EUROPEAN
COMMISSION

Brussels, 29.10.2014
COM(2014) 664 final

2014/0307 (NLE)

Proposal for a

# COUNCIL DECISION

**establishing the position to be taken by the European Union within the General Council of the World Trade Organization on the accession of the Republic of Seychelles to the WTO**

# EXPLANATORY MEMORANDUM

## I. INTRODUCTION

Members of the World Trade Organization (WTO) and the Seychelles have reached the concluding stage of an agreement on the terms for the accession of the Seychelles to the organization. This comes after 19 years of negotiations, which began when the Seychelles submitted its application to join the WTO in 1995. The Seychelles' request for accession has been examined taking into account the overall bilateral trade relations with the Seychelles in the context of the EU-ACP partnership and an undertaking by the Seychelles to pursue trade liberalisation in a full Economic and Partnership Agreement. A Council Decision approving the terms of the Seychelles' accession is required by the TFEU, before the EU can formally support that approval in the WTO.

A summary of the terms of the accession is set out below.

## II. SUMMARY OF TERMS OF THE SEYCHELLES' WTO ACCESSION BY SECTOR

***Schedules of commitments***

***Goods (overall)***

The average final bound rate (FBR) in the accession schedule of the Seychelles is 16.1 %.

The average FBR for agricultural products at 26.8% is higher than the 10.5% observed for industrial goods.

The Seychelles will implement all the FBRs as from the date of accession.

These average levels for tariffs are reasonable considering the small size and vulnerability of the economy of the Seychelles. Past EU practice has been to accept these tariff levels as reasonable for economies of comparable size.

***Industrial Goods***

- The average FBR for non-agricultural products is 10.5%.
- The highest averages of around 25% are observed in fisheries, furniture and footwear.
- The Seychelles concede duty-free treatment for Pharmaceuticals, Medical Equipment, and Information Technology (ITA) products, binding the final bound rates for these products at 0%.
- The highest tariff peaks are at 200% for retreaded/regrooved tyres and for second-hand clothing.

***Agricultural goods***

- The average FBR for agricultural products is 26.8%.
- The highest tariff peaks in agriculture are at 250% for beer and whisky in plastic bottles, and at 200% for tobacco.

***Services***

The Seychelles will undertake market access and national treatment commitments in a broad range of services sectors, including professional, computer and other business services, communication services, construction services, distribution services, educational services, environmental services, financial (insurance and banking) services, health and social services, tourism services and transport services (maritime transport and transport auxiliary services).

***Protocol commitments***

In the final, multilateral stage of the accession process, WTO Members collectively sought to ensure the basic compatibility of the Seychelles' trade laws and institutions with WTO rules and agreements, setting these out in the Protocol of accession and Working Party Report. Against this background, the Seychelles has undertaken standard Working Party Report's commitments and renounced to any transitional periods, except as regards the WTO Agreement on Technical Barriers to Trade, which will be fully implemented only as from December 2015.

In this regard the Seychelles has *inter alia* committed to remove all other duties and charges and to bind them at 0% upon accession and also to replace by an authorisation system the current prohibition of imports applicable to some SPS-related products (hides and fur skins and palm plants), second-hand vehicles, left-hand drive vehicles, automotive bodies and camouflage clothing

## III. RECOMMENDATION

In submitting the terms of Accession of the Seychelles to the WTO for approval by the Council, the Commission considers these terms as representing a balanced and ambitious package of market opening commitments, which will bring substantial benefits to the Seychelles and its WTO trading partners alike.

2014/0307 (NLE)

Proposal for a

# COUNCIL DECISION

## establishing the position to be taken by the European Union within the General Council of the World Trade Organization on the accession of the Republic of Seychelles to the WTO

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 91, 100(2) and the first subparagraph of Article 207(4), in conjunction with Article 218(9) thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) On 31 May 1995 the Government of the Republic of Seychelles applied for accession to the Marrakesh Agreement establishing the World Trade Organization (WTO), pursuant to Article XII of that Agreement.

(2) A Working Party on the accession of the Republic of the Seychelles was established on 11 July 1995 in order to reach agreement on terms of accession acceptable to the Republic of Seychelles and all WTO Members.

(3) The Commission, on behalf of the Union, has negotiated a comprehensive series of market opening commitments on the part of the Republic of Seychelles which satisfy the Union's requests, taking into account the bilateral tarde relations with the Seychelles in the context of the EU-ACP partnership and the undertaking by the Seychelles to pursue trade liberalisation in a full Economic and Partnership Agreement.

(4) These commitments are now embodied in the Protocol of Accession of the Republic of Seychelles to the WTO.

(5) Accession to the WTO is expected to make a positive and lasting contribution to the process of economic reform and sustainable development in the Republic of Seychelles.

(6) The Protocol of Accession should therefore be approved.

(7) Article XII of the Agreement establishing the WTO provides that the terms of accession are to be agreed between the acceding Member and the WTO, and that the Ministerial Conference of the WTO approves the terms of accession on the WTO side. Article IV.2 of the Agreement establishing the WTO provides that in the intervals between meetings of the Ministerial Conference, its functions shall be conducted by the General Council.

(8) Accordingly, it is necessary to establish the position to be taken by the Union within the General Council of the WTO on the accession of the Republic of Seychelles to the WTO,

HAS ADOPTED THIS DECISION:

*Article 1*

The position to be taken by the European Union within the General Council of the World Trade Organization on the accession of the Republic of Seychelles to the WTO is to approve the accession.

*Article 2*

This Decision shall enter into force on the day of its adoption.

Done at Brussels,

*For the Council*
*The President*