

EU signs economic partnership agreement with Southern African countries

This development-oriented agreement between the European Union and Southern African countries is the first of its kind with an African region, pursuing regional economic integration. The European Union and six countries of the Southern African Development Community (SADC) last week signed the Economic Partnership Agreement (EPA), in Kasane, Botswana.



Image by 123RF

The Economic Partnership Agreement (EPA) with Botswana, Lesotho, Mozambique, Namibia, South Africa and Swaziland – the so-called SADC EPA group – is a development-oriented free trade agreement.

The agreement was signed by commissioner for trade Cecilia Malmström on behalf of the EU. In addition to this agreement, other regional agreements could also soon be signed with West Africa and the East African Community. At the signature ceremony in Botswana, Commissioner Malmström gave a [speech on the benefits of the agreement](#).

Commissioner Malmström said: "Trade is a tool to spur economic growth and sustainable development. It's also an important factor for integrating regions and forming stronger bonds between countries. With the Economic Partnership Agreement that we are signing today, we want to base our trade relations with our partners in the Southern African region on commonly agreed, stable rules. Trade has helped lift millions of people from poverty throughout the years. Thanks to agreements like this one, we are preparing the ground for that process to continue."

Commissioner for international cooperation and development, Neven Mimica, added: "Fully utilising the economic potential of the private sector and further strengthening trade is critical for the new global development agenda of the Sustainable Development Goals. Today's agreement can help us to tap this potential."

The EPA takes into account the different levels of development of each partner. It guarantees Botswana, Lesotho, Mozambique, Namibia, and Swaziland, duty-free, quota-free access to the European market. South Africa will also benefit from enhanced market access, going beyond the existing bilateral arrangement.

Protective measures

Furthermore, the agreement increases the flexibility of Southern African producers to put together products from components from various countries, without the risk of losing their free access to the EU market. It also provides for a number of protective measures, for instance for nascent, fragile industries or for food security reasons.

The Southern African markets will open gradually and partially to EU exports, in an asymmetric way. In the process of diversifying their economies and broadening production, imports of certain goods are important for Southern African countries – certain industrial parts, seeds and machinery, for instance. The import duties on many of these so-called intermediary goods will be significantly reduced, making the products more easily accessible to Southern African entrepreneurs.

For the South African market specifically, particular advantage has been granted to EU producers of traditional quality products with a worldwide reputation – for example wines and food products – that will now get the exclusive right to use their traditional names, or 'geographical indications', in South Africa.

Correspondingly, several South African geographical indications will, from now on, be protected on the EU market, such as different types of South African wine such as Stellenbosch and Paarl, along with Rooibos tea and other products.

Sustainable development

By signing the agreement, all participants commit themselves to work towards sustainable development, including by upholding social and environmental standards. The EPA also establishes a consultation procedure for environmental or labour issues and defines a comprehensive list of areas in which the partners will cooperate to foster sustainable development. Civil society will have a special role in monitoring the impact of the agreement. In addition, a detailed chapter on development cooperation identifies trade-related areas that could benefit from EU financial support.

The EPA creates joint institutions to support dialogue, the smooth handling of all trade issues, and the monitoring of the impact of the trade deal. The EU will work with its SADC partners to ensure the smooth implementation of the agreement, together with regional and national development cooperation bodies.

The agreement will now be submitted for approval to the European Parliament, and for ratification in the 28 EU Member States according to national ratification procedures and in the Southern African countries.

Background

Trade and Economic Partnership Agreements are an essential pillar of the ACP-EU Cotonou Agreement. The SADC EPA Group consists of six out of 15 members of the Southern African Development Community (Botswana, Lesotho, Mozambique, Namibia, Swaziland and South Africa). Angola has observer status and may join the agreement in the future.

The EU is the largest trading partner of the SADC EPA group. In 2015, the EU imported goods worth almost €32 billion from the region, mostly minerals and metals. The EU exported goods of the nearly same value, consisting mostly of engineering, automotive and chemical products.

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