

Distinguished Guests

Our Presenter this morning, Dr. Peter Draper from the South African Institute of International Affairs

Ladies and Gentlemen,

I have the honour to welcome you this morning to the 9th Public Dialogue on Trade – a joint venture between the Agricultural Trade Forum, the Namibian Manufacturers Association and the Friedrich-Ebert-Stiftung.

I believe it was a convicted murderer on death row who once said that “it helps concentrating your mind, if you know that you are going to be hanged the next morning at the break of dawn”. I am not sure, if this is where the word “deadline” actually comes from. But what is sure is that deadlines very often are an important tool to concentrate minds and get things moving – and trade negotiations are no exception to that rule. In the negotiations between the EU and the six groupings of ACP countries which are currently negotiating so-called “EPAs” – Economic Partnership Agreements – or rather reciprocal, albeit asymmetric Free Trade Agreements (FTA), if you don’t want to use that euphemistic language – there is the end-of-2007-deadline.

End of 2007 is the deadline by when the “waiver” from WTO-rules requested by the EU under the Cotonou Agreement for the extension of unilateral preferences for ACP countries (from the old Lomé IV Convention) will come to an end. This is therefore the deadline by when the current EPA – negotiations have to be completed and new, WTO-compatible agreements have to be in place. The downside to deadlines, however, is that you sometimes are rushed into concluding something, which you come to regret afterwards.

This is why it is most appropriate that ACP and EU in July this year jointly decided on the mandate for the mid-term review of the current EPA negotiations. This mid-term review is a formal exercise scheduled when the EPA process was launched in 2002 and which – I think – should have officially started in September. At the insistence of ACP countries both sides agreed on a “comprehensive, consultative and inclusive review” that must include the ‘structure, process and substance of the negotiations, the trade and development dimensions, as well as the capacity and preparedness to conclude EPAs’.

Well I don’t know if and how this formal review process is currently taking place, if it is actually taking place in the spirit of the joint ACP/EU declaration of July or if it is taking place at all. But our meeting this morning is our small contribution to a public review of the current negotiations, at least within the Namibian context.

Like the currently stalled Doha “development round” of multilateral trade negotiations at the World Trade Organisation (WTO), EPAs are supposed to somehow marry trade and development, bring about development through trade. One major plank of the EU’s concept on EPAs is that EPAs should reinforce regionalism, regional integration among sub-groups of the African, Caribbean and Pacific states. In its negotiating mandate the EU recognizes that ‘economic and trade integration shall build on regional integration of ACP states’ and ‘shall take into account the regional integration processes within the ACP’.

Critics of the EU however maintain that in the Southern African region, at least, the effect of the EPA-negotiations is pointing in completely the opposite direction. The insistence on creating EPAs, according to this view, is driving a wedge between Southern African countries, halting rather than accelerating integration, splintering regional alignments and forcing countries to choose the body through which they negotiate with the EU. These problems of overlapping memberships and overlapping trade agreements are particularly pronounced in the case of Southern and Eastern Africa. From the beginning it was clear that the position of the BLNS states as both de facto participants in the Trade, Development and Co-operation Agreement (TDCA) between South Africa and the EU and potential members of a wider EPA would cause problems. Currently the parties to the SADC Trade Protocol which foresees a common free trade area by 2008 and a customs union by 2010 have split into three groups in their trade negotiations with their major trading partner, the EU. While SACU-members (with the exception of South Africa) as well as Angola, Mozambique and Tanzania are forming the SADC-EPA group, other SADC-members, namely Madagascar, Malawi, Mauritius, Zambia and Zimbabwe are negotiating under the banner of the ESA-group, while the DRC is part of the Central African Group.

Is the EU therefore undermining or strengthening regional integration in Southern Africa?

And what are possible solutions out of the current mess that some critics see the current negotiations in? Would an extended SACU for instance be an alternative to overcome the problem of overlapping memberships?

These and other issues will be raised in this morning’s discussion. I am sure that Peter Draper, a leading trade specialist in the region will be in a position to disentangle the complex web of issues in order to help us to see the wood before the trees.

(Vote of Thanks).