



Technical Report:

Seychelles WTO Trade Facilitation National Self-Assessment of Needs and Priorities

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TABLE OF CONTENTS

I.	EXECUTIVE SUMMARY.....	3
II.	INTRODUCTION.....	3
III.	OBJECTIVES:.....	3
IV.	HIGHLIGHTS:	4
V.	ISSUES AND RECOMMENDATIONS:	4

ANNEX 1: LIST OF WORKSHOP PARTICIPANTS

EXECUTIVE SUMMARY:

Trade Facilitation has emerged as one of the areas where there has been some consensus in the Doha Development Agenda Negotiations. The World Trade Organization (WTO) Trade Facilitation Committee has sought the clarification of GATT Articles V, VII and X, by seeking proposals from the Member States. Within this context developing countries are provided technical assistance for assessing their level of compliance with respect to such proposals so as to identify their technical assistance needs and prioritize measures which they derive greatest benefits.

The WTO made a request to the Trade Hub to assist financially and technically in the WTO Trade Facilitation Self-Assessment of Needs and Priorities in certain SADC Countries. The Trade Hub has already conducted WTO Trade Facilitation Assessments in Malawi, Swaziland, Lesotho, Mozambique and Angola using the new WTO-developed Self-Assessment Tool. The Seychelles WTO Trade Facilitation Assessment was conducted solely by Trade Hub Staff on behalf of the WTO.

It was important to note the difference of Seychelles from the other countries that the Trade Hub has assisted with WTO Trade Facilitation Assessments. The Seychelles is still in the process of acceding to the WTO; does not have any land borders; and has a liberal trade policy. From the workshop the following issues were of most significance and the Seychelles may need technical assistance in light of the following:

- Need for the development of information technology equipment and mechanisms to provide for effective publication of trade regulations on internet.
- Need for strengthening consultation mechanisms between all stakeholders on new or amended regulations pertaining to trade and trade related procedures.
- Need for the establishment and improvement of already existing enquiry points with a move towards one main enquiry point.
- Development of a risk management system to facilitate trade.
- Need for legislative and administrative arrangements to provide guidance for compliance with most of the proposals.
- Need to strengthen compliance with respect to international standards by improving laboratories and training on international standards.

INTRODUCTION:

The WTO made a request to the Trade Hub to assist financially and technically in the WTO Trade Facilitation Self-Assessment of Needs and Priorities in certain SADC Countries. The Trade Hub has already conducted WTO Trade Facilitation Assessments in Malawi, Swaziland, Lesotho, Mozambique and Angola using the new WTO-developed Self-Assessment Tool. The Seychelles WTO Trade Facilitation Assessment was conducted solely by Trade Hub Staff on behalf of the WTO.

Furthermore, as this was the first visit of the Trade Hub to the Seychelles, it was a great opportunity for the Director of Trade Competitiveness to explore ways in which private sector competitiveness can be strengthened in the Seychelles and to inform the private sector of the opportunities under AGOA and how they can effectively utilize them.

OBJECTIVES:

- To help the Seychelles to model its policies, regulations, practices, and procedures in line with WTO Trade Facilitation Proposals.
- To provide some perspective on WTO accession.
- To recognize and explore areas where there may be need for technical assistance and find ways in which the Southern African Global Competitiveness Hub (Trade Hub) may be able to assist with respect to trade facilitation.

- To enlighten traders on the AGOA scheme and realize areas in which the Trade Hub may link traders with new business opportunities.
- To find linkages and possible areas of coordination with the private sector on improving competitiveness and accessing U.S. markets with competitive products.

HIGHLIGHTS:

- The meeting was officially opened by the Director – General, Trade Division, Ministry of Finance, Mr. Charles Morin.
- The Facilitators (Trade Hub) gave short presentations on WTO Trade Facilitation Negotiations and an outline of the Trade Facilitation Assessment Guide developed by the WTO and WCO to be used during the assessments.
- Thereafter the workshop was marked by the self assessments of the needs and priorities with respect to trade facilitation.
- The workshop was closed by the Commissioner of Seychelles Revenue Authority, who greatly appreciated the work that had been done through the workshop and support that given by the Trade Hub and WTO and reiterated the importance of trade facilitation for Seychelles. The closing ceremony was attended by other five high level officials from Customs, Ministry of Trade and other stakeholders.
- Maxine Kennett held separate meetings with the Ministry of Finance and made presentations on WTO accession issues.
- Ranga Munyaradzi and Godwin Punungwe paid a courtesy call at Customs Head Office, and held discussions with the Commissioner of Customs on possible Trade Hub technical assistance in certain areas. The Commissioner explained the status of the Seychelles in regard to Customs Reform and Modernization. The Seychelles Customs Management Act has been reviewed and re-drafted to accommodate the provisions of the WCO Revised Kyoto Convention. This draft is still to be finalized before being presented to Parliament in the second quarter of 2009. The Commissioner indicated that they will need some technical assistance in the finalization of the Management Act and in other areas. Mr. Munyaradzi and Mr. Punungwe had a conducted tour of the Sea Port.
- Amanda, Director Trade Competitiveness, conducted a series of meetings with the private sector and had an opportunity to assess their organizational and productive capacities. She met with the following public and private sector stakeholders to discuss issues of competitiveness and export potential to the SADC region and the United States:
 - Indian Ocean Tuna
 - Seychelles Chamber of Commerce and Industry
 - Small Enterprise Promotion Agency
 - Policy and Strategy Division of the Ministry of Finance
 - Seychelles Fishing Authority
 - Ministry of Foreign Affairs
 - Trade Division, Ministry of Finance
 - Kreolor Ltd
 - Cooperative des Artisans
 - Site visit to glass blowing facility

ISSUES AND RECOMMENDATIONS:

It was important to note the difference of Seychelles from the other countries that the Trade Hub has assisted with WTO Trade Facilitation Assessments. The Seychelles is still in the process of acceding to the WTO; does not have any land borders; and has a liberal trade policy. From the workshop the following issues were of most significance and the Seychelles may need technical assistance in light of the following:

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- Need for the establishment and improvement of already existing enquiry points with a move towards one main enquiry point.
- Development of a risk management system to facilitate trade.
- Need for legislative and administrative arrangements to provide guidance for compliance with most of the proposals.
- Need to strengthen compliance with respect to international standards by improving laboratories and training on international standards.

Highlighted below are some of the main issues stressed where the Seychelles needed to improve in order to comply with WTO Trade Facilitation Proposals:

- Internet Publication of The Elements Set Out In Article X of GATT;
- Prior Consultation and Commenting On New and Amended Rules;
- Establishment of Enquiry Points for Sanitary and Phytosanitary measures;
- Provisions for Advance Rulings;
- Phasing out of Mandatory use of Customs Brokers;
- Disciplines On Fees And Charges Imposed On Or In Connection With Importation and Exportation;
- Acceptance Of Commercially Available Information And Of Copies;
- Single Window/One-Time Submission; and
- Bonded Transport Regime And Guarantees/International, Regional Or National Customs Guarantee System

Also highlighted were some of the reasons for non compliance or barriers which hinder effective compliance, including:

- Inadequate structures to enable coordination and cooperation between relevant agencies and absence of a leading body for the publications (e.g. Seychelles Investment Bureau could lead as they publish some info on their website);
- Lack of supporting legislation and administrative arrangements and majority of documents and legislations were not in electronic format and were not available at a central point;
- Lack of awareness of the WTO proposals and requirements;
- Insufficient technically qualified staff and lack of designated personnel for specific activities e.g. single window for one-time submission, enquiry point;
- Inadequate IT infrastructures/services to facilitate communication between authorities and the available IT Resources not being used optimally; and
- Lack of specialized laboratory equipment and no accredited laboratories to provide expected service.

Furthermore, the delegates identified actions which they could take locally to comply with the outlined proposals, including;

- Revise / Draft and enact / enforce required legislation and set up necessary administrative arrangements, organizational structures and guidelines to ensure compliance with the WTO requirements and proposals;
- Sensitization/Awareness workshops for all national stakeholders (Government, NGO, Private Sector, Traders etc.) on various trade related legislations and WTO requirements / proposals;

- Training of relevant personnel (e.g. laboratory staff, customs officials) in areas required to be in compliance with the WTO requirements and proposals. This may be done locally but there may be need for international expertise as well;
- Making optimal use of IT infrastructure / services such as intranet or website portal point for improved communication and dissemination of information to relevant stakeholders and agencies;
- Conduct time release studies and publish results, though with the help of international experts; and
- The Ministry responsible for trade to put in place the necessary framework for the establishment and operation of a national enquiry point and a single window/one-time submission system.

The delegates identified proposals that the Seychelles was already complied with - without the need for any further work and these include:

- Post-Clearance Audit;
- Customs Cooperation;
- Publication and Notification of Trade Regulations and Penal Provisions;
- Interval Between Publication and Entry into Force;
- Establishment of enquiry points.

It was important to note that Seychelles was in compliance with more than half of the proposals despite the fact that it was still in the process of acceding to WTO.

The workshop highlighted the following as top negotiating priorities for Seychelles:

- Post-Clearance Audit;
- Provision of Advance Rulings;
- Customs Cooperation;
- Publication And Notification Of Trade Regulations And Of Penalty Provisions;
- Internet Publication Of The Elements Set Out In Article X Of GATT;
- Use of International Standards;
- Establishment of Enquiry Points; and
- Single Window/One-Time Submission.

Furthermore, the following recommendations were made:

- The existing national Trade Facilitation Committee should take the responsibility to follow up on the recommendations arrived at by the participants during the WTO Trade Facilitation Self-Assessment of Needs and Priorities Workshop.
- The Trade Facilitation Committee mandate should be reviewed in order to give the Committee more power to ensure that heads of respective Divisions/Departments implement the recommendation made by the workshop.
- Ministry of Finance and Trade to ensure the involvement / commitment of key decision makers to act on the recommendations and findings of the workshop especially related to the local actions to be taken and the technical assistance requirements.

With respect to private sector competitiveness, the following issues and recommendations arose from meetings between Amanda Hilligas and the private sector.

- Several companies in the Seychelles make “ethnic printed” fabrics as apparel items. Some of the products are attractively packaged and are of export quality. The Seychelles currently does not qualify for the AGOA Category 9 provision, which would allow these items to benefit from duty-free status. The Trade Hub will follow up with the East Africa Hub and the USTR, and Government of Seychelles to obtain the Category 9 Apparel provision for the Seychelles

- Indian Ocean Tuna is currently looking for packaging opportunities from Southern Africa and ingredients to put into their products. The list of items they are looking for includes: packaging from Mauritius or South Africa, olive oil, cardboard, labels, laminate, cartons, etc. The Seychelles must import all items for processing and packaging, as they have no facilities aside from a cannery. The Trade Hub will follow up with contacts in Mauritius and South Africa and connect them with Indian Ocean Tuna.

With respect to private sector competitiveness the following recommendations were made;

- While there may be potential in some Category 9 items under AGOA, the Seychelles has relatively few products to export to the United States. Fish products are suited for Europe and producers are exploring opportunities in SADC. Current economic problems, such as the lack of foreign currency, would also hinder an export industry.
- One entrepreneur is interested in a glass blowing facility (there is a sizeable industry in Mauritius), but lacks funding for furnaces and equipment and asked to be linked to donors making grants in the handicraft sector.
- The Government of Seychelles officials are interested in obtaining AGOA Category 9 status, and the Trade Hub will assist to start this process.