



Report

11th Public Dialogue on Trade

End of current EU Preferences: What would be the Economic and Social Impact for Namibia?

26th April 2007 - 8h00 - 10h30
Nampower Convention Centre, Windhoek

1. The meeting was attended by 56 interested persons, ranging from Heads of Delegations, senior officials of the diplomatic corps, Members of the Namibian Parliament, high level officials from Namibian Ministries, officials from NGOs in Namibia, private sector representatives and members of the local press. The Deputy Minister of Agriculture, Water and Forestry, Honourable Paul Smit, MP, gave the opening speech.
2. The Honourable Deputy Minister of Agriculture, Water and Forestry, Mr. Paul Smit, opened the Public Dialogue with introductory remarks. Namibia, a developing country being part of the WTO, can only export to the European Union on preferential market access if she is offering market access to European exporters too. Mr Smit emphasised the linkage between the Free Trade Agreements under negotiation with the possible outcome of the Doha Development Round of the WTO and made special reference to the objectives of the current WTO negotiations that are focused on the development of "Least Developed" and "developing countries" in the world. He pleaded for a win - win situation in the current negotiations of the Free Trade Agreement between the European Commission and the SADC - EPA, and referred to the role of trade on the development of the agriculture and fishery sector in Namibia. Mr. Smit also highlighted the role of the Agricultural Trade Forum in supporting the negotiations that are essentially conducted by Government. But Government does not trade and the views of the private sector are important to trade negotiators.
3. Dr. Mareike Meyn, senior researcher from the Overseas Development Institute from the UK, then delivered her lecture on "*The possible end of current EU preferences: What will be the economic and social impact on Namibia?*"
4. Dr. Meyn gave this lecture as the result of a consultancy commissioned by the ATF and financed by the NTPP of DIFD and summarised the findings thereof, as a part of the consultancy conditions.

5. Dr. Meyn stressed that in the unlikely case of the total loss of preferences, Namibia stand to loose a yearly amount of Euro 43,5 million - most of it by the meat export sector (Euro 31,3 million) and that under the present scenarios meat export to the EU would come to an end, because of the economic consequences of a very high MFN tariff for meat, while both fish and table grape exports will qualify for GSP and possibly in 2008, for GSP+ preference. The GSP preferences would not place Namibia in a competitive position with other developing (and even developed) countries who are exporting the same commodities to the European Union markets.
6. In summing up her presentation, Dr. Meyn stated that ODI research indicates that the loss of current EU preferences is likely to have negative economic and social effects. Namibia's major agricultural exports to the EU would be put into a less favourable position than those of her major competitors - of which all are more advanced economies.
7. After Dr. Meyn's presentation, a lively discussion took place, showing the interest of the audience in trade issues but also clearly showing the fear of possible preferential market access loss that is very central to market development of the especially Northern Namibian markets.
8. The "first price" for Namibia in the negotiations in the wider framework of the SADC - EPA will be a written agreement on at least the market access (for both the EU and the SADC - EPA member countries at the end of 2007, giving Namibia the opportunity to utilise the offer from the European Commission for Duty Free and Quota Free access, that will lapse at the end of 2007.
9. This was extensively debated by the participants and quite a few ingenious proposals were tabled, inter alia the issue of market diversification for Namibian agricultural export products was high on the discussion agenda.
10. The Hon Deputy Minister closed the discussion by emphasizing the will of Namibia to come to a concluded market access agreement by the end of 2007 and the necessity to achieve this objective through a public - private sector combined effort. A win - win outcome of the negotiations is the best option for all participants in the negotiations. Minister Smit also highlighted the necessity of the public dialogue meeting by the ATF and the Friedrich-Ebert-Stiftung and commended the FES for its active role in the public sector dialogue.
11. Ms. Sylvia Mundjindi, the Project Officer of the Friedrich-Ebert-Stiftung then spoke on behalf of the sponsoring organisation. In her statement, she emphasised that SADC - EPA member states should be made aware of the advantages and disadvantages that can be accrued from the EPA negotiation agreement. She appealed to the European Commission and Union to seriously consider the December time frame and to wait until most countries are ready to commit themselves to a negotiated EPA agreement. The social costs of the possible loss of preferences could be high, not only in economic and social terms, but also in loss of human dignity due to the possible loss of employment for many workers. Losses in preferential market access will also

- influence the development objectives of the Namibian Government as enshrined in its policy instruments such as Vision 2030 and the NDP 3.
12. In the end, Mr. Hoffmann, the trade advisor of the ATF made some closing remarks, highlighting the constraints that are inbuilt into the current configuration of the SADC EPA, which, in its present format, does not contribute to regional integration in Southern Africa. Although the official negotiation calendar and the original roadmap for the conclusion of the Free Trade Agreement were derailed by concerns over the regional integration configuration of the SADC EPA (and some issues have still not been resolved) the solution to further market access lies with the speedy conclusion of the technical part of the negotiations that may open the way for unhindered market access for Namibian agricultural products to the markets of the EU. He stressed that the negotiations are not about numbers or percentages but about the expectations of people, mostly rural poor people.
 13. He thanked the Dr. Meyn and the FES, and especially also the work of the secretariat of the FES in organizing this events, and also thanked the audience who, through well formulated comments and questions, enabled a lively discussion after the presentation.
 14. Mr. Hoffmann gave a special vote of thanks to the Hon. Deputy Minister of Agriculture, Water and Forestry, who, in spite of a heavy workload, made time to attend and guide the meeting.
 15. In closing the meeting, Mr. Hoffmann reiterated that the ATF and the FES will work further together to inform and educate the people of Namibia on trade issues.
 16. The 11th public dialogue meeting of the ATF closed at 10:30

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