



17 December 2021

European Union

Press Release

TRADE: The EU remains Seychelles' main trading partner

(Port Louis) – In 2020, despite the pandemic, the European Union (EU) has remained the main trading partner of the Republic of Seychelles, that is part of the EU-ESA5 Economic Partnership Agreement together with Comoros, Madagascar, Mauritius and Zimbabwe. This is the result of an analysis of trade flows carried out by the Delegation of the EU.

H.E. Mr Vincent Degert, Ambassador of the European Union to the Republic of Mauritius and to the Republic of Seychelles stated:

- "The analysis of trade flows in 2020 shows that the EU remained a key partner of the Republic of Seychelles despite the pandemic. In fact, a decrease in total trade figures with major trade partners was noted whereas value of trade with the EU witnessed an increase (+5.4% and particularly with France +12% and Spain +53%). In addition, when we analyse total trade with the EU since year 2005 it clearly shows an upward trend since the implementation of the interim Economic Partnership Agreement (iEPA) in 2012. Despite the challenges faced by the region, the EU will continue to support a sustainable and resilient recovery: boosting economic relations, creating jobs and deepening partnerships."

Trade flows between the EU and the Republic of Seychelles in 2020:

Total trade

Total trade for Seychelles witnessed a decline of -13.1% when compared to 2019 (EUR 1.27 billion). Despite this decline, the EU has remained by far the main trade partner of the country with the lion's share of 39% of the Seychelles total trade in 2020. Trade with the major trade partners saw a decline, however total trade with France and Spain increased by 12% and 53% respectively.

The Seychelles trade performance for the year reflects both the impact of the pandemic and the measures taken to address the recovery.

The Seychelles lockdown, which was in place from 9 April 2020, has severely affected international trade flows. As for other countries, the value of trade might also have been impacted by exchange rate policies with the impact of the pandemic.

The full effects of the pandemic on trade have not yet been quantified. According to provisional figures from the National Bureau of Statistics, total trade for 2021 (January to October) has picked up again by 13% when compared to 2020.

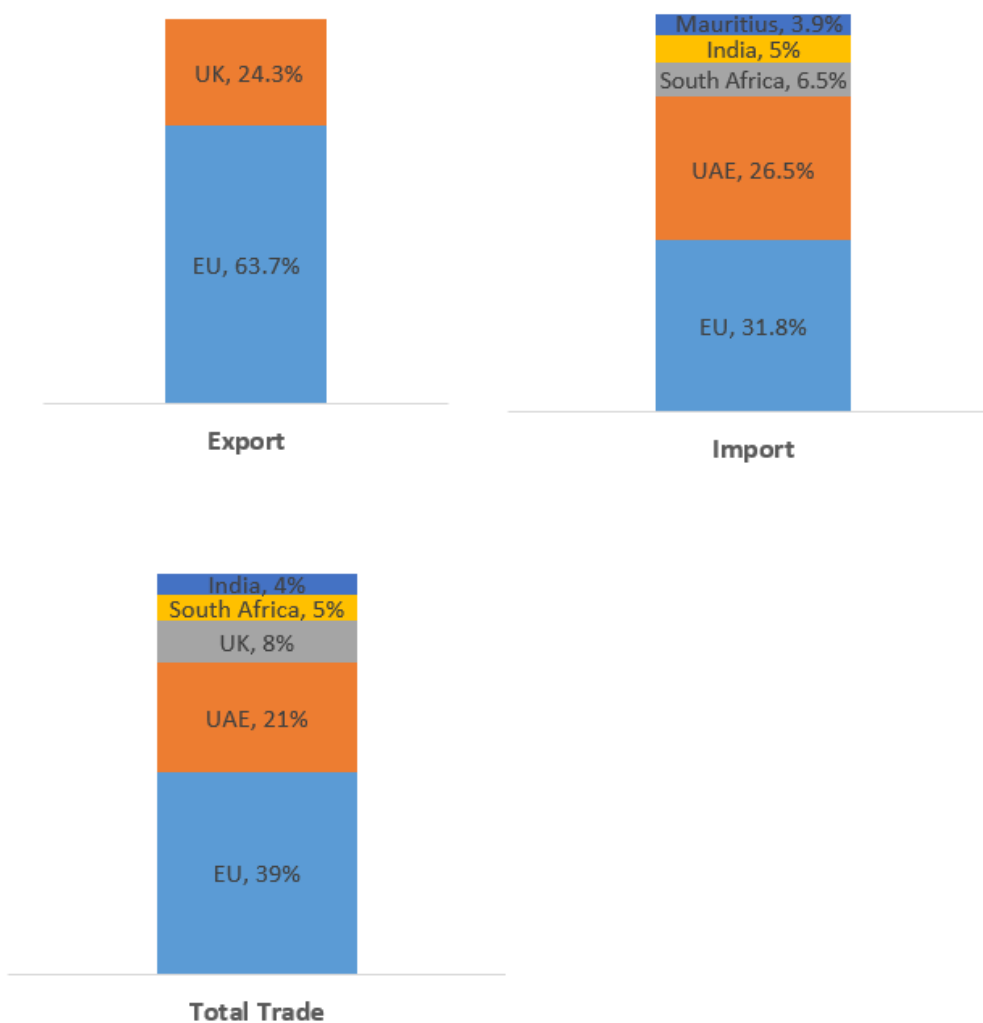
Exports

The Seychelles exports to the EU amounted to EUR 159.88 million representing an increase by +19.3% when compared to 2019 (EUR 134 million). France has the biggest share with 63% of exports to the EU followed by Italy (17.2%) and Germany (10.3%). The main products exported to the EU in 2020 was canned tuna (64%), with a small proportion of fresh and frozen fish (0.8%) and medicaments and medical appliances (0.1%). In 2020, almost all exports from Seychelles to France and Spain was canned tuna.

Imports

Total import from the EU amounted to EUR 271.37 million in 2020, a -1.34% decrease when compared to 2019 (EUR 275.04 million). 70% of imports came from two countries namely France and Spain (35.6% and 34.9% respectively). Other countries were Italy (8.0%), Netherlands (5.3%), Germany (3.5%) and Belgium (2.6%). EU Trade statistics revealed that 65% of imports from the EU were manufactures with machinery and equipment representing 46% of imports (transport equipment: 32%, power generating, electrical and non-electrical machinery: 9%, telecommunications equipment: 6%). Textile and clothing had a share of 6% and fish products had a share of 23% of imports from the EU.

Seychelles main trading partners in 2020 :

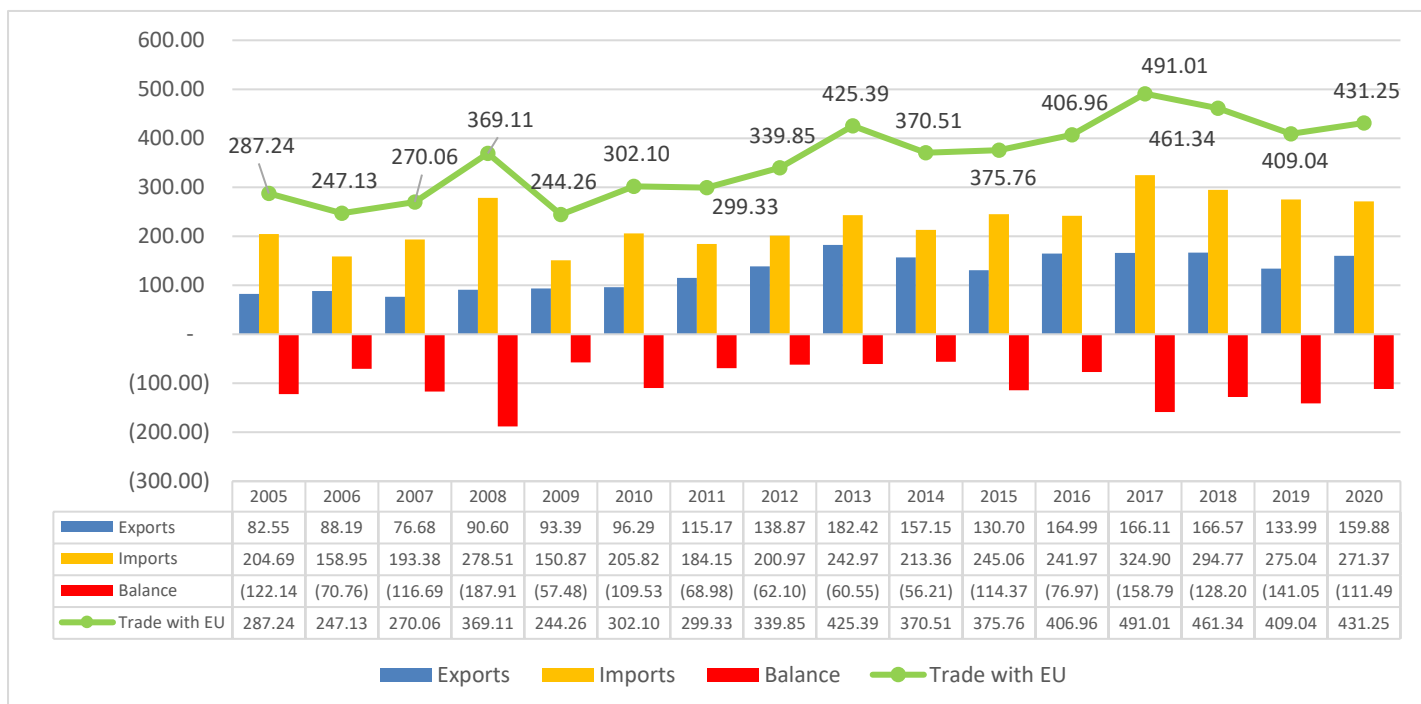


The impact of the Economic Partnership Agreement:

a) On EU-Seychelles trade:

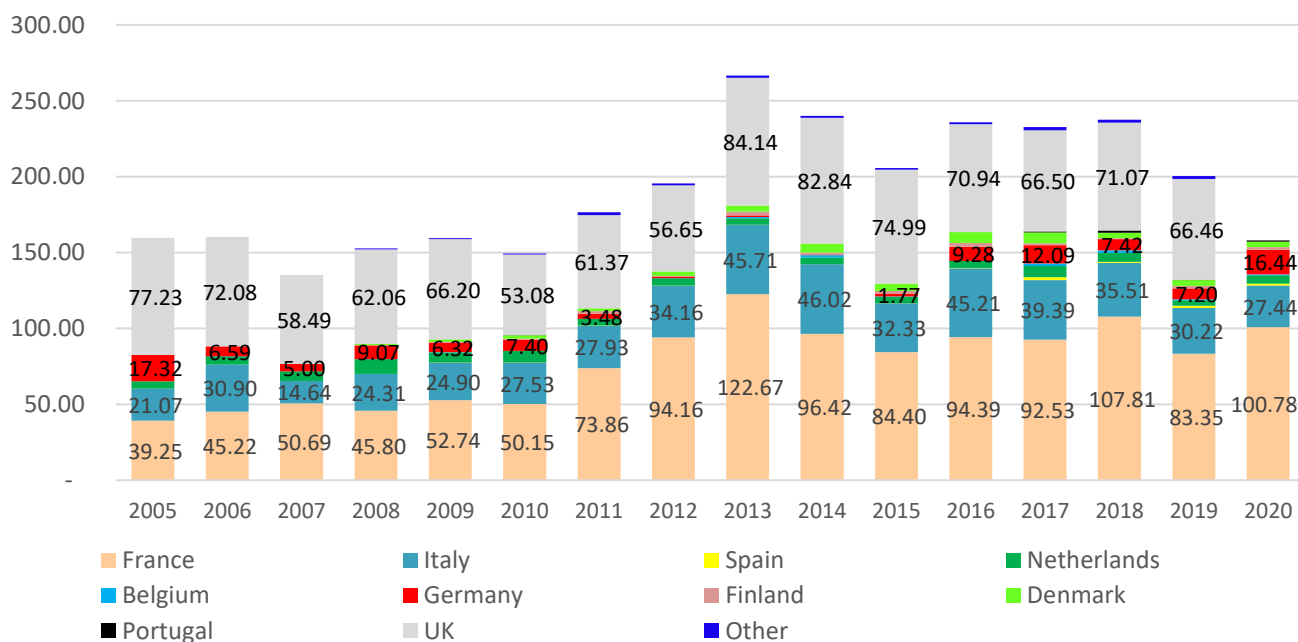
Since the implementation of the iEPA in May 2012, the Seychelles total trade value has fluctuated with an upward trend as can be seen in tables 1-3 below.

Table 1: Trade flows with the EU from 2005 to 2020 (EUR million)



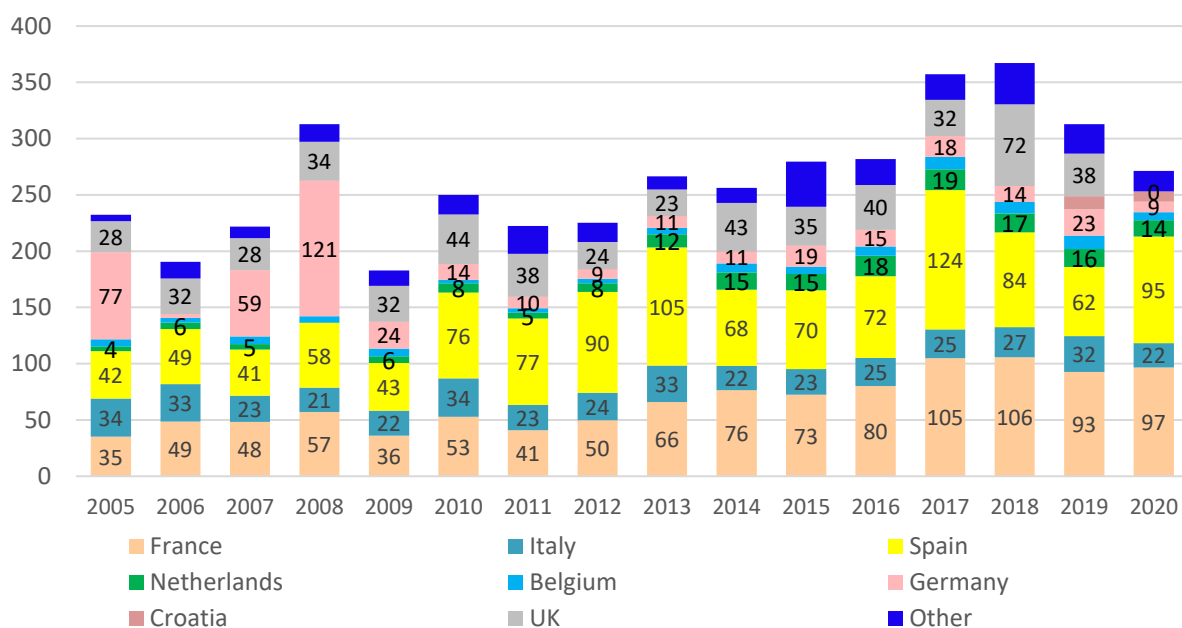
Source: National Bureau of Statistics, Seychelles

Table 2: The Seychelles' exports to the EU by country from 2005 to 2020 (EUR million)



Source: National Bureau of Statistics, Seychelles

Table 3: The Seychelles imports from the EU by country from 2005 to 2020 (EUR million)

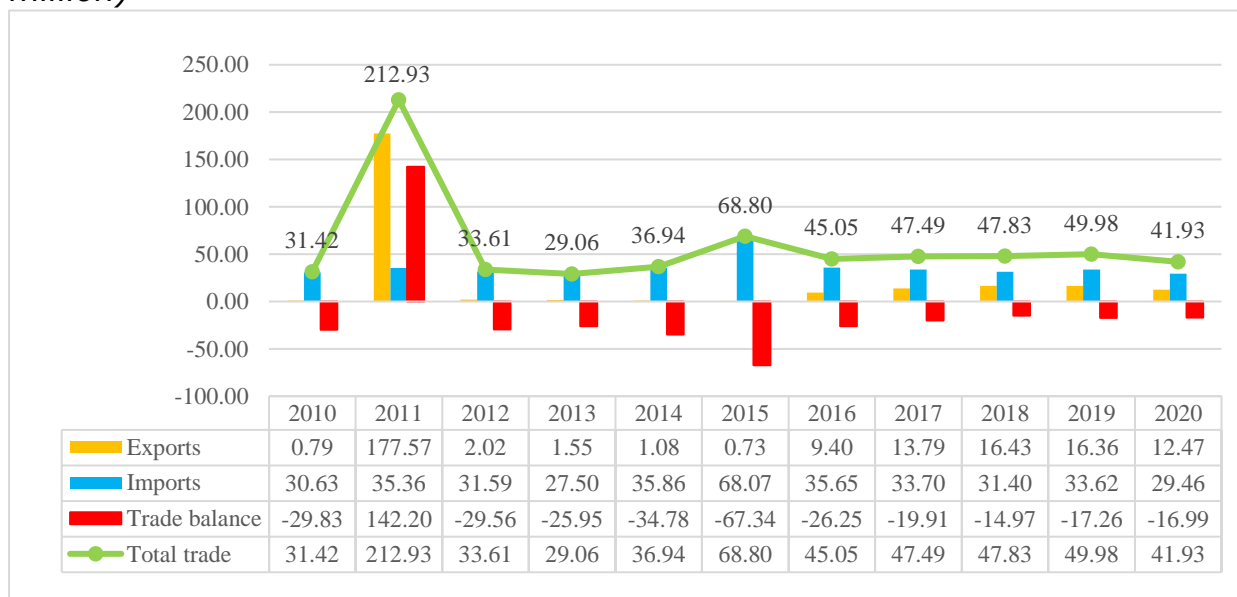


Source: EU Trade Statistics

b) On intra ESA5 trade:

In addition, a trend analysis, based on the data from the National Statistics Bureau from 2005 to 2020, was carried out to assess whether the iEPA has had an impact on trade among the ESA countries (the Comoros, Madagascar, Mauritius, the Seychelles and Zimbabwe). The collected data shows an upward trend in trade between the ESA5 countries (the Comoros, Madagascar, Mauritius and Zimbabwe) and the Seychelles since the implementation of the iEPA. In 2020, trade between the Seychelles and the other ESA5 countries was valued at EUR 36.05 million in 2020. The ESA region represented 3.3% of the Seychelles total trade.

Table 4: Trade between ESA4 and the Seychelles from 2010 to 2020 (EUR million)



Source: National Bureau of Statistics Seychelles

Methodology

The analysis of trade flows between the EU and Seychelles has been undertaken by the Regional Trade Section of the Delegation of the European Union to the Republic of Mauritius and to the Republic of Seychelles. The analysis of trade flows with the EU for the ESA5 group of countries (the Comoros, Madagascar, Mauritius, the Seychelles and Zimbabwe), parties to the interim Economic Partnership Agreement (iEPA) has also been undertaken.

Data for Seychelles were sourced from the National Statistics Bureau of Seychelles, EU Trade Statistics and the United Nations Conference on Trade and Development (UNCTAD) Foreign Direct Investment (FDI) Statistics (Year 2020, World Investment Report 2021).

Background

What is the interim Economic Partnership Agreement (iEPA) ?

The EU concluded the interim Economic Partnership Agreement (iEPA) negotiations with six countries from the Eastern and Southern African (ESA) region (the Comoros, Madagascar, Mauritius, the Seychelles, Zambia and Zimbabwe) at the end of 2007. The agreement was signed in August 2009 by four countries namely Madagascar, Mauritius, the Seychelles and Zimbabwe and has been applied by the four countries since May 2012. The Comoros ratified the agreement in February 2019 and began applying it immediately.

Under the iEPA, ESA5 exports to the EU do not face any tariff barriers, as the EU has immediately liberalised 100% of its market for exports from these five countries. In exchange, the ESA5 countries have progressively opened up a large part of their market over a 10-year transition period and the percentage of liberalised tariff lines varies from 98% for the Seychelles, 96% for Mauritius, 90% for Madagascar, 86% for Zimbabwe and 80% for the Comoros (from 2022).

The deepening of the iEPA

In 2017, 4 Eastern and Southern African (ESA4) countries (Mauritius, Madagascar, the Seychelles and Zimbabwe) requested negotiations on upgrading this Agreement (commonly referred to as “deepening”). Article 3 of the Agreement stipulates that both parties will complete negotiations on all outstanding issues (listed in Article 53) with a view to have a comprehensive EPA. On 2 October 2019, the EU started negotiations with the ESA5 countries to deepen the existing Economic Partnership Agreement. The negotiations are expected to conclude by mid-2023.

The deepened iEPA or full EPA will include: rules of origin; customs and trade facilitation; sanitary and phytosanitary measures; technical barriers to trade; trade defence mechanism/trade remedies; transparency; trade in services, investment liberalisation and digital trade; public procurement; intellectual property rights; trade and competition; trade and sustainable development; agriculture; fisheries; dispute avoidance and settlement; institutional structure; and economic development cooperation/Means of Implementation.

The future agreement will be the EU's first modern and comprehensive free trade agreement (FTA) with the Sub-Saharan Africa. It will contribute to achieving the objectives of the new Africa-Europe Alliance for Sustainable Investment and Jobs.

For more information please contact:



*Delegation of the European Union to the Republic of Mauritius and to the Republic of Seychelles
Political, Press and Information Section*

Telephone: (+230) 207.15.15

Email: DELEGATION-MAURITIUS-PRESS@eeas.europa.eu

Web: <http://eeas.europa.eu/delegations/mauritius>

Facebook: <https://www.facebook.com/EUinMauritius> - <https://www.facebook.com/EUinSeychelles/>

Twitter: <https://twitter.com/EUAmbMauritius>