

## **Access to EU markets for exporters from African, Caribbean and Pacific countries**

**On 30<sup>th</sup> September the European Commission adopted a proposal to amend the Market Access Regulation, governing the trade conditions for certain developing countries that have negotiated Economic Partnership Agreements with the EU.**

### **What is the Market Access Regulation?**

Regulation 1528/2007 governs the EU import regime for 36 African, Caribbean and Pacific countries that negotiated Economic Partnership Agreements in 2007. With the expiry of the trade regime under the ACP-EU Cotonou Agreement, the Regulation allowed exports from these 36 countries to continue to enter the EU duty free and quota free.

The Regulation was a bridging solution for the countries that had negotiated Economic Partnership Agreements but not yet signed and ratified. In order to avoid a disruption in trade, the Regulation anticipated the duty free access that the EU offered in these agreements whilst the 36 countries moved towards ratification.

### **What does the Commission propose to change and why?**

The Regulation was conceived as a temporary solution and not a permanent facility. Four years of application has provided enough breathing space for ratification or further negotiation. It is therefore time to bring the process to a close, by amending the Regulation and concluding Economic Partnership Agreement negotiations.

Therefore, the Commission is proposing to withdraw the Market Access Regulation for the countries that have not taken the necessary steps towards ratifying the Economic Partnership Agreements signed with the EU.

Eighteen countries (14 countries in the Caribbean, Madagascar, Mauritius, Seychelles and Papua New Guinea) have taken the necessary steps towards ratification of initialled agreements, and will continue to use the facility.

But the other 18 countries have not even signed their agreement or are still not applying it. The situation is unfair towards those which have taken the necessary steps and also towards other developing countries which are not getting free access to the EU.

This is neither a new policy nor a fundamental change of approach. It has always been a cornerstone of the Commission's strategy to put ACP-EU trade relations on a solid legal footing based on the respect of WTO and EU law, balance and fairness towards other ACP and indeed non-ACP developing countries.

### **How will the countries be affected?**

Any impact on market access for these countries would be limited and would depend on the decision of the countries affected.

The 18 countries which would be withdrawn from the Market Access Regulation have a choice: whether to go ahead and establish a partnership with the EU or not.

To maintain free access to the EU, these countries can take the necessary steps towards ratification of existing Economic Partnership Agreements or conclude new regional Agreements with the EU.

Recent dynamism in various EPA negotiations suggests that the beneficiaries of the Market Access Regulation, and other ACP countries for that matter, can conclude ongoing regional negotiations in time. In doing so, they can create a sustainable long-term partnership with the EU in which free market access is maintained, but which also supports regional integration, strengthens economic governance and helps attract investment.

### **What will happen to those that opt out of EPAs?**

Nine countries (Burundi, the Comoros, Haiti, Lesotho, Mozambique, Rwanda, Tanzania, Uganda, Zambia) are Least Developed Countries and can therefore benefit from duty- and quota-free access to the EU under the Everything But Arms scheme.

Seven are low-income or lower middle income countries (Cameroon, Fiji, Ghana, Ivory Coast, Kenya, Swaziland, Zimbabwe) that could benefit from the Generalised System of Preferences regime, a less advantageous, but still generous, unilateral scheme in place for all developing countries. The timing of the changes to the Market Access Regulation will match the entry into force of the new Generalised System of Preferences.

The last two countries, Botswana and Namibia, are currently upper middle-income countries and, if this status is confirmed in three consecutive years, would not qualify for preferential access under the proposed revision to the Generalised System of Preferences.

Nonetheless, if these countries, or any other of the beneficiaries of the Market Access Regulation, decide to go ahead with ratification of their Economic Partnership Agreement, they can be re-instated in the Market Access Regulation through a fast track procedure. They can also conclude ongoing regional negotiations, as mentioned above.

### **When will the changes come into force?**

The Commission has proposed that the amending Regulation will not enter into force before January 2014. This gives those potentially affected the time to implement an Economic Partnership Agreement and thus maintain their current free access to the EU. This proposal is now transmitted to the Council and EP for discussion and eventually, adoption.

### **For more information**

Trade relations with ACP countries

<http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/regions/africa-caribbean-pacific/>

On Economic Partnership Agreements:

<http://ec.europa.eu/trade/wider-agenda/development/economic-partnerships/>

On the Everything But Arms scheme:

<http://ec.europa.eu/trade/wider-agenda/development/generalised-system-of-preferences/everything-but-arms/>

On the Generalised System of Preferences:

<http://ec.europa.eu/trade/wider-agenda/development/generalised-system-of-preferences/>