

**Trade Policy Review Body  
15 and 17 January 2003**

Original: English/  
anglais/  
inglés

**TRADE POLICY REVIEW**

**MALDIVES**

Minutes of Meeting

Addendum

*Chairperson: H.E. Ms Amina Chawahir Mohamed (Kenya)*

This document contains the advance written questions, and replies provided by Maldives.<sup>1</sup>

**Organe d'examen des politiques commerciales  
15 et 17 janvier 2003**

**EXAMEN DES POLITIQUES COMMERCIALES**

**MALDIVES**

Compte rendu de la réunion

Addendum

*Présidente: S.E. Mme Amina Chawahir Mohamed (Kenya)*

Le présent document contient les questions écrites communiquées à l'avance et les réponses fournies par les Maldives.<sup>1</sup>

**Órgano de Examen de las Políticas Comerciales  
15 y 17 de enero de 2003**

**EXAMEN DE LAS POLÍTICAS COMERCIALES**

**MALDIVAS**

Acta de la reunión

Addendum

*Presidente: Excma. Sra. Amina Chawahir Mohamed (Kenya)*

En el presente documento figuran las preguntas presentadas anticipadamente por escrito, junto con las respuestas facilitadas por Maldivas.<sup>1</sup>

---

<sup>1</sup> In English only./En anglais seulement./En inglés solamente.



**ADVANCE WRITTEN QUESTIONS BY MEMBERS  
AND REPLIES PROVIDED BY MALDIVES**

**I. ECONOMIC ENVIRONMENT**

**Canada**

**II. Trade and Investment Regimes;**

**(7) Investment Policies and Procedures; (i) Regulatory Framework; Para 38:**

Paragraph 38 notes that a revised foreign investment law was to be submitted to Parliament in 2002. Could you please provide an update on the contents and progress of this legislation?

*Response:* The draft Investment Law aims to address the shortcomings in the present Law with the objective of making the Maldives' investment climate more attractive. This draft is being considered by the relevant agencies.

**(7) Investment Policies and Procedures; (i) Regulatory Framework; Para 41:**

Paragraph 41 notes that while there are no minimum investment levels, all FDI must have a capital level "acceptable to the Government". On what criteria are these levels determined? Are these criteria publicly available? Has the Government ever blocked an investment for lack of necessary capital? Are investors apprized of the reasons for which a proposed investment has been blocked?

*Response:* The draft Investment Law aims to address the shortcomings in the present Law with the objective of making the Maldives' investment climate more attractive. This draft is being discussed among the relevant agencies.

**India**

Para 32 of the Secretariat Report says that a major challenge for the Maldives will be LDC graduation. We would like to know how the Government of Maldives intends to cope up with the possible challenge.

*Response:* The question of graduation and how to deal with it is a very pertinent issue that the Maldives has been grappling with for the past several years.

*The consequences of graduation is not a matter that Maldives can deal with alone. We need the understanding and support of the WTO membership, the Secretariat, other international development organizations, and bilateral donors. If the country is to be graduated without a trajectory for phasing-out or -in to the appropriate levels the preferential treatment in terms of WTO obligations and treatment, unilateral trade preferences, development grants and concessional finance as well as technical assistance from all sources, we may find Maldives sliding back into the LDC category.*

*In terms of domestic policies, the Government continues to streamline macroeconomic and structural policies in the move towards the country's development objectives. In this regard, fiscal policy is being consolidated with the envisaged broadening of the revenue structure together with expenditure*

*rationalisation, corporatisation and divestiture of SOEs. On the monetary front, we are moving away from direct controls towards more market based policy instruments. Prudential regulation is being strengthened, and the financial sector is being developed to facilitate better intermediation between domestic savings and investment. New capital market institutions are being developed in an aim to deepen the financial sector and facilitate additional means of financing various development initiatives. The legal infrastructure necessary for these reforms is being established. At the same time, human resource development is accorded very high priority, given the importance of generating the capacity required for sustaining the country's development process.*

Para 23 of the Government Report refers to the Vision 2020, which, inter alia, envisages that by the year 2020 the Maldives will become the "hub of regional free trade" We would request the government of Maldives to elaborate on this objective envisaged in Vision 2020.

Response: *In July 1999, President Maumoon Abdul Gayoom, in his address to the nation on the occasion of the country's 34<sup>th</sup> anniversary of independence, stated his vision for the country as follows:*

*"By the year 2020 the Maldives will have established the most conducive conditions for brisk commerce and economic activity, and will have become the hub of regional free trade. The country will have a more diversified economy with export-oriented trade in services and industrial development."*

*Based on this vision, the Government has identified the existing industries of tourism, fishing and agriculture as having strong potential for further development. The government has facilitated the successful development of a private sector-driven tourism industry which is environmentally-friendly and ecologically advanced. The country is home to a large number of fishermen who have mastered eco-friendly methods of harvesting tuna - the country's main fishery product- through years of experience. The growing number of tourists which is more than twice the size of the domestic population provides opportunities for further development of agriculture.*

*At the same time port and logistics, information and communication technology, and financial sectors, which already provide supportive roles to the growth of the core industries, have been identified as clusters with export potential and diversification.*

*Simultaneous work also focuses on relocating populations on small islands to larger islands to enable provision of physical infrastructure at more affordable costs and to induce scale economies. Problems associated with overcrowding in Male', where nearly 75,000 people dwell in one square mile, are also being addressed. A new island, Hulhumale', is being built near Male'.*

## **Korea**

### **P. 23 (para. 42)**

As stipulated in the Secretariat Report, foreign investors are required to use local raw materials where available and commercially viable, and in practice, this rarely is the case since the Maldives has limited raw materials.

It appears that the requirement may work only as an obstacle to foreign investment with little positive effect on domestic industry. Does the Government of Maldives have any plan to abolish the requirement in order to encourage foreign direct investment?

*Response:* Article 10 of the Foreign Investment Law also provides that, where suitable materials for the processes are not obtained in sufficient quantities locally, they may be obtained from outside the Republic of Maldives. While the Law encourages the use of local raw materials where available and feasible, this does not operate in practice since Maldives has limited raw materials, as the Secretariat Report also says in paragraph 42. No investors have been rejected on failure to fulfil this requirement.

The draft Investment Law aims to address the shortcomings in the present Law with the objective of making the Maldives' investment climate more attractive. This draft is being considered by the relevant agencies.

## **European Union**

### **5. Foreign direct investment**

(para 86) The report states that there were certain “failures” in utilising the GSP resulting in unsuccessful operations by some companies, i.e. the closing down of factories after a few years of operation. The EU has a different reading from its own GSP statistics: total and preferential imports are going up (despite a sharp decrease in 1998) and GSP utilisation remains average: 45% demonstrating that companies do export from the Maldives. We would be grateful to receive a clarification on this point from the Government of the Maldives.

*Response:* The unsuccessful operations referred to in paragraph 86 of the Government Report could be due to uncompetitiveness for which we have yet to make a detailed analysis.

We would also be interested to get a feedback from the Maldives on the fact that the country is being graduated out of the UN LDC group; for instance, are the Maldives able to meet the rules of origin and how do you diversify?

*Response:* Graduation would mean an immediate loss of preferential market access under EBA or substantial reduction of preferential market access under GSP.

The Maldives should still be able to meet the rules of origin in some products even after graduation, but we would lose the zero duty treatment as soon as graduation takes place, and would be subject to a substantially higher duty on fish.

Based on Vision 2020, the Government has identified the existing industries of tourism, fishing and agriculture as having strong potential for further development. The government has facilitated the successful development of a private sector-driven tourism industry which is environmentally-friendly and ecologically advanced. The country is home to a large number of fishermen who have mastered eco-friendly methods of harvesting tuna - the country's main fishery product- through years of experience. The growing number of tourists which is more than twice the size of the domestic population provides opportunities for further development of agriculture.

At the same time port and logistics, information and communication technology, and financial sectors, which already provide supportive roles to the growth of the core industries, have been identified as clusters with export potential and diversification.

**(6) Trade Agreements And Arrangements**

(para 35) The report states that the EBA initiative “had little impact on the Maldives since its major exports to the EU is canned tuna which already received such access”. Therefore our assumption is that a "graduation" from the EBA status would have no impact. Could the Maldives please specify who are their main competitors for this product and, more generally speaking, why you did lack to diversify?

*Response: Graduation from the LDC status would have an impact in that the duty rate would increase substantially for our products. The Maldives feels that it would not be able to compete with any other fish exporters if the preferences are withdrawn immediately upon graduation.*

The report also says that while the EBA initiative included clothing exports, preferential access is still prevented because of the rules of origin. Here too we would like to know why the Maldives cannot benefit from SAARC regional cumulation for textiles?

*Response: Maldives appreciates the provision by the EU of the regional cumulation facility to the SAARC region. Maldives is exploring the extent to which it could benefit from this facility.*

**United States**

**(7) Investment Policy and Procedures**

**(i) Regulatory Framework**

Para 42 of part II of the Secretariat's report states that "FISB Guidelines provide preferences for projects that: . . . utilize local raw materials; produce goods that are locally marketable at competitive prices to enable import replacement . . .". As of January 1, 2003, import-substitution subsidies in any WTO Member States are prohibited under Article 27.3 of the Subsidies Agreement. Please explain how the government of the Maldives plans to change its law regarding the mandatory use of local raw materials for foreign investors. Please also explain how the Foreign Investment Services Bureau (FISB) plans to change its policy regarding its preference for projects that require the use of local raw materials.

*Response: Article 10 of the Foreign Investment Law also provides that, where suitable materials for the processes are not obtained in sufficient quantities locally, they may be obtained from outside the Republic of Maldives.” While the Law encourages the use of local raw materials where available and feasible, this does not operate in practice since Maldives has limited raw materials, as the Secretariat Report also says in paragraph 42. No investors have been rejected on failure to fulfil this requirement.*

*The draft Investment Law aims to address the shortcomings in the present Law with the objective of making the Maldives' investment climate more attractive. This draft is being considered by the relevant agencies.*

**(ii) Investment Incentives and Promotion**

Per para. 45 of part II of the Secretariat's report, could Maldives please explain further the government's policy towards waiving duties and taxes on certain investment projects? Specifically, please explain how the government decides who is able to receive this benefit and the requirements thereof.

*Response:* Law on Foreign Investment provides for an agreement to be entered into between the investor and the government. Areas to negotiate include, the sector of operation, the royalty payable to the government, location and duration of investment and operation, jurisdiction, dispute settlement, investment guarantee, compensation, and incentives, including land rent (and lease period where applicable) and import duty concessions. Maldives, like other island economies, has a small domestic market and limited labour force. Hence, to attract investors, particularly foreign investors, incentives need to be provided.

## **II. TRADE POLICIES AND MEASURES**

### **Canada**

#### **(2) Measures Directly Affecting Imports; (vi) Standards and other technical requirements:**

Canada notes that there is no reference to regulatory measures with respect to products derived through biotechnology. We would be interested in any information that can be provided on this matter.

*Response:* The Maldives at present does not have any laws on biotechnology.

#### **(2) Measures Directly Affecting Imports; (vi) Standards and other technical requirements; (b) Sanitary and phytosanitary (SPS) requirements; para 44:**

With respect to sanitary and phytosanitary (SPS) requirements, Canada notes that “Imports of live animals, birds and plants require a phytosanitary or sanitary certificate.” Are remaining agri-food products subject to SPS certificates as well?

*Response:* The Public Health Laboratory randomly inspects food and beverage products imported.

#### **(4) Measures Affecting Production and Trade; (iii) Protection of Intellectual Property Rights:**

Canada appreciates the intention of The Maldives to comply with the TRIPS agreement by end-2005 and its efforts, in conjunction with WIPO, to prepare a draft copyright law.

Canada is sympathetic to The Maldives’ status as a least-developed country. We understand that The Maldives is seeking technical assistance from the WTO to enable it to establish a viable Intellectual Property regime.

What is the extent of technical assistance that will be required to enable The Maldives to fulfill its WTO Intellectual Property Obligations?

*Response:* There is no intellectual property law in the Maldives. A copyright law based on a draft suggested by the World Intellectual Property Organization has been prepared and is being discussed by the relevant agencies. However, we need to prepare legislations in other areas of intellectual property and develop institutional and human resource capabilities to fully implement TRIPS obligations.

## **Korea**

### **P. 39 (para. 46)**

It is reported that all government procurement of goods and services above Rf 5,000 must now be awarded by open competitive tender in accordance with relevant regulations. However, there is no detailed information provided in the Secretariat report on the procurement methods and procedures.

Please provide information on the government procurement methods and procedures currently being used. Does the Maldives have a unified single law or act with regard to government procurement? If so, please also provide information on the law and relevant provisions of the law.

*Response:* The Regulation on government procurement requires all procurements by government organizations worth more than Rf. 5,000 to be conducted through competitive bidding. All procurements above Rf 500,000 by the Government organisations have to be submitted to the government's Tender Evaluation Board (TEB). The TEB publishes the invitations for tenders in the local media, including radio, television and newspapers. The TEB also evaluates and awards tenders.

## **Japan**

### **(2) Measures Directly Affecting Imports**

#### **Tariffs**

(p. 36, paragraph 25)

The Report states that applied tariff rates for 149 eight-digit items exceed the bound rate, and that the authorities explained that the situation is to be rectified in the context of the on-going revision of the tariff. Since the observance of bound rates is a basic obligation for WTO Members, Japan hopes that this revision will be completed as early as possible. Japan would like to know the Maldives' perspective concerning when this on-going revision will be completed.

*Response:* The government intends to complete the revision of the Export and Import Law of 1979 before the end of 2003.

### **(4) Measures affecting production and trade**

#### **Copyright**

(p. 43, paragraph 66)

The Report states that, with assistance from WIPO, the Maldives is drafting copyright legislation. Is this legislation appropriately drafted for protecting Internet-related copyrights? Please provide the content of this legislation in a detailed manner. If it is not possible to explain at present, please provide an detailed explanation when the legislation is established. Does the Maldives have any intention of joining copyright-related conventions after establishing this legislation?

*Response:* A response to this question will be provided at a later date.



## **United States**

### **(2) Measures directly affecting imports**

#### **(i) Registration, documentation, and customs clearance**

We are pleased to see that the Maldives is implementing several customs measures that contribute to Trade Facilitation. The Maldives Customs Service appears to have realized a fundamental key to Trade Facilitation - the importance of allowing movement of goods separate from collection of customs duties. The Maldives' use of trade facilitative measures, such as online processing of customs forms, risk assessment methods, post-entry audit arrangements, and established appeals processes, has clearly contributed to its low estimated clearance time of less than two hours. We congratulate the Maldives on the success already achieved by its efficient Customs procedures, and we encourage the Maldives to continue to work toward improved Trade Facilitation.

We encourage the Maldives to support efforts to commence negotiations for new rules in Trade Facilitation at the WTO Ministerial in 2003. The aim of the negotiations is to expand existing WTO rules and disciplines to simplify and reduce import, export and transit requirements and procedures. Technical assistance would be provided, concurrent with negotiations, to assist Members with implementation.

Paragraph 7 of part III of the Secretariat's report states that any person or entity may import goods commercially if they have a general import license.

- What is involved in obtaining such a license?

*Response: An application for import license is required to be submitted to the Ministry of Trade and Industries. License is issued on the same day. Licensing is automatic in most cases. License is issued to commercial and non-commercial establishments, and individuals.*

- Is this license the same as the automatic or non-automatic licenses referred to in paragraph 38, or do persons or entities need to be licensed to conduct importation in addition to obtaining an automatic or non-automatic license to import particular goods or shipments?

*Response: This licence is the same as the licences referred to in paragraph 38 of the Secretariat Report.*

We encourage Maldives to publish its initial notification under article 1.4 of the Agreement on Import Licensing Procedures as doing so would provide greater transparency of the requirements for obtaining an import license. This is especially important since all goods entering Maldives require an import license. We thank Maldives for submitting its annual questionnaire earlier this year under Article 7.3 of the Agreement on Import Licensing Procedures.

#### **(ii) Tariffs, other duties, and taxes**

The Secretariat's report (summary, para. 16) notes a "substantial gap between bound and applied tariff rates." The uncertainty created by such a gap will complicate the Maldives efforts to attract foreign investment. Para. 25 of Part III of the Secretariat's report notes that the Maldives intends to rectify this situation for 149 tariff lines in ongoing revision of the tariff schedule. Has the situation been rectified? Is there a schedule for lowering those tariffs that currently exceed their WTO bindings?

*Response:* The government intends to complete the revision of the Export and Import Law of 1979 (Law 31/79) before the end of 2003.

Para. 30 of the Government's report notes that there is no duty levied on "...imports which are intended for commercial re-export." To what kind of imports does this refer? Is this in lieu of a duty drawback scheme?

*Response:* Any goods intended for re-export are kept in bonded warehouses registered with the Maldives Customs Service. No duty is levied on these goods. However, operators of bonded warehouses may, upon payment of import duty, sell their imports to local buyers.

**(iii) Customs valuation**

According to para. 34 of part III of the Secretariat's report, Maldives has not yet fully implemented WTO commitments, including the use of transaction value. Paragraph (iii)34 also states that Maldives' extended transition period for implementation expired on 31 May, 2002.

- Was legislation to implement the WTO Customs Valuation Agreement enacted in 2002? If not, when do you expect passage of such legislation?

*Response:* Legislation on customs valuation has already been drafted and is expected to be enacted during 2003.

- Has transaction value been implemented? If not, when is such implementation anticipated?

*Response:* WTO consistent provisions pertaining to valuation are embodied in the draft customs law.

- What percentage of imports are subject to minimum prices? What are those imports?

*Response:* A response to be provided at a later date.

**(v) Antidumping, countervailing, and safeguard measures**

Are there any plans for the Maldives to enact anti-dumping, countervailing duty or safeguard laws and regulations in the future? If so, please describe.

*Response:* Introducing laws and regulations in areas such as anti-dumping, countervailing and safeguards consistent with WTO obligations is desirable. However, no drafts have been prepared so far. Technical assistance is required in this area.

**(ix) State trading (paragraph 50)**

Can the Maldives provide more detailed information about government assistance to state-owned enterprises, including free or nominal rent on the use of state land and government guarantees over domestic and external loans?

Does the government of Maldives have any plans to eliminate such privileges to state-owned enterprises?

*Response:* The long-term goal of the government is privatisation. In this context, the Government is in the process of corporatising state-owned enterprises.

The government's aim is to gradually move to a more market-based rate of rent for such enterprises.

A Public Enterprises Act that will govern the operational environment of SOEs is currently in the drafting process, and it is expected that this Act will be submitted to Majlis during the course of this year.

**(3) Measures Directly Affecting Exports**

**(iv) Export assistance**

Please further explain the statement in para 61 of part III of the Secretariat's report that, "commercial banks are obliged to lend to exporters (and importers) subject to constraints stipulated by the MMA." Specifically, are banks obliged to lend to exporters and importers at preferred rates? If so, what are the conditions of these loans?

*Response:* With regard to the paragraph 61 part III of the Secretariat's report the situation is that commercial banks are free to determine their clients and lending terms.

**(4) Measures Affecting Production and Trade**

The reports describe a number of subsidies and incentive programs. We wish to note the requirement under Article 25 of the Agreement on Subsidies and Countervailing Measures, that all Members notify all programs meeting the definition of a subsidy, as provided in the Agreement, to the WTO Committee on Subsidies and Countervailing Measures. Please indicate whether the Maldives has duly notified all of its subsidy programs, and if not, whether and when the Maldives plans to notify them to the Committee.

*Response:* Maldives has made some notifications but needs to update its notification obligations. Efforts will be made, with technical support from available sources, to submit notifications in all areas.

**(iii) Protection of intellectual property rights**

Please advise regarding plans for legislation and regulations regarding copyright and related rights, trademarks, geographical indications, industrial designs, patents, layout designs, protection of undisclosed information, control of anticompetitive practices in contractual licenses and collective management of copyright.

The United States would be happy to assist by reviewing the draft legislation for TRIPS compliance. Will the U.S. and other Members have an opportunity to comment on draft legislation?

*Response:* There is no intellectual property law in the Maldives. A copyright law based on a draft suggested by the World Intellectual Property Organization has been prepared and is being discussed by the relevant agencies. However, we need to prepare legislations in other areas of intellectual property and develop institutional and human resource capabilities to fully implement TRIPS obligations.

The Maldives thanks the United States of America for their offer to assist in reviewing the draft legislation for TRIPS compliance.

*The U.S. and any other interested Member may comment on the draft legislation.*

Please advise regarding plans, if any, of the Maldives to accede to the relevant intellectual property conventions, including the Paris, Berne, Madrid, Hague, Nice, Lisbon, Rome, Locarno, Washington (PCT), Strasbourg, Phonograms, Vienna, Budapest, Nairobi and Trademark Law Treaty.

Response: *A response to be provided at a later date.*

Please describe the relevant authorities that would be or are currently involved in the drafting or administration of intellectual property laws.

Response: *With the establishment of the National WTO Committee by the President in early 2002, all relevant agencies will be involved in the drafting or administration of Intellectual Property Law.*

Please advise what authority in the Maldives would be in charge of border measures regarding intellectual property rights.

Response: *A response to be provided at a later date.*

Box 3.1 of the Government's report lists the functions of the Ministry of Trade and Industries. One of the functions is to "investigate disputes concerning intellectual property rights..." Under what body of law are intellectual property disputes investigated and resolved if there is no current domestic intellectual property legislation?

Response: *A response is to be provided at a later date.*

(Note: The United States is interested in details concerning: (a) provisions in the Maldives Constitution, (b) provisions in the Maldives company law, or civil law, or criminal law or national security laws, regarding protection of confidential information, (c) provisions in the Maldives civil procedure law regarding protection of confidential information in court proceedings, ex-parte civil measures, preliminary injunctions, compensation for damages from infringement of intellectual property rights, (d) provisions in the Maldives criminal law, (e) provisions in the Maldives Customs laws or regulations, (f) the consumer protection law, or (g) other administrative measures. End note.)

Response: *A response is to be provided at a later date.*

Among the other functions of the Ministry of Trade and Industries listed in Box 3.1 of the Government's report are the registration of video rentals, cinemas and photocopiers. What is the purpose of such registration?

Response: *Commercial establishments are required to be registered with the Ministry of Trade and Industries. The activities referred to in Box 3.1 of the Government Report are all commercial operations.*

With reference to para16 of part III of the Secretariat's report, regarding plans for legislation concerning e-commerce, please advise of any laws, regulations, or activities undertaken concerning intellectual property and the internet, including, (a) plans to join WIPO and sign the WIPO Internet Treaties or otherwise conform copyright legislation to the WIPO Internet Treaties, (b) laws or regulations regarding domain names used on the Internet, (c) laws or regulations regarding use of the Internet to sell or distributed pirated goods or counterfeit goods, or use of computer systems for criminal activities.

*Response: A response is to be provided at a later date.*

Please describe any licenses or procedures, apart from Customs, available under Maldives law to thwart or prevent violation of intellectual property rights, such as those administered by the Ministry of Trade and Industries regarding regulation of photocopies or video rentals, or any regulations regarding optical media.

*Response: A response is to be provided at a later date.*

Please provide information on any regulations regarding the use of legal software by government ministries or commercial enterprises in the Maldives, and any enforcement steps undertaken to enforce these regulations.

*Response: A response is to be provided at a later date.*

Please advise regarding what authority in the Maldives is in charge of protecting undisclosed clinical test data submitted for purposes of drug regulatory approval, as well as steps currently undertaken by the Maldives their disclosure to competitors.

*Response: A response is to be provided at a later date.*

Please describe any requirements imposed by the Maldives on transfer of technology in the context of Maldives' foreign investment laws (1979), including the protection of trade secrets and any mandatory requirements regarding licensing of technology (patents, software, etc.).

*Response: The existing law on FDI does not cover issues of protection of trade secrets. The draft Investment Law aims to address the shortcomings in the present Law with the objective of making the Maldives' investment climate more attractive.*

Please describe any restrictions on importation of foreign motion pictures, music, interactive digital games, or books in the Maldives.

*Response: None, except on grounds provided for under exceptions provided in the Agreement.*

Please provide information on any public awareness campaigns conducted in intellectual property rights, or Government surveys conducted on the presence of counterfeit or pirated goods in the Maldives.

*Response: We have been able to organize a few training activities on intellectual property. However no survey has been conducted to determine the presence of counterfeit or pirated items.*

### **III. SECTORAL POLICIES**

#### **Japan**

##### **(2) Fisheries and other primary activities**

##### **Fisheries**

(pp. 44-48, paragraphs 6-12)

Japan recognizes the importance of fisheries in developing countries, and commends the Maldives on its efforts towards progressive liberalization, including the relaxation of its export regulations. When pursuing such liberalization, Japan considers that appropriate management of fish resources is important for the sustainable fishery, which is also mentioned in paragraph 12. While pursuing progressive liberalization, however, the Maldives maintains an export license scheme. Please provide a reason for maintaining such a system.

*Response: The present system of export licensing is under review. The existing requirement stipulated in the Export and Import Law of 1979 (Law No. 31/79) enables the government to ensure compliance by exporters to measures taken on grounds of conserving exhaustible natural resources.*

*Licensing serves to administer this requirement.*

##### **(4) Services**

##### **Tourism**

(p. 50, paragraph 27 (footnote 14))

Does the Maldives intend to review the conditions, mentioned in the footnote, for leasing islands in 50-year period?

*Response: A response is to be provided at a later date.*

#### **United States**

##### **(4) Services**

The United States would be interested in more information about restrictions on National Treatment in services.

We have attempted to consult the Maldives enquiry point for services and found that it was not functioning.

*Response: The Ministry of Trade and Industries is the enquiry point for services, and welcomes any enquiries with regard to national treatment in services.*

**(i) Tourism**

With tourism taxes accounting for 28 percent of tax revenue, the Maldives has an interest in ensuring the tourism industry is as efficient as possible, suggesting that the Maldives would benefit from opening its tourism sector to foreign participation as much as possible.

**(ii) Telecommunications**

Is there a schedule for preparation and implementation of legislation to enhance the legal and regulatory framework for telecommunications?

*Response: A response is to be provided at a later date.*

Para. 35 of part IV of the Secretariat's report indicates that an independent Communications Regulatory Authority was to be established by the end of 2002. Was it established? If not, when will it be established?

*Response: A response is to be provided at a later date.*

---