, policies such as cross-border data localisation, source-code transfer requirements, and fragmented digital regulations are emerging as widespread digital NTBs that hinder trade in services and restrict SMEs' access to international markets. Moreover, these digital barriers hinder technological innovation by increasing compliance costs and limiting knowledge spillovers.

Within the IORA context, evidence suggests that efforts to lower tariffs and implement trade facilitation measures, such as single-window systems, provide measurable welfare benefits. These benefits are significantly amplified when combined with reductions in traditional NTBs. However, increasing digital trade measures, often lacking harmonisation, threaten to offset these gains. For example, the diversity and opacity of digital regulatory regimes across IORA members create "behind-the-border" frictions that mainly affect SMEs and fragment digital trade ecosystems. By combining insights from economic modeling and policy analysis, this paper advocates for an integrated strategy within IORA that: (a) harmonises digital trade regulations to reduce digital NTBs, (b) employs digital tools such as paperless and single-window systems to improve trade facilitation, and (c) pairs these efforts with targeted NTB reforms to unlock intra-regional trade potential. This comprehensive approach aims to enhance regional welfare, promote SME inclusion, and advance technological innovation, aligning with the IORA mandate of fostering sustainable and inclusive trade facilitation across the Indian Ocean Rim

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Regional Cooperation through Digital Trade and E-Commerce in the Indian Ocean Rim Association (IORA)

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The growing significance of digital trade and e-commerce within global commerce necessitates a strategic focus on enhancing regional cooperation mechanisms, particularly within geographically and economically diverse blocs such as the Indian Ocean Rim Association (IORA). This paper proposes to examine how digital trade, and e-commerce can serve as critical instruments for deepening trade integration and investment facilitation in the IORA region. It investigates the potential of digital platforms to overcome traditional trade barriers, foster inclusive economic participation, and drive resilient, sustainable development across member states.

While IORA can make notable strides in promoting economic cooperation and maritime connectivity, substantial asymmetries in digital infrastructure, regulatory frameworks, and e-commerce readiness persist among its member states. The paper identifies these asymmetries as both a constraint and an opportunity: a constraint due to uneven capacities that risk exacerbating existing inequalities, and an opportunity to devise collaborative frameworks for digital harmonization and capacity-building. Particular attention will be paid to initiatives that promote mutual recognition of digital standards, cybersecurity norms, data governance, and digital payment interoperability.

Through a comparative policy analysis and case studies from leading and emerging digital economies within the IORA, such as India, Somalia, and Mauritius, the paper will outline best practices and institutional innovations that could be scaled across the region. The study will also explore the role of regional trade agreements (RTAs) and plurilateral initiatives in fostering a coherent digital trade ecosystem, including the potential of an IORA-wide digital trade framework aligned with WTO and UNCTAD guidelines.

Ultimately, the paper argues that a coordinated regional approach to digital trade and e-commerce can reinforce trade facilitation, reduce transaction costs, support Micro, Small, and Medium Enterprises (MSME) inclusion, and position IORA as a digitally integrated maritime economic community. The findings aim to contribute to policy discussions on trade and investment facilitation and support the development of an actionable roadmap for digital cooperation in the IORA region.

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Keywords: digital trade, e-commerce, regional cooperation, IORA, trade facilitation, digital infrastructure, economic integration.

Tourism Demand in IORA Member States: Assessing the Interaction between Regional Integration and Global Economic Growth

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This study focuses on the determinants of international tourism in a sample of the Indian Ocean Rim Association (IORA) member states spanning over the period 1995 to 2019. It investigates how global economic growth interacts with regional integration to influence tourism in IORA countries. The Autoregressive Distributed Lag (ARDL) model has been employed after obtaining a mixture of I(0) and I(1), revealed by the panel unit root tests. This econometric model allows us to analyse the long-run and short-run relationships between tourism and the selected explanatory variables. The results reveals a positive and significant long-run relationship between the interactive term (IORA membership and the World GDP Per Capita) and tourism. Also, inflation, measured by the consumer price index exerts a negative and statistically significant link, suggesting that higher domestic prices deter international visitors. Moreover, the air transport freight is positively related to tourism, highlighting the importance of transport infrastructure in easing international travel. The findings imply that regional integration plays a catalytic role in enhancing tourism performance in IORA states, by improving connectivity and cooperation. The findings offer new empirical insights into how regional cooperation can shape the responsiveness of tourism sectors to external economic conditions.

Keywords: Indian Ocean Rim Association (IORA), World GDP Per Capita, Tourism performance, Regional Integration

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Competitors or Complements: Dynamics of trade and cultural ties between the 'Asian Elephant' India and 'African Tiger Cub' Mauritius

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The 'Asian Elephant' India and 'African Tiger Cub' Mauritius have strong trade and cultural ties since ages, but the nature of competition-complementarity nexus existing between them from cultural as well as trade perspective have remained largely uncharted. The present paper attempts to identify the dynamics of the Indo-Mauritian trade and cultural linkages by using secondary data from the International Trade Centre (ITC) Trade Map for the period of 2001-2022. By computing the Trade Intensity Index (TII), Revealed Comparative Advantage (RCA), Export Similarity Index (ESI), Coefficient of Specialization (CS), Coefficient of Conformity (CC), Trade Complementarity Index (TCI), and Ethnic Fractionalisation Index (EFI) the study explores the nature of competition-complementarity nexus existing between the countries. From being import-dependent on India, the exports of Mauritius to India is gradually gaining traction over time. The study finds the existence of trade complementarity existing between India and Mauritius; moreover, undeniable factor is the cultural proximity between India and Mauritius caused by the colonial past and Indian origin of the current Mauritian population. In this changing paradigm of Chinese dominance in the global product markets, Indo-Mauritian trade integration through the signing of a bilateral preferential trade agreement named the Comprehensive Economic Cooperation and Partnership Agreement (CECPA) in 2021 is a welcome move, as complementarity or co-operation has the power to reap greater benefits than competition.

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Keywords: Cultural proximity; Indo-Mauritian trade; Competition-complementarity nexus; bilateral preferential trade agreement; Comprehensive Economic Cooperation and Partnership Agreement (CECPA).

**Unlocking Regional Trade Opportunities For Msmes: A Case Study Of Kenya's
Engagement In The Iora Region**

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Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in driving economic growth, creating jobs, and fostering innovation across IORA member countries. However, these enterprises continue to face significant challenges in accessing regional markets. These include non-tariff barriers, cumbersome customs procedures, limited financing options, and insufficient access to market information.

This paper explores how selected global business strategies can improve market access for Kenyan MSMEs, particularly in the context of intra-IORA trade. Using a mixed-methods approach, the study combines survey and interview data from MSMEs, government bodies, and trade facilitation institutions such as KEBS and KRA.

The analysis focuses on how innovation, adherence to international standards, use of digital trade platforms, and integration into regional value chains can enhance the competitiveness of MSMEs. It also examines the effectiveness of trade facilitation frameworks, including the African Continental Free Trade Area (AfCFTA), regional trade agreements, and investment support mechanisms, in supporting MSME participation in cross-border trade.

The findings show that while Kenyan MSMEs hold strong potential for regional expansion, success depends on targeted policy support, capacity-building programs, and institutional alignment in areas like standards harmonization and export preparedness. The paper calls for deeper regional cooperation within IORA to advance MSME-friendly trade policies, streamline regulatory procedures, and introduce investment incentives tailored to smaller enterprises.

Ultimately, this paper offers practical insights and policy recommendations to support inclusive trade and investment facilitation, positioning MSMEs as key drivers of economic integration and growth across the IORA region.

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Impact Of Trade Liberalisation On Poverty In Iora Regions

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Although trade liberalisation is being actively advocated as a crucial element of development initiatives, its impact poverty is multifaceted and subject to debate, as studies revealed both positive and negative effects (Dollar and Kraay, 2004; Topalova, 2010; Goff and Singh, 2014; Agusalim, 2017; and Durongkaveroj and Ryu, 2019). This caused many to doubt whether trade liberalisation is in actual fact an effective poverty-reduction strategy. Despite numerous studies in this area, the existing literature has mostly ignored the specific relationship between trade liberalisation and poverty in IORA regions. Moreover, a critical examination of the existing literature revealed that most of the studies concentrated on the static effects of trade on poverty, failing to adequately address the mechanisms by which trade could promote poverty alleviation. The only significant dynamic concept in the literature is the impact of trade on poverty through growth (Dauda, 2022). Accordingly, this study aims to fill the gaps in knowledge by investigating the relationship between trade liberalisation and poverty across a panel of 16 IORA economies over the period 1990 to 2023. To conduct this analysis, the study employs the Autoregressive Distributed Lag (ARDL) technique. Empirical results reveal a significant negative relationship between trade liberalisation and poverty in the long run, implying that increased trade liberalisation is associated with poverty reduction. However, trade liberalisation did not reduce poverty in the short run. The findings suggest that trade liberalisation should not be seen in isolation and complementary measures are required in order to enhance their impact on poverty. The study recommends for trade policies that promote inclusiveness, strengthen institutional frameworks, and foster human capital development. Strengthening educational institutions and maintaining

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macroeconomic stability are crucial for optimising the poverty-alleviating advantages of trade liberalisation in the region.

Keywords: trade; poverty; human capital

A critical assessment of the importance of rules-based trading system in the current global context for the IORA region

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In 2025, China and Canada requested consultations at the World Trade Organisation (WTO), which initiated dispute resolution procedures. However, the WTO's efficacy remains uncertain due to its inability to enforce its procedures since 2019. The US has shown animosity and indifference towards the WTO since the first administration barred new nominees to its Appellate Body in December 2019. The validity of the WTO's dispute-settlement procedure is compromised by the lack of an Appellate Body, which could lead to nations disobeying trade regulations. The rules-based trading system is being weakened due to the use of exemptions for military-related items, which are increasingly used across various products. Overlapping bilateral and regional trade agreements are being tried as alternatives to the WTO, but many lack strong enforcement mechanisms. Concerns for international trade are raised by the shift away from regulations and towards raw power in establishing economic connections.

A global rules-based trading system is crucial for ensuring balanced economic growth and alleviating poverty. The Indian Ocean Rim Association (IORA) supports the importance of such a system, which promotes transparent, non-discriminatory, and impartial rules negotiated by all its members. Open multilateral trade has the potential to lower prices of both domestically and imported goods and services, benefiting both the individual and the global community. However, the multilateral rules-based system also has drawbacks that must be addressed. Governments must implement supportive policies, such as flexible labor markets, social safety nets for displaced workers, and cultivating an investment environment conducive to investment, to reap the full

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benefits of open trade. The IORA is expected to reaffirm its dedication to the rules-based trading system and serve as a regional model for unrestricted, equitable, and free trade in the Indian Ocean.

Abstract: WTO, rules-based system, trading, IORA, trade regulations

"Diaspora-Led Investment Facilitation in the IORA Region: A Case Study of Optiven and the Kenyan Diaspora"

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Diaspora communities are increasingly recognized as critical actors in facilitating trade and investment flows between host and home countries, particularly in emerging economies within the Indian Ocean Rim Association (IORA) region. This paper examines the role of diaspora engagement in local investment facilitation, using the Kenyan real estate and enterprise development firm, Optiven, as a case study. Optiven has emerged as a leading example of how private sector actors can catalyze diaspora investment through tailored engagement strategies, trust-building mechanisms, and diaspora-targeted investment products. The study seeks to investigate how Optiven has effectively mobilized the Kenyan diaspora—primarily located in IORA member states such as the UAE, South Africa, and Australia—to invest in property and entrepreneurial ventures in Kenya. Drawing on qualitative data from interviews, company documents, and diaspora feedback, the article will further analyze the tools and approaches used to reduce transaction costs, increase transparency, and provide investment security—key elements of trade and investment facilitation. The authors will seek to further examine whether diaspora-led investments, when facilitated through credible intermediaries and supported by favorable policy frameworks, can significantly enhance intra-IORA economic linkages. The paper will conclude by

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recommending policy and institutional interventions that can be engaged to mainstream diaspora investment facilitation within IORA's broader trade and investment agenda.

Keywords:

Diaspora Investment, Investment Facilitation, Indian Ocean Rim Association (IORA), Public-Private Partnerships, Regional Economic Integration, Intra-IORA Trade

Global Rare Earth Magnet Value Chain and Strategic Trade Controls: India's Challenges in a China-Dominated System

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This research paper presents a comprehensive analysis of the rare earth magnets (REM) value chain through international trade data, highlighting the strategic, economic, and technological dimensions of this critical sector. Rare earth magnets primarily Neodymium-Iron-Boron (NdFeB) and Samarium-Cobalt (SmCo) are the strongest class of permanent magnets and serve as essential components in modern high-tech applications, including electric vehicles, renewable energy systems, defense technologies, and consumer electronics. The study maps the REM value chain

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across five key product stages: raw rare earth metals, rare earth compounds, advanced intermediates, finished permanent magnets, and electronic components incorporating magnets.

Trade data from 2024 underscores China's overwhelming dominance at every stage from mining and processing to the manufacture and export of finished magnets. At the raw material stage, China accounted for over 65% (8,896 tons) of global exports, with Japan, the Netherlands, and India among the major importers. This dominance is further solidified by recent Chinese export restrictions on key materials and processing technologies, exacerbating global supply vulnerabilities.

India plays a marginal role in the global REM landscape despite possessing the fifth-largest rare earth reserves mainly monazite-rich beach sands. Limited upstream mining capacity due to low ore grades, environmental restrictions, and regulatory controls on radioactive elements constrain its performance. While India has midstream refining and high-purity extraction capabilities, these lack scale. Downstream infrastructure, including alloy-making and magnet manufacturing, is largely absent. India heavily depends on imports across all stages, particularly from China. It is the world's largest importer of finished magnets, importing 56,900 tons in 2024, 87.8% of which came from China while its exports remain negligible. Furthermore, India's rare earth output is skewed toward low-demand Light Rare Earth Elements (LREEs), while high-value Heavy Rare Earth Elements (HREEs) like Dysprosium and Terbium are scarce.

The study concludes that India's lack of an integrated metal-to-magnet ecosystem makes it vulnerable to supply shocks and limits participation in strategic clean energy and defense supply chains.

Key Words: Rare Earth Magnets (REMs), Value Chain, China's dominance, clean energy.

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Does International Tourism Facilitate Merchandise Trade in IORA Countries?

An Empirical Analysis using Augmented Gravity Model

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Tourism has a significant role to play in the economies of the Indian Ocean Rim Association (IORA) region. This research study aims to build greater understanding of international tourism in the IORA region from its role as a services export sector to a facilitator of merchandise trade, as some of the countries like Maldives, Mauritius, Seychelles, Thailand, UAE, UK, USA, have high share of tourism exports in their total services exports. This paper empirically analyses international tourist inflows as a determinant of merchandise exports for the IORA economies by deploying an augmented gravity model technique. Apart from the conventional gravity model variables, such as GDP and distance, other relevant variables that augment the gravity model in our study include international tourist arrivals (inbound tourism), temperature difference, trade agreements, language affinity, and visa policies. The study finds that inbound tourism to IORA economies facilitates international trade and helps in increasing merchandise exports. The study finds that a 1% increase in international tourists' inflows to the IORA region is associated with a 0.62% increase in the region's merchandise exports. This relationship is along expected lines, as international tourist arrivals can help reduce trade costs, thereby increasing such exports. If international tourists come from countries with a shared language and that have formed an economic partnership through free trade agreements and easy visa policies, the increase is bigger. That said, countries in the IORA region need to recognize the value of the linkage between inbound tourism, services trade and their merchandise exports and accordingly develop policies at unilateral, bilateral and regional level to serve their economic interests.

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Key words: tourism, international trade, IORA, augmented gravity model

JEL Codes: C33, F14, L83, Z38

Impact of Exchange Rate Volatility on Services Trade

An Empirical Investigation using Pooled Mean Group and Nonlinear Cointegration Approach

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This research study empirically investigates cointegration between exchange rate volatility and India's services export and import. It examines if services export and import performances at aggregate, sectoral and bilateral levels are asymmetric in response to nominal exchange rate changes using Pooled Mean Group (PMG) and Nonlinear Autoregressive Distributed Lag (NARDL) models. The study finds that services export and import have long-run cointegration with exchange rate volatility. Further, nominal exchange rate volatility has a long-run and short-run asymmetric relation with software services export and short-run asymmetry for aggregate services export. Financial services and other business services export do not show either long-run or short-run asymmetry. In case of services import, the nominal exchange rate volatility has a long-run and short-run asymmetric effect on other business services and aggregate services import. Software services and financial services import show neither long-run nor short-run asymmetry. The estimation results also suggest that exchange rate volatility does not affect India's bilateral services export in the long run. However, in the short run, the volatility does positively affect bilateral services export. On the other hand, bilateral services imports are affected by exchange rate volatility both in the long and short run.

JEL Codes: F31, F14, C01

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Key Words: Nominal Exchange Rate, Services Trade, Volatility, Pooled Mean Group (PMG), Nonlinear Autoregressive Distributed Lag (NARDL)

**Navigating the Blue and Green Future: Legal Possibilities for IORA in the Digital Era
Amidst Environmental Challenges**

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The Indian Ocean Rim Association (IORA), encompassing 23 coastal states, faces dual pressures from the accelerating digital transformation of global trade and growing environmental concerns, particularly in the maritime sector. While individual members like India, Australia, and South Africa have taken steps toward port digitization, e-customs, and green port initiatives, the region as a whole lacks a unified, binding legal framework to coordinate efforts. IORA's current reliance on soft law—through declarations and MoUs—limits accountability, interoperability, and regional integration.

This paper proposes a legally binding “IORA Convention on Digital Maritime Trade and Environmental Cooperation” to address these gaps. Anchored in global instruments such as the WTO Trade Facilitation Agreement, UNCITRAL Model Laws, and IMO conventions (MARPOL, ISM Code), the convention would mandate cybersecurity standards, harmonized e-customs systems, and environmental monitoring across ports. It would also establish a compliance body to track implementation and facilitate dispute resolution. Emphasis will be placed on implementing reforms in accordance with the current legal, institutional, and technological conditions prevailing in each IORA country, ensuring context-sensitive and feasible integration.”.

Compared to developed non-IORA regions like the EU, North America, and East Asia, IORA countries lag in digital integration, port cybersecurity, and data sharing. Drawing from best

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practices such as the EU's CISE and Singapore's PPP models, the paper proposes context-specific reforms tailored to each IORA country's legal, digital, and institutional capacity to ensure effective and feasible implementation.

This paper argues that IORA must move from voluntary cooperation to binding legal commitments due to fragmented regulations and uneven digital capacity. Drawing on global best practices, it proposes a regional framework integrating digital governance and environmental safeguards. The reasoning and actionable pathways to achieve this transformation would be outlined.

Unlocking Intra-IORA Trade through a Phased Modular Preferential Trade Agreement: A Conceptual Framework

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The Indian Ocean Rim Association (IORA) encompasses 23 member states and 10 dialogue partners, yet intra-regional commerce accounts for only around 25 percent of total trade, significantly below other regional blocs. This study investigates the structural, institutional, and geopolitical barriers that have inhibited deeper economic integration within IORA and proposes a conceptual framework for a phased, modular preferential trade agreement. Employing a qualitative approach grounded in comprehensive literature review, analysis of existing trade practices, and lessons from ASEAN and the African Continental Free Trade Area, the research outlines a three-phase pathway: initial trade facilitation measures, targeted sector-specific tariff preferences, and eventual liberalization of services and investment. Major assumptions include persistent economic asymmetries among high-income economies, least developed countries, and small island developing states, as well as the necessity of variable geometry and differentiated commitments to accommodate diverse readiness levels. Key findings suggest that streamlined customs procedures and mutual recognition of standards can yield immediate transaction-cost savings, while pilot tariff concessions in high-complementarity sectors can generate early trade gains. The final phase emphasizes the creation of dispute-resolution mechanisms and institutional strengthening to sustain long-term integration. In conclusion, the proposed agreement balances flexibility and inclusivity, offering a pragmatic roadmap for unlocking IORA's latent trade potential. Adoption of this framework, coupled with capacity-building support for least developed and small island

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developing member states, and high-level political commitment, is recommended to foster resilient and equitable regional cooperation.

Assessing The Effects Of Trade On Environment In Mauritius: An Empirical Analysis

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This paper shall have as prime goals to unearth the association between trade and environment in a small island country setting akin Mauritius whilst simultaneously checking for the evidence of the EKC hypothesis. In effect, Mauritius poses as an interesting case study in light of its unique environmental challenges associated with being a small island developing states (SIDS). In addition, it relies significantly on global trade, with over 70% of its imported goods consisting of food products. In order to address the objectives of this research, time-series data covering the

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period 1990-2024 shall be garnered and a dynamic time-series regression model will be deployed. In conformity with the findings of Sannasse and Seetanah (2016) and Fauzel and Tandrayen (2022), it is forecasted that the outcome of our analysis shall reveal an adverse impact of trade on environment coupled with the absence of the EKC in Mauritius.

Keywords: Trade, Environmental emissions, EKC, SIDS, Mauritius

Capital Inflow, Strategic Subcontracting, and Formal Employment

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This paper shows that capital inflow can increase formal employment and wage, even when cheaper labour is accessible outside the formal sector through subcontracting, depending upon its level of technical efficiency. In a simple duopoly setting under strategic subcontracting, the model finds that the competition effect of FDI can compensate for the adverse effect of labour-saving foreign technology and access to the informal sector of the foreign firm on the demand for formal labour and thus increases formal wage and employment. Second, the efficiency of foreign technology encourages the subcontracting of domestic firm but reduces that of foreign firm. The foreign firm would not subcontract once a critical level of efficiency is exceeded. Third, with the level of technical efficiency, the foreign firm increases its market share, resulting in a fall in the domestic firm's market share. After a critical level of efficiency, the foreign firm becomes a monopoly in the domestic market, and thereby reduces the formal employment and wage. The empirical analysis at the firm level between countries reveals that the results are consistent with our theoretical predictions.

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Keywords: Foreign Direct Investment, Foreign Technology, Subcontracting, Formal Labour, Union Wage

JEL Codes: F13, F14, F16, F21

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Digital Crossroads: An Empirical Analysis of Customs Digitalization's Impact on Trade Efficiency and Costs in the Indian Ocean Rim

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We investigate the impacts of digitalization of customs procedures on trade efficiency and costs across select member states of the Indian Ocean Rim Association (IORA). The main research question is: To what extent has the digitalization of customs procedures contributed to reducing trade transaction costs and improving trade efficiency among IORA member states (Mauritius, Singapore, India, and South Africa), considering variations in technological infrastructure and policy implementation?. We employ panel data sourced from World Bank's "Doing Business" report, International Trade Centre (ITC) TradeMap and UN Comtrade Database (2010-2019). Employing rigorous Difference-in-Differences and Panel Regression models, we assess the causal impact of digital customs implementation. We reveal a statistically significant reduction in trade transaction costs and enhanced trade efficiency, marked by faster customs clearance and reduced cargo release unpredictability. Higher adoption rates of digital platforms strongly correlate with these improvements. While digitalization positively influenced overall trade volumes, the magnitude varied. Countries with advanced digital infrastructure (e.g., Singapore, Mauritius) showed more substantial gains, underscoring the importance of foundational capabilities and policy coherence. Digitalization effectively mitigated common bottlenecks like excessive paperwork and transparency issues. However, persistent challenges include digital literacy disparities, connectivity issues, and the continuous need for system upgrades. We empirically validate that customs digitalization significantly reduced trade transaction costs and enhances efficiency within IORA, offering robust evidence that fills a critical gap in regional trade

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facilitation literature, and that the extent of these benefits is closely tied to the comprehensiveness of digital implementation and underlying technological infrastructure. We recommend prioritizing accelerated investment in integrated digital customs platforms and addressing digital literacy gaps to maximize trade efficiency and cost reductions. Furthermore, fostering regional interoperability of these systems is crucial to unlock the full potential of seamless cross-border trade.

Price Transmission between Global and Local Food Markets: Evidence from Oman

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This research investigates how international food prices are transmitted to local markets in Oman, providing insights relevant to food security and trade resilience in similar countries. Using monthly price data and continuous wavelet analysis, the study captures both short run and long run co-movement between global benchmarks and domestic prices of core commodities including rice, wheat, and vegetable oil. Findings reveal that price transmission is incomplete and varies over time and across commodities. For instance, wheat and rice prices in Oman show sluggish and partial adjustments to global price shocks, while vegetable oil prices reflect faster and stronger transmission. These differences are shaped by factors such as import dependence, tariff schedules, transport costs, and storage infrastructure. The study highlights that traditional correlation-based approaches fail to capture the time-frequency dynamics and policy-relevant lags that wavelet tools reveal. The paper concludes with trade policy recommendations, including enhanced monitoring of import flows, improved port logistics, and coordinated regional efforts to manage food price volatility. The case of Oman offers valuable lessons for other IORA member states facing similar external vulnerabilities.

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**The Competitiveness of services to Harness the AfCFTA Services Market: Case of United
Republic of Tanzania**

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The chapter seeks to uncover the competitiveness and regulatory frameworks that constrain or enable the flow of services trade for United Republic of Tanzania. The study will examine several indicators of competitiveness. It also examines key constraints and enablers of services trade performance and their economic implications for Tanzania's services sectors competitiveness. The study will utilise publicly available secondary databases such as the International Monetary Fund (IMF) balance of payments, World Development Indicators, Organisation for Economic Cooperation and Development (OECD), World Trade Organization (WTO) I-tip services, World Economic Forum (WEF), and the Global Competitiveness Index (GCI) database.

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SME Unprofitability, Networks, and Export Trade within Africa's IORA Member States

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This paper analyzes SMEs' participation in export trade as behavioural responses to profitability of related enterprises. The analysis utilizes a dataset covering formal SMEs within manufacturing and services sectors from Kenya, Mauritius, Mozambique, Seychelles, and South Africa. Our findings suggested that SMEs tended to be profitable when related to other profitable enterprises whereas profitability shrunk as the workforce expanded. While we found no self-selection of profitable enterprises into export trade, the more profitable an SME was relative to other enterprises related to it, the more likely it was to export. This paper further sheds light on the learning-to-export view by showing that export participation correlated positively with both managerial experience and enterprise age. Bunching analysis around the profit kink suggested that SMEs' participation in export trade was independent of profitability of related enterprises. Since a significant share of SME revenues went towards offsetting labour-related expenses, governments within the sampled IORA member countries could consider a three-pronged approach towards raising both profitability and export participation among SMEs. Such an approach could entail provision of wage subsidies to reduce labour costs, targeted export promotion and other forms of

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government support, and investment in raising labour productivity via on-the-job training fairs and worker training workshops.

Effect of Information and Communication Technologies (ICT) on International Trade in services in Sub-Saharan Africa (SSA): The role of access to electricity

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This article analyzes the effect of Information and Communication Technologies (ICT) on international trade in services by measuring, on the one hand, the direct effect of ICT on international trade in services and, on the other hand, the conditional effect of the role of access to electricity (taking into account its support for internet use) on the relationship between ICT and international trade in services. To do this, we adopt the generalized method of moments (GMM) in a dynamic panel. The analysis focuses on 31 countries in sub-Saharan Africa and covers the period 2004 to 2023. Our results show (i) an improvement in international trade in services through ICT and (ii) an accentuation of the magnitude of the positive effect of ICT on international trade in services, including exports, imports, and total trade in services, due to access to electricity. In short, sustained policies to address the digital divide and promote access to electricity in SSA are

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likely to facilitate interoperability between firms, thereby increasing the share of international trade in services.

Smart Trade: Using Digital Twins and AI to Enforce Sustainability Standards in Global Commerce

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As global trade volumes expand and sustainability imperatives intensify, the need for smarter, more responsive trade infrastructure has never been greater. This research explores the transformative potential of Digital Twin technology, combined with Artificial Intelligence (AI), in enforcing and enhancing sustainability standards within global commerce—focusing particularly on the maritime port sector. Traditionally reliant on manual processes and fragmented oversight, port operations have long faced challenges related to inefficiency, safety, environmental compliance, and infrastructure wear. Recent advances in digitalization—driven by IoT, AI, and big data analytics—have laid the foundation for the emergence of smart ports. Digital twins, as real-time virtual replicas of physical assets and systems, allow port authorities to simulate, monitor, and optimize operational workflows and environmental impact in unprecedented ways. Leveraging platforms like Bentley Systems' iTwin, ports can now proactively manage infrastructure, reduce emissions, minimize vessel dwell time, and implement predictive

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maintenance, all while ensuring compliance with international sustainability frameworks such as the UN Sustainable Development Goals (SDGs). By integrating AI algorithms, digital twins can perform dynamic risk analysis, optimize energy usage, and simulate green logistics scenarios, thus driving data-informed decision-making. This paper investigates case studies and current implementations of digital twin systems in port environments, assessing their role in streamlining trade logistics while aligning operations with global environmental standards. It argues that AI-enhanced digital twins represent a pivotal innovation in the transition to sustainable, smart trade ecosystems, especially for high-traffic, high-emission nodes like ports.

“Harnessing the Power of Communication in Regional Cooperation: The Opportunities and Constraints in the East Africa Community (EAC)”

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The East Africa Community (EAC) is an intergovernmental organization comprising eight member states: Kenya, Burundi, Rwanda, South Sudan, Tanzania, Uganda, and Somalia. The organization aims at fostering economic integration, political collaboration, and social development. Effective communication is an important foundation for achieving the countries' common goals since it facilitates information exchange, builds trust, and promotes stakeholder engagement. This article interrogates the opportunities and constraints in communication within the EAC network. It explores the impact of technological advancements that can influence connectivity among member states, the role of enhanced stakeholder engagement in policy formulation, and the available systems meant to support communication. Furthermore, it also examines the challenges to effective communication, like language barriers, infrastructural

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inadequacies, and complex political dynamics. This article argues that whereas there is a rise in digital communication tools and platforms that significantly improve dialogue and collaboration, various obstacles still persist that affect flawless communication among the member States. The article examines findings from empirical studies, policy documents, and expert interviews, and makes a strong case for the need to develop communication strategies necessary to address specific regional challenges. The conclusions inform policymakers within the community and provide a structure for fostering more effective communication systems that can ultimately strengthen regional cooperation and integration efforts. The article makes achievable recommendations to improve communication practices within the EAC, which are essential for the community future successes and sustainability in an increasingly competitive and interconnected global space.

The Role Of Ict In Doing Business: Evidence From The Western Indian Ocean Region

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The Indian Ocean Rim Association (IORA), established in 1997 and comprising 23 member states, presents significant opportunities for fostering trade integration and economic development across

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its regions. Within this context, the Western Indian Ocean Region (WIOR) stands to benefit from enhanced trade and investment facilitation through digital connectivity and innovation. This study explores the role of Information and Communication Technologies (ICT) in shaping the business environment across selected WIOR countries, focusing on both the opportunities and constraints faced by the region. Utilizing a combination of Principal Component Analysis (PCA) and panel Instrumental Variable Fixed Effects (IV-FE) models, the study investigates the influence of three core ICT components; internet penetration, mobile subscriptions, and fixed telephone lines; on key indicators of the business environment. These indicators include trade performance, technology exports, and property rights protection, serving as proxies for the ease of doing business and investment potential in the region. Data are sourced from the World Development Indicators (WDI) database of the World Bank, covering a panel of countries over a defined time period. Preliminary analysis suggest that ICT infrastructure significantly enhances trade outcomes and innovation capacity, but the effects could be heterogeneous across countries depending on institutional quality and regulatory frameworks. The study offers policy-relevant insights into how digital tools can be leveraged to reduce trade barriers, improve market access, and promote

regional economic integration in line with IORA's broader strategic goals. The study contributes to the ongoing discourse on digital transformation and inclusive development within the IORA framework, underscoring the need for harmonized ICT policies and capacity-building initiatives to maximize trade and investment potential in the region.

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Enhancing Trade Integration in the IORA: Progress, Gaps, and Policy Pathways in Trade Facilitation

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This study assesses the level and composition of trade facilitation implementation across IORA member countries, with a particular focus on transparency, formalities, institutional arrangements, transit facilitation, and sustainable trade facilitation dimensions related to agriculture, SMEs, and women. Using disaggregated measure-level data of United Nations Global Survey on Digital and Sustainable Trade Facilitation, the analysis highlights significant cross-country heterogeneity in both the depth and breadth of implementation. General Trade Facilitation strengthened substantially, with implementation rising from 56.58 per cent to 78.30 per cent, driven mainly by significant gains in formalities (from 57.80% to 83.58%) and transparency (from 63.92% to 84.31%). Digital Trade Facilitation also advanced, with overall implementation increasing from 44.73 per cent to 66.05 per cent, particularly led by paperless trade (from 57.31% to 77.56%).

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While advanced and some emerging economies, such as Australia, France, India, Singapore, Malaysia, and Indonesia, demonstrate near-complete implementation across most trade facilitation pillars, several developing and least-developed members, including Comoros, Madagascar, Kenya, Yemen, and Somalia, lag considerably. The findings indicate that basic legal and procedural measures are more widely adopted than complex, coordination-intensive reforms such as cross-border paperless trade, transit facilitation, inter-agency cooperation, and inclusion-oriented measures for SMEs and women. Overall, the study underscores that effective trade facilitation depends not only on formal adoption of rules, but also on institutional capacity, digital readiness, and regional cooperation. Strengthening implementation depth, enhancing cross-border interoperability, and integrating sustainability and inclusiveness into trade facilitation reforms are identified as key priorities for reducing trade costs and fostering more inclusive trade within the IORA region.

Impact of Trade Openness on Taxation: Evidence from the IORA Region

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The Indian Ocean Region (IOR) has become the centre of interest worldwide since the conclusion of the Cold War. In the modern world, it has developed into a major centre for economic, political, and strategic activity. Taxation plays a critical role in shaping the economic environment in which international trade occurs (OECD, 2017). In the context of the IORA region—where countries are striving to enhance intra-regional trade, economic integration, and global competitiveness—understanding how taxation affects trade performance is of strategic importance. This study aims to investigate the impact between trade openness and taxation in the IORA region. The study employs a panel data of 18 countries namely Australia, Bangladesh, Indonesia, India, Iran, Kenya, Mauritius, Malaysia, Madagascar, Maldives, Mozambique, Reunion, Seychelles, South Africa,

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Singapore, Tanzania, Thailand, UAE for 33 years spanning from 1990 to 2023 with 805 observations. Diagnosis tests including cross sectional dependence test and unit root have been applied for analysis and system GMM for regression purposes. The study found that trade openness positively impacts on taxation in IORA countries namely Australia and Indonesia. This estimate stipulates that the higher the trade openness, the higher tax revenues. In other words, an appreciation in trade would lead to more economic growth and development as well as higher tax revenues as more economic activity is prone to taxation (Gnangnon & Brun, 2019; Raghutla, 2020; Rehman et al., 2023). Meanwhile, India, Iran, Madagascar, Malaysia, Mozambique, South Africa and Seychelles indicated a negative relationship with trade openness and taxation. Trade liberalization can diminish tax revenues as it erodes tax bases and spurs countries to offer lower tax rates to attract foreign investment. In addition, it may extend tax evasion and avoidance by enabling individuals and businesses to exploit cross-border trade. The estimates are in line with Brueckner and Lederman (2015). The results supported the dynamic comparative advantage theory, suggesting that trade openness can positively impact taxation. From a managerial perspective, the estimate recommends that policymakers in the IORA should prioritize measures that stimulate trade openness and economic growth to ameliorate their taxation systems.

**Leveraging IORA's Trade Facilitation Initiatives for Bangladesh's Post-LDC Graduation:
Lessons from Graduated IORA States**

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Bangladesh is set to graduate from Least Developed Country (LDC) status in November 2026, a significant milestone that also brings the challenge of losing preferential trade access and flexibilities under World Trade Organization (WTO) rules. The nation's export economy is heavily

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concentrated in ready-made garments (RMG), accounting for over 80% of merchandise exports, which poses a substantial vulnerability post-graduation. This concentration is exacerbated by policy-induced anti-export biases, weak product standards, and significant logistical inefficiencies that hinder diversification efforts. This paper investigates how Bangladesh can strategically leverage the trade facilitation initiatives of the Indian Ocean Rim Association (IORA) to diversify its export basket beyond RMG, focusing on high-potential sectors such as pharmaceuticals, Information and Communication Technology (ICT), and agro-processing. It provides a comprehensive overview of IORA's vision and its Trade and Investment Facilitation priority area, including initiatives aimed at reducing non-tariff barriers (NTBs) and promoting Small and Medium-sized Enterprises (SMEs). Drawing lessons from the post-LDC graduation experiences of Maldives (2011) and Mauritius (1994), the research highlights their successful diversification strategies. Maldives leveraged IORA's tourism promotion and fisheries management initiatives to develop high-value tourism and fisheries sectors. Mauritius, on the other hand, utilized trade facilitation programs to expand its financial services and textile exports, underpinned by strategic investments in SME development and regional trade agreements. Based on these analyses, the paper proposes actionable policy recommendations for Bangladesh. These include aligning national trade policies with IORA's framework and the WTO Trade Facilitation Agreement, investing strategically in SME development within the pharmaceutical and ICT sectors, effectively

utilizing the IORA Trade Repository to identify new markets, engaging in collaborative advocacy within IORA to reduce NTBs for agro-processing exports and enhancing regional connectivity and logistics infrastructure to improve trade with IORA states. The ultimate goal is to foster a robust, diversified, and resilient export-led economy for Bangladesh in the post-LDC era.

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Investing in Sovereignty: Reforming Bilateral Investment Treaties to Enable Local Industrialisation of Strategic Resources in Madagascar – The ODOF Lever in the IORA Region

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Madagascar, a Least Developed Country (LDC) and member of the IORA, is currently experiencing a wave of decentralised industrial growth, driven by the national “One District, One Factory” (ODOF) initiative. Inspired by the Japanese model of localised industrialisation, ODOF aims to transform locally available raw materials into higher-value products. This approach is particularly crucial as Madagascar holds significant reserves of critical minerals—including cobalt, graphite, and lithium—that are central to the global green and digital transitions. However, the benefits of this industrial ambition risk being undermined by outdated Bilateral Investment Treaties (BITs), which often favour investor protection over developmental and environmental considerations. This paper argues that a revision of Madagascar’s investment treaty framework is

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not only necessary but urgent to align foreign investment with the country's industrialisation goals, sustainable development objectives, and sovereignty agenda. Drawing on international investment law reform trends (e.g., UNCTAD, AfCFTA Investment Protocol), the paper proposes a strategic integration of local content requirements, environmental safeguards, and gender-sensitive provisions into revised BITs. It also examines how the ODOF programme can act as a platform for implementing industrial clusters linked to mineral transformation—turning raw extractive activities into engines of inclusive growth at the district level. Further, the paper explores the use of digital transparency tools (blockchain, investment tracking platforms) and the creation of a sovereign wealth fund to ensure that resource revenues support long-term development. By aligning legal, economic, and technological reforms, Madagascar could become a case study in how LDCs can assert economic sovereignty while remaining open to high-quality, responsible investment. Ultimately, the paper positions Madagascar as a model for IORA countries facing similar tensions between openness to investment and control over strategic assets—proposing a cooperative sovereignty anchored in regional integration, domestic value addition, and equitable governance.