Rejoinder: "Yes; international agreements must not sink our fortunes" by William Hanna, Ambassador of the European Union to the Republic of Ghana

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Dear Editor,

A year after the ratification by the Ghanaian Parliament of the interim Economic Partnership Agreement with the European Union, your leading article and editorial of 9 August highlight continuing worries about the agreement. However the concerns do not appear to be based on the content of the agreement, but rather on a perception that the Ghanaian negotiators were in some way "cajoled", "black-mailed" or "forced" to enter into an agreement which supposedly has "hidden clauses".

In my view the Ghanaian negotiators deserve credit for the deal they struck, and this can be seen by analysing the text of the agreement, which is public.

During the long EPA negotiations the Ghanaian side asked to protect a number of sectors of the Ghanaian economy. The list includes chicken, goat and swine meat, tomatoes, sugar, palm oil, cocoa powder, soap, woven and printed fabrics of cotton, flour, frozen fish and beer. All of these sectors were excluded from the agreement.

And if -despite all these precautions - any sector in the Ghanaian industry is disturbed by the implementation of the iEPA, Ghana can invoke safeguard measures and reintroduce duties to protect that sector.

Why did the EU agree to these restrictions? The reason is that the EU and Ghana are not competing in the same areas. Indeed the idea that we are running in a race, as your editorial puts it, some of us "crawling on all fours" and others on two feet, is misleading.

Ghana is today competing for part of the EU market with other countries in Asia, Africa and Latin America that produce similar products. And it is already a winner in this competition, as shown by its high level of exports to the EU, including in transformed products. As for the Ghanaian market, EU companies are only competitive in areas where Ghana is not already a producer, such as heavy machinery.

In fact, rather than being an agreement that favours the EU, the iEPA is heavily skewed in favour of Ghana. The EU gives 100% market access from day one, whereas Ghana liberalizes to 80% over a long time period.

Why did the EU agree to an agreement which is lob-sided in favour of Ghana? The reason is that that we do not see this agreement as an end in itself. We see it as the way to support sustainable development in Ghana.

The iEPA is about protecting 100,000 jobs in the export sector and creating more jobs in all sectors. It is about lowering the costs of investment and attracting new investors. It is about partnerships
between small-holders – for example farmers producing fruit - supplying companies that are big enough to compete on the international market, and to sell throughout Europe. It's about the future of Ghana "beyond aid", relying not on charity or hand-outs from Europe, but on new trade and investment.

The EU has a long term partnership with Ghana under the Cotonou Convention, and our commitment to sustainable development has recently been renewed with the new SDGs. But perhaps today, more than ever before, Europe has an interest in seeing young Ghanaians find decent well-paid jobs here in Ghana, rather than risking their lives, as many do, trying to cross the Sahara, only to drown in the Mediterranean Sea, profiting unscrupulous traffickers and criminals.

Your article sees Ghana as "losing out" through the EPA, and repeats an unsubstantiated claim that Ghana will lose "some US$ 300 million in revenue". However the only serious study I have seen, carried out in 2015, concluded that the revenue gains from increased direct taxation would more than compensate any revenue loses form tariff reductions. It also pointed out the effects of the EPA would be largely positive, particularly for manufacturing industries in Ghana that employ many workers.

Last week I visited a banana plantation in Eastern region employing 2,000 workers, and saw for myself how production is today increasing, with new investment in high value organic production, for which there is growing demand on the EU market. This investment is protecting thousands of jobs and creating more. It is only possible because of the iEPA.

If you examine the iEPA between Ghana and the EU, and compare it with other trade deals the EU has concluded with partners around the world, you will find it is the most favourable example. If you then compare it with trade arrangements that Ghana has negotiated with other regions of the world, you will find that no other partner – neither in Africa, America nor Asia – has concluded anything like as favourable a deal for Ghana. The iEPA gives 100% duty free access for all Ghana’s exports to the EU, whether agricultural or manufactured. No one is giving Ghana better access to its market.

My personal view – after 40 years working in eight different countries all over the world, some poorer than Ghana and some richer –is that nations have a choice of whether to look to the past or to seize today’s opportunities. You may, of course, look back to the 1840s. My own country, Ireland, also suffered in those years, when millions died of famine or were forced into exile. But today, while we remember the past, we have chosen to look forward, in a new partnership with the European Union, based on shared values of democracy and respect for human rights, and bringing jobs and prosperity to our people. I hope that Ghana makes a similar choice and sees the iEPA for the opportunities it presents. The EU and its Member States in Ghana are working together with all stakeholders to take advantage of these opportunities, including civil society, Ghanaian businesses and all companies who believe in Ghana as a place to invest and produce.

I was struck recently by a quote from the writer C.S. Lewis, retweeted by a Ghanaian commentator. He wrote "You can’t go back and change the beginning, but you can start from where you are and change the ending".

William Hanna, European Union Ambassador