



**EUROPEAN COMMISSION**

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## **Economic Partnership Agreements (EPAs) - State of Play, Future Perspectives and Implementation**

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EU-ACP Joint Ministerial Trade Committee/ Brussels  
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Ministers,

This is now the fourth time that I have the honour to address Economic Partnership Agreements (EPA) in this forum. I have always been – and still am – optimistic about the prospects of concluding the EPA negotiations. There is no reason to be pessimistic: we are implementing three EPAs and have made good progress in many negotiations. What we need now, is a strong commitment and political will to go that extra mile.

Let me start with an overview of the progress we have made, in negotiating and implementing agreements with the seven regions.

I'll start with EPA implementation. We are now implementing three EPAs, in the Caribbean, in the Pacific and in Eastern and Southern Africa. We are seeing good progress in all regions, new investments and business relations, regular engagement between the partners and a constructive partnership which helps to find solutions to sometimes tricky situations.

In the **Caribbean**, we are making progress in discussing outstanding issues, identified by the Joint EPA Council. Countries are proceeding with tariff cuts and completing ratification. The EPA Parliamentary committee held its second meeting in April. As you see, implementation is very much underway by both sides.

In the **Pacific**, the Trade Committee established under the interim EPA has met several times to review implementation between the EU and Papua New Guinea. The agreement is giving tangible results in Papua New Guinea. With major investments in the fisheries sector coming on stream, we are seeing the creation – directly or indirectly - of around 30,000 new jobs, mainly for women and locals.

Four countries of the **Eastern and Southern African (ESA)** EPA group have started implementing their agreement with the EU. Earlier this year, we held the second meeting of the EPA committee in Mauritius to review trade matters, customs and development co-operation. The Commission organised a seminar to increase awareness of the private sector in Madagascar. At the same time, some major regional aid programmes underpinning the EPA process are being approved still this year.

Turning to on-going regional negotiations, these are in much better shape than they are sometimes perceived to be.

In the **Southern African Development Community's EPA group**, we are discussing revised offers to increase agricultural market access. This is the main element and key to conclusion. Senior officials have frequent meetings to get this deal done. And I had excellent meetings on an otherwise physically punishing trip to Namibia, South Africa and Botswana. I hope that when we do conclude these negotiations - and by this I mean very soon – that my staff will plan for some time to breathe between meetings and flights.

In the context of continued negotiations, South Africa has agreed to work towards an agreement on Geographical Indications. Negotiations have also officially started on services and investment, which are being negotiated with a sub-group of interested countries. This year, we have made progress on a number of issues, but quite a few points remain on the agenda. Further to the last round of talks, the EU is doing some internal work and hopes to revert to partners before the end of October. I am ready to travel again to the region for focussed talks as soon as possible thereafter.

With the **East African Community**, several rounds of exchanges have helped to make substantial progress on all issues. During this year, EU and EAC teams managed to settle the development cooperation chapter - a major step. One further

technical round in May allowed agreement on rules of origin in fisheries. I visited Kenya in July to urge rapid progress. In the meetings of Arusha also in July, EU and EAC teams ended talks with open issues still on the table. They requested political guidance pushing them to overcome the few outstanding issues paving the way to concluding the EPA. So far, our main hurdle are overlapping diary commitments. I had hoped we could have a stock-taking ministerial back-to-back with today's JMTC but this was not possible. My invitation to EAC ministers to come to Brussels in October still stands and I would be delighted to find time to travel to East Africa for a conclusive round when our respective teams have resolved most of the open technical issues based on the expected political guidance. My main appeal would be to find time for stock-taking as soon as possible. Because of the WTO ministerial and a few EU institutional meetings with other trade partners, until the end of the year, my diary is filling up faster than I would like it to.

With **West Africa**, the agreement currently negotiated will cover goods and development-cooperation and include rendezvous clauses for services and rules chapters. Few issues remain open and most need addressing at Ministerial level. We are now waiting for a revised market access offer in order to make progress. The region is now taking the necessary political decisions. I had a much appreciated discussion with the President of Senegal, Macky Sall only two days ago and look forward to the outcome of the ECOWAS Summit on 25 October in Dakar. West Africa is on my list of places to visit as part of my commitment to advance EPAs on a political level. I could manage one country this year and certainly will follow up next year too. I thank Commissioner Ciolos for the discussions he had on EPAs in Senegal and Ghana last week.

In the **Pacific**, negotiations are following a regular pace, with clear commitment on both sides to forge an agreement. The agreement will cover trade in goods, development cooperation, sustainable development, and fisheries. Since October 2012, several technical working group meetings based on a revised draft text and market access offers for all countries have been held. These talks have revealed large differences, especially on fisheries (notably the issue of conservation and resources management). I therefore very much look forward to a stock-taking discussion with Pacific ministers in Brussels next week and thank them for coming such a long way.

Negotiations with other regions are less advanced. In the **Eastern and Southern African region**, we have been focussing on implementation of the interim EPA.

With **Central Africa**, we could not engage in negotiations as the Central African negotiators need political guidance from their governments. I do not exclude a visit to the region between this year and the first half of next year.

On the whole, I would say that EPA negotiations have clearly made much progress over recent years. In several regions, they have advanced so much that most technical issues are being settled and only a handful of politically more sensitive issues remain open. These are not the same everywhere, reflecting the regional nature of negotiations and needs.

In parallel, the EU adopted in May the **amendment of the Market Access Regulation**, thereby clarifying the options available to ACP countries in their choice of the trading relationship they wish to have with the EU.

This amendment is meant to bring closure on the agreements initialled in 2007. Countries concerned have until 1 October 2014 to sign and/or ratify and implement their existing interim agreements and maintain their free access to the EU. Meanwhile, on-going EPA negotiations may continue as long as they have the

prospect to bear fruit. I take the opportunity to repeat once again that there is no deadline for EPA negotiations in progress since 2007.

I want to be clear on one point: there will be no new bridging measure.

The whole purpose of the amendment was to regularise the status of the older EPAs. For the rest, applicable trade regimes with ACP countries that choose not to have an EPA is GSP or where applicable MFN status. The only possible third way could be a regular comprehensive free trade agreement, but in such a set up EU market access is far less generous than the 100% duty and quota free access we offer in EPAs which were specifically designed to offer the best possible trade conditions to less developed but justifiably ambitious economies. Growth and a stronger position in world markets is what you all deserve.

We continue to see EPAs as the most promising means to use trade for growth, jobs and development. Openness to trade has been a key element of successful growth and development strategies. Cheaper imported inputs will lower production cost and facilitate integration into global value chains which in turn foster long-term business relations and investment.

Again, I care to repeat that EPAs are the most generous trade partnerships the EU has ever offered to any trading partner. They provide for full free access to the EU and for asymmetry in the level of obligations, for flexibility in their implementation and for provisions tailor-made to ACP development needs. Moreover, the EU stands ready to provide tailored development support in order to help ACP partners implement their EPAs.

The EU, including Commission President Barroso in his bilateral contacts with many of your leaders, has made it clear that EPAs are a priority. We stand ready for dialogue, in the competent ACP structures, in bilateral and bi-regional meetings. The choice is yours!

The year has been good, but it can even be better before 31 December. We need political determination to move forward and bring EPAs to conclusion. I have spent a good part of the year speaking to ACP ministers and statesmen. It has been a privilege to engage in meaningful dialogue and to learn of the economic vision set out by governments for ACP countries. We are not serving contradictory ends. I am a doer and am determined to end the year with even more progress on EPAs. For this, I need you to match or even outdo my ambition.

**For further information on Economic Partnership Agreements:**

<http://ec.europa.eu/trade/policy/countries-and-regions/development/economic-partnerships/>