



Initialing of the Interim Agreement Establishing an Economic Partnership Agreement between Eastern and Southern Africa States and the European Community and its Member States

Press release

Brussels, 06 December 2007

The European Community and Eastern and Southern Africa States have concluded negotiations on an Interim Agreement that will establish an Economic Partnership Agreement (EPA) in 2008. The EPA will replace the trade provisions under the Cotonou Partnership Agreement which expire on 31 December 2007. On the ESA side the Interim Agreement was initialled by Mauritius, Seychelles, and Zimbabwe. Zambia also initialled the text, but did not take on obligations in the trade chapter. Others, namely Comoros, Madagascar, and Malawi are expected to initial the Interim Agreement in the coming days while, Djibouti, Eritrea, Ethiopia and Sudan may join later.

The Agreement was concluded as a package including provisions on trade, fisheries and economic development cooperation.

On the trade provisions, the EC will grant duty free quota free market access to all goods exported by ESA states except for sugar and rice which are subject to short transition arrangements. In addition to the current sugar quotas, the ESA states which have initialled the agreement have secured an additional quota of 75,000 tones which will be available from the 2008 marketing season. On textile and clothing the EC agreed to provide the single transformation rule of origin. This means that clothing companies established in the ESA states which have initialled the interim agreement can now source fabrics anywhere in the world, transform them and then export to the EU free of both duties and quotas..

ESA states have agreed to gradually liberalize imports from the EU covering mainly capital, raw material and intermediate products, mostly over 15 years, with an initial 5 year preparatory period. The percentage of trade liberalized amounts to more than 80% for all signatory ESA states. Some products, mainly final products, will be liberalized over 25 years. Some tariff lines have been excluded from liberalization, mainly agricultural and other final products.

On fisheries, as well as the development cooperation issues specific to fisheries, the ESA states which have initialled have obtained an automatic derogation on tuna and

tuna loins exports of 10000 tones. This means they can supply up to 10,000 tones of canned tuna and tuna loins to the EU, irrespective of the origin of the fish.

On development cooperation the Parties committed to work together to address the development needs associated with the EPA implementation in order to promote sustained growth, strengthen regional integration, and foster structural transformation and competitiveness. This will support progress towards increased production, supply capacity and value addition of the ESA states. The development needs have been outlined in a jointly agreed Development Matrix attached to the Agreement.

The EC agreed to contribute towards the resources required for development under the 10th EDF regional indicative programme, aid for trade and the EU General Budget. Furthermore the development cooperation provisions are open to all ESA states which have initialled the interim agreement, regardless of their market access offers, in order to facilitate preparation for the adoption of an EPA in the future. All ESA countries can accede to the Interim Agreement on the same terms and conditions as they are set out in the Development Cooperation Chapter.

The negotiations will continue next year on outstanding issues namely agriculture, trade related issues and trade in services, with a view to concluding a full EPA in December 2008. To ensure predictability and continuity, the Parties agreed that the Interim Agreement will remain in force until the full EPA comes into force.

The EC was represented by Peter Thompson, Director the Directorate General for Trade of the European Commission. The ESA region was represented by Mr. Sindiso Ngwenya the COMESA Assistant Secretary General and ESA Lead Ambassadors and representatives of the respective ESA countries.