

## **ACP PRESS STATEMENT 2 - ACP expresses concern on most aspects of EPAs**

June 9 2008

The 87th African, Caribbean and the Pacific (ACP) Council of Ministers Meeting in Addis Ababa, Ethiopia opened today (June 9th) with the Group expressing concern about the way most aspects of the Economic Partnership Agreements (EPAs) have progressed.

The President of the Council of the Ministers and Minister In Charge of National Solidarity of Djibouti, Mr Mohamed Ahmed Aweleh, when opening the meeting said the EPAs in their current form risk distorting regional integration.

In hopes of meeting the 2007 deadlines for completing negotiations on the EPAs, the European Commission and the ACP states were pressured by time and ended up signing interim agreements in smaller trading blocs or individually rather than the groups originally intended in order to meet the Dec. 31, 2007 deadline.

This was done in order to avoid disruption for ACP non-LDCs following the expiry of the Cotonou Trade provision and WTO waiver on Dec. 31, 2007.

Mr Aweleh highlighted that a recent African Union Trade and Finance Ministers Meeting in Ethiopia identified certain clauses in some of the completed EPAs that need to be reviewed.

The recently concluded Conference of African Ministers of Trade and Finance identified and enumerated 10 clauses that have to be revised or removed altogether in the present texts. These clauses include: how substantially all trade is to be defined. LDCs are seeking greater flexibility, to be allowed liberalization of fewer goods and longer transition periods. The issue of national treatment, where the EU and ACP goods and economic operators will be treated equally in ACP States and free circulation, of goods are also contentious. The demand for export taxes, in ACP States is also causing a problem as in the issue of bilateral safeguards.

The MFN Clause is another litigious issue where ACP States will be expected to confer the same terms and benefits that they may re-negotiate and agree with third parties in the FTA. Other controversial issues related to standstill and non-executive clause.

Mr Aweleh stated that as it stands EPAs could also discourage the integration of the ACP regions.

In a recent meeting with EU Commissioner Louis Michel, the Acting Chairman of the Committee of Ambassadors and Ambassador of Ethiopia to Belgium, HE Mr. Berhane Gebre Christos, said that a most serious concern is that the EPAs, as they currently stand, will no doubt present obstacles to regional integration.

Only the CARIFORUM and the EAC have all members joined the EPA and accepted identical liberalisation schedules.

He added that for the rest of the ACP regions serious problems are being encountered in moving ahead with the process at the regional level.

ACP Council of Ministers on the second day of their meeting highlighted similar problems.

Meanwhile, the Council President also highlighted concerns on the continuing rise in the price of basic foodstuffs.

Mr Aweleh called on the international community to help ACP countries address the problem.

He also wanted development partners to honour their financial commitments to ACP countries.

Seventy-nine ACP states are currently attending the Addis Ababa Meeting at the ministerial level.

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