

What will an Economic Partnership Agreement do? – Brussels, 11 January 2008

#1 An EPA will provide the best access to the EU market of any trade regime.

For an ACP country, an EPA means no EU duties or quotas for any products (other than short transition periods for sugar and rice) and long term security for traders and investors with no more waivers, time limits or periodic renewals. Unlike the system they replace, they meet WTO rules, so they are safe from legal challenge .

#2 An EPA will encourage processed exports with simpler and improved 'rules of origin'.

Under EPAs, ACP countries have 'rules of origin' specifically negotiated to support the development of ACP industries that import materials to make goods for onward export to Europe, particularly in key sectors like textiles, fisheries and agriculture. This is one reason a number of Least Developed Countries signed EPAs, even though they benefited from duty and quota free market access under the EU's "Everything But Arms" initiative.

#3 An EPA will help attract much-needed investment.

Region by region, ACP countries can negotiate provisions to help attract investment such as co-operation to help meet international product standards, agreements on trade in key services like telecommunications, banking and construction that support a growing economy and measures to protect intellectual property like local brand names.

#4 An EPA will help the ACP countries engage in the global economy on their own terms.

EPAs end the ACP dependence on preferences, waivers and exclusions from the multilateral system that have helped lock them into basic commodity trade for more than thirty years. They will help create viable regional economies with supply chains that can compete internationally. Crucially, they provide a platform to introduce and manage changes over many years while still protecting sensitive or growing industries.

#5 An EPA will include chapters on development cooperation and measures to build capacity to trade.

In this way, reform and change are linked to the measures needed to build greater capacity to trade as well as implement reforms. The types measures being proposed include regional EPA funds, business development programmes, provisions to cushion any initial drop in government revenues from reduced border tariffs and arrangements to review and monitor the impact of trade reform.