

Meeting on Economic Partnership Agreements between TRID and ECA's Sub Regional Offices

Remarks

Remarks by Ms. Lalla Ben Barka, Deputy Executive Secretary,
Economic Commission for Africa (ECA)

On the Official Opening of the Coordination Meeting on Economic Partnership Agreements between TRID and ECA's Sub Regional Offices, Addis Ababa, 29 July 2004

Dear Colleagues, I would like to take this opportunity to first welcome those of us who have joined us from our various Sub-Regional Offices. We at Addis Ababa recognize the important role you play of ensuring the presence of ECA at the country level, as that is where our work really matters.

Let me also thank the TRID team here at Addis Ababa, led by their Director, Mr. Hakim Ben Hammouda for organizing this meeting. As you are aware, the ECA Secretariat has been very busy in the last few months with meetings related to African Ministers of Finance in Kampala and those of Trade in Kigali. And just recently the African Union Heads of State Summit was held here in Addis Ababa. In spite of the pressures of these activities, the Divisions of ECA, including TRID, have continued to ensure that their programmes run on schedule. TRID has in the last one and half week also been intensely involved in providing support to the African Negotiators for the on-going General Council of the WTO, and has also been preparing for the Doha Round modalities negotiations in anticipation of a positive outcome on the framework agreement. Also, the Division spearheaded the successful launch of ECA's ARIA globally and within the continent.

Dear colleagues let me now turn to the more substantive issue of why we are gathered here today. We are here because of yet another important issue, and that is, the Economic Partnership Agreements (EPAs) negotiations between the European Union and the various African Regional Economic Communities (RECs).

As you are aware, the Cotonou Partnership Agreement (CPA) between the EU and the ACP countries, expected to succeed the expired Lome Agreement, envisages the signing of EPAs by December 2007 between the EU and different groupings of the ACP countries. The EPAs, will be the CPA development vehicles and are expected will address trade barriers, supply-side constraints in the ACP countries, and the question of WTO compatibility.

The EPAs are expected to engender four key principles: reciprocity; differentiation; deeper regional integration; and coordination of trade and aid. For African countries, there are some challenges in achieving these principles.

First, if the principle of reciprocity is to be entrenched in the EPAs, it means there will be loss of fiscal revenues as most countries source their imports from the EU, and collect substantial import duties. Moreover, the nascent African industries will face serious and possibly fatal competition from EU companies producing similar commodities.

Second, Africa faces limited negotiating capacity given that the Doha Development Round is expected to be running parallel to the EPAs negotiations. This creates the possibility of these countries being unable to undertake thorough analytical work that would strengthen their negotiating positions.

Third, in spite of the limited negotiating capacity, these countries are expected to ensure there is consistency with the Doha Work Programme outcomes given that some areas under the EPAs

negotiations happen to be among the most controversial at the multilateral level.

It is in view of these challenges, that I welcome the initiative of TRID to undertake a study that will address some of these issues. This ECA study will provide results that will assist African negotiators overcome some of the limitations that the individual African countries currently face.

The ECA work will also aim to uncover the countries and sectors that are likely to gain and/or lose from the EPAs. By estimating welfare and revenue effects, the ECA study will provide information that can be used to find an optimal trade-off between welfare and adjustment costs. The study will come up with reports tailored to each of the RECs in Africa currently negotiating with the EU. As such, the study not only endeavours to look at the crosscutting issues, but also hopes to provide recommendations that are REC specific.

I strongly welcome this collaboration between TRID and the SROs, and it is my sincere hope that with this collaboration you will be in a position to expeditiously complete the study whose concept and methodology you are discussing today.

I wish you all productive deliberations and look forward to receiving the finalised report from the study.

Thank you,
