

European Union experts and EAC private sector representatives discuss EU-EAC Economic Partnership Agreement.

Yesterday and today in Nairobi, the experts of the European Commission, ProInvest – an EU - ACP Organization, and the representatives of private sector from the East African Community discussed the state of play and way forward on the Economic Partnership Agreement for the region. Executives of business organizations from Kenya, Tanzania, Uganda, Burundi and Rwanda tackled practical implications of the trade and development agreement initialed at the end of 2007, and analyzed prospects for the broader agreement now being negotiated. This comes in the run up to next EU-EAC negotiation round taking place next week in Nairobi.

"EU-EAC trade and development relations need stability" said Eric van der Linden, Head of the EU Delegation in Nairobi. "As the EU – EAC interim EPA is pending the official signature the EU is granting the preferences to EAC unilaterally, which does not provide for a stable and sustainable ground for our trade relations. Only signature of the agreement can lock-in the currently applied preferences in a legally-sound framework. I am confident that now both sides better understand the potential of the EPA to provide for economic growth and job creation, and we look forward to working with all stakeholders to finally turn the EPA process into a success."

"We often talk about the "cost of EPA" – we should also talk about the "cost of non-EPA", said Jacques Wunenburger, Head of the EPA Unit at the Trade Directorate-General of the European Commission. "This seminar has been very useful in enhancing the dialogue with key stakeholders in the EAC region. I think we all now better realize that economic operators stand to gain a lot from the EPA – first and foremost businesses from EAC. Failing to sign the framework EPA and to bring the broader EPA process to a successful conclusion, can hamper trade and development prospects for the region. We do not want that – but this is really a choice only EAC players can make".

BACKGROUND

At the end of 2007 the EU and EAC region initialed a "framework EPA" which, two years on, is still to be signed. In the meantime, the two blocs are negotiating a broader agreement also involving issues such as services, investment, intellectual property rights etc. Failure to finalize the EPA process could lead to putting non-Least Developed Countries such as Kenya on the GSP (Generalized System of Preferences) list. This would de facto mean re-introduction or increase in tariffs on a some of key Kenya's export products.

During the seminar in Nairobi, 55 representatives from EAC business organizations voiced their concerns and expectations – these had in fact been collected in a survey carried out by the EU in the run up to the conference. In Nairobi issues such as trade in goods in agri-food products (covering, inter alia, fisheries and horticulture) and industrial products (such as textiles and clothing), along with services and investment, were discussed at length. Technical issues such as rules of origin, trade facilitation, sanitary and phyto -sanitary standards, geographical indications, and the right to operate in Europe for self- employed business persons, among others were all on the agenda. Business representatives were briefed extensively by EU experts and contributed to a fruitful dialogue on all pertinent issues.

The seminar in Nairobi will be followed by additional analysis of the needs of the private sector in the EAC region and by a follow-up event to be organized by "ProInvest" in the EAC region in the second quarter of 2010.