

THE NATIONAL ASSEMBLY OF SEYCHELLES

REPORT OF THE INTERNATIONAL AFFAIRS COMMITTEE

ON THE

Agreement Establishing the African Continental Free Trade Area (AfCFTA)

(Submitted for Ratification as per Article 64 (4) of the Constitution)

The Committee has considered this International Agreement and presents its report thereon to the 7th Assembly. This is the International Affairs Committee's second special report on treaties, or international agreements, laid before the Assembly in accordance with Article 64 (4) of the Constitution of the Republic of Seychelles.

The International Affairs Committee (IAC), has the parliamentary responsibility for scrutinizing all international agreements submitted to the National Assembly by Recommendation of the President of the Republic of Seychelles.

This report addresses this Agreement that has been reviewed and considered at the meeting of the IAC on *Wednesday 24th March 2021* with the Assistance of the Department of Trade represented *Mr. Charles Morin, Mr. Ricky Barbe and Mr. Ashik Hassan.*

THE INTERNATIONAL AFFAIRS COMMITTEE is mandated to work closely with the Ministry of Foreign Affairs, other governmental and non-governmental organizations on international affairs, peace, security and defence and contribute thereon as and when necessary; maintain existing and establish new ties with foreign parliamentary organizations of interest; and perform any other tasks as may be assigned by the National Assembly.

Powers

The Committee is a Standing Sessional Committee, the powers of which are set out in the National Assembly Standing Orders, 2020, principally, SO 88-92.

Committee Staff

The Committee is assisted by the following Parliamentary Staff of the Secretariat:
Ms. Alexandria Faure (Secretary) and *Mrs. Nada Delafontaine* (Secretary Assistant)

Contact

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The following Members of the International Affairs Committee undersigned, submit this Report dated 14th April 2021:

Hon. Waven William
Chairperson



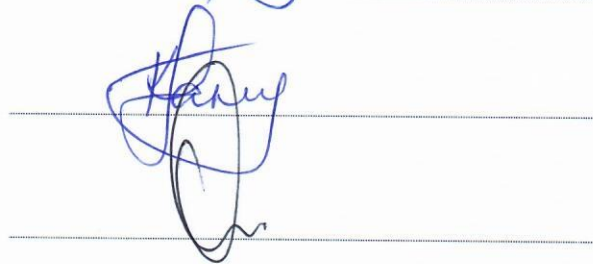
Hon. Wavel Woodcock
Vice-Chairperson



Hon. Egbert Aglae
Member



Hon. Kelly Samynadin
Member



Hon. Wallace Cosgrow
Member



Hon. Philip Monthy
Member



Hon. Philip Arissol
Member



1 SYNOPSIS OF THE AGREEMENT AND CONTENTS

- 1.1 The Committee recognizes that the Agreement Establishing the African Continental Free Trade Area (AfCTA) is set up with the aim of creating one African common market.
- 1.2 The Committee notes that the Republic of Seychelles signed the Agreement establishing the AfCFTA on 21st March, 2018 in Kigali, Rwanda and that to date 54 Member States have signed the agreement, whilst only 36 Member States have ratified it.
- 1.3 The Committee recognizes that the Negotiations for the AfCTA are conducted in two Phases. Phase One covering Trade in Goods and Trade in Services and Phase Two covering Investment, Intellectual Property Rights and Competition policy.
- 1.4 The Committee also notes that even after ratification, the deliberations and negotiations on outstanding matters relating to the AfCTA will continue and that includes the *Rules of Origin, Tariff Offers, Intellectual Property Rights, Competition Policy and other Services Sector*.
- 1.5 Additionally, the Committee recognizes that negotiations on the following matters have been completed: *Sanitary & Phytosanitary Measures (SPS, Non-Tariff Barriers to Trade (NTBT), Technical Barriers to Trade (TBT), Customs Co-Operation and Mutual Administrative Assistance, Trade Facilitation, Rules and Procedures on the Settlement of Disputes and Transit Procedures*.
- 1.6 The Committee recognizes that the AfCTA makes the provision to boost trade and allow for one African Market through several provisions governing Trading, Investment, Intellectual Property Rights and Competition policy.

2 MAIN DISCUSSION POINTS

2.1 Operational Matters of the AfCTA

The IAC queried into the operational aspects of the Agreement and the Department of Trade and discussed the different components in detail.

These Components are:

AfCTA Adjustment Facility

A mechanism that stimulates investments to support trade and economic growth during the adjustment period following liberalisation and enable eligible states to manage adverse effects of revenue losses.

Pan-African Payment and Settlement System (PAPSS):

A centralised payment and settlement mechanism for intra—African trade and commerce payments.

Africa Due Diligence Repository Platform

Serves as a single source of a centralised database for conducting customer due diligence checks.

The African Trade Observatory (ATO)

Is aimed at serving as the main repository of qualitative and quantitative trade data and establishing a database for African trade. Furthermore, the ATO will be mandated to monitor and evaluate the implementation process and impact of the AfCTA and the BIAT. In addition, the ATO will also provide relevant and detailed trade related information for private sectors on business opportunities.

2.2 Benefits of the AfCTA

The IAC raised concerns on whether certain provisions of the AfCTA will not affect or compromise other Agreements that the Seychelles has entered into with organizations such as SADC and WTO. The Department of Trade reassured the Committee that the AfCTA is a great opportunity for the national business sector to seize and invest overseas. In addition, the Committee was also informed that the agreement will provide new tools which will help to boost the morale of doing business and that the Department of Trade will be setting up an information centre to assist entrepreneurs with these tools and the benefits.

Additional benefits are listed below:

- *Make Available New Markets*
- *Reduces the dependence on our traditional trading partners*
- *Provides alternative access to resources*
- *Promotes industrial development and sustainable and inclusive socio-economic growth*
- *Helps to address challenges notably with employment, creation of wealth and enticement of foreign direct investment.*

The Committee recognises and notes that ratifying this agreement will open Seychelles to new markets, promote industrial development and inclusive socio-economic growth as well as help to address challenges notably with employment, creation of wealth and enticement of foreign direct investment.

The Committee notes that the agreement will also allow for Seychelles to start trading in the market, participate in the affairs of the AfCTA Secretariat, contribute in the implementation of the AfCTA and finally, secure its own interest under the trade in goods negotiations, in other new markets under the agreement which would allow the country to start exporting fish.