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## THE NATIONAL ECONOMIC DEVELOPMENT AND LABOUR COUNCIL

### **MEDIA RELEASE**

#### **STATUS ON NEGOTIATIONS WITH THE EUROPEAN UNION ON THE CONCLUSION OF AN ECONOMIC PARTNERSHIP AGREEMENT (EPA) BETWEEN THE EUROPEAN UNION (EU) AND THE SOUTHERN AFRICAN DEVELOPMENT COMMUNIT (SADC)**

**05 December 2007**

South Africa's participation in the EPA negotiations premised on the principle of supporting regional integration in Southern Africa while consolidating the region's trade relations with the EU. This principle has guided our participation in the process over the past year of negotiations.

The NEDLAC social partners express deep concern at the recent developments in the negotiating process towards a SADC-European Community (EC) Economic Partnership Agreement; the concern is that the potential outcome would undermine regional integration prospects in SADC and create divisions in the Southern African Customs Union (SACU) that would threaten the future of this institution.

All of the main pillars of the SADC-EPA group mandate as agreed by SADC-EPA trade ministers in the "SADC-EPA Strategic Framework Document" of February 2006, have been breached. In the EC's approach, South Africa will continue to be divided from the region; Least Developed Countries (LDCs) are required under the EPA to reciprocate market access of up to 80%, while the negotiations in the WTO Doha round offer LDCs non-reciprocal duty free access.

The EC has also insisted on including new generation trade issues, some of which were removed from the Doha negotiating round because of concerns around their developmental implications.

It appears that the emphasis from the ECs side is less a commitment to meaningful development than to seeking a narrow commercial market access agenda and set of ambitions. The consequences of the EC approach is that SADC members are being faced with an unenviable choice between accepting

onerous obligations in exchange for maintaining current market access preferences.

Last minute new demands from the EC, tabled under the threat of the year-end deadline, threaten to push SADC-EPA member states far beyond an acceptable outcome. Some of these demands create new divisions in SADC with respect to services and investment commitments while others create divisions within SACU.

Further these demands will undermine the trade policy sovereignty of countries in the region and bind them into an unbalanced and inequitable arrangement with the EC.

NEDLAC partners are convinced that the year-end deadline is neither a political, technical decision nor a legal requirement of the WTO. We further believe that with political goodwill from all sides, it is possible to extend the negotiations into 2008 without eliminating African Country Preferences (ACP).

This extended period could be used to re-engage the negotiations with a view to ensuring that the outcome supports and does not undermine regional integration development and at the same time consolidates the regions' trade relations with the EU.

NEDLAC partners express solidarity with Namibia's principled decision to resist an unfair EPA outcome.

NEDLAC partners call upon the South African public and like-minded civil society around the world to support the extension of the negotiations in order to achieve a balanced and fair developmental outcome.

Further Enquiries

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