



## REPUBLIC OF NAMIBIA

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### MINISTRY OF TRADE AND INDUSTRY

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Tel: + 264 (061) 2837111  
Fax: + 264 (061) 220227

Private Bag 13340  
Windhoek

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### Media Release

#### **INTERIM ECONOMIC PARTNERSHIP AGREEMENT WITH THE EUROPEAN UNION INITIALED BY NAMIBIA**

The Ministry of Trade and Industry wishes to inform the public that Cabinet has approved that the Interim Economic Partnership Agreement with the European Union can be initialed by Namibia, accompanied by a statement that would be appended to the agreement and which indicates that the Republic of Namibia has initialed the Interim Economic Partnership Agreement on the understanding that concerns which Namibia had identified throughout the negotiations of the Interim Economic Partnership Agreement would be addressed through the negotiations towards a comprehensive Economic Partnership Agreement.

This agreement was accordingly initialed by the Namibian Ambassador to the European Communities, Ambassador H.B. Rumpf, on 12 December 2007, in Brussels, Belgium.

This decision follows from further liaison with the European Commission and discussions during the EU-Africa Summit in Lisbon, Portugal, 8-9 December 2007. Confirmation was obtained from the European Commission that the Interim Economic Partnership Agreement would be revisited during the next stage of negotiations towards a comprehensive Economic Partnership Agreement, thus providing the opportunity to address concerns that Namibia, and other SADC States, had identified concerning the Interim Economic Partnership Agreement.

The implications of initialing the agreement are that Namibian exports would continue to be granted preferential market access into the European Union. It is anticipated that such preferential market access, namely duty-free, quota-free access, would apply from 1 January 2008, subject to the completion of internal administrative procedures of the European Commission, alternatively "within a few weeks thereafter" according to the European Commission.

Additional information in this regard will be provided to Namibian exporters as soon as possible.

Namibia will continue to engage the other SADC States and the European Commission to find solutions for issues in the Interim Economic Partnership Agreement with long-term detrimental policy implications for Namibia. These issues include, but are not limited to, the non-negotiable Most Favoured Nation treatment provision sought by the EC; the freezing of export taxes/levies/charges and thus our ability to use such measures as incentives for value addition and manufacturing; the abolition of quantitative restrictions on imports with impacts on cereal production and thus food security in Namibia; inadequate provision made for Infant Industry Protection; the abolition of restrictions on local content in manufactured or processed goods; and the modalities of administering the free movement of goods within the SADC EPA States in a manner that may not be compatible with our current Southern Africa Customs Union (SACU), or would predicate the modalities for a future SADC Customs Union.

Namibia and other States who have initialed the agreement are expected to provide reciprocal market access to the European Union no later than 1 July 2008, according to an agreed schedule of tariffs and a period over which such tariffs would be phased down towards full liberalization.

The next stage of negotiations towards a comprehensive Economic Partnership Agreement is expected to commence in 2008.

M. Lindeque  
Permanent Secretary