



## WTO agri talks start again

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WTO held its annual 'Agricultural Week' in April and, it was hoped, that negotiations on this key aspect of the Doha Agenda would start again. The Chair of the Committee somehow captured the essence of the process by saying that he was at least happy that things were not going 'backwards'.

Market access remains the main sticking point with countries still nowhere near agreement on how to handle tariff cuts. Moves by the EU and USA to promote a so-called 'blended' approach to tariff reduction have stalled. The blended approach is a mix of formulas for tariff reduction. This method is not preferred by many developing countries. Another, similar approach to tariff reduction, 'tiered', has also failed to gain momentum among members. This method, suggested by

the Group of 20 developing countries including South Africa, divides tariffs into bands depending on the current bound rate and subjects each band to a simple average and minimum reduction.

On export competition, progress seems possible, with the EU promoting the concept of 'parallelism'. This means that all forms of export support (credits, guarantees, insurance, food aid and state trading enterprises) would be considered as equivalent. This approach at least offers some hope of a framework for resolution of members differences.

What next?

The Chair of the Agricultural Committee will now produce a framework paper for future negotiations. This document should be finished by July 2004.

In the mean time, with discussion moving forward at a snails pace in the Agricultural negotiations, the whole WTO process remains bogged down.

The response of the larger developed members is clear; the USA and the EU are pushing forward with Free Trade Agreements. Key WTO members continue to hold 'blue-room' meetings among themselves to seek a way forward.

Perhaps the most important event in recent months for the developing countries is that a WTO panel has found in favour of a complaint by Brazil that payments by the USA to its cotton farmers depress world cotton prices. This could signal a change in the balance of the negotiations if reductions in agricultural subsidy were likely.

### Membership of the ATF includes:

- NNFU
- NAU
- Meatboard
- Agronomic Board
- NEPRU
- Ministry of Trade and Industry
- Meatco
- Namib Mills
- Ministry of Agriculture, Water and Rural Development

## EU inspection highlights SPS/trade issues

A long-awaited inspection by the Food and Veterinary Office (FVO) of the European Union took place in November 2003.

The detailed inspection entailed visits to border control posts, farms, livestock auctions, abattoirs and state veterinarians' offices.

The inspection revealed deficiencies in the Namibian veterinary system that were se-

vere enough to warrant an immediate suspension of meat exports. The most immediate problems related to disinfection of livestock transport vehicles and maturation temperatures for meat at abattoirs; longer-term (but still serious) problems were staffing levels, staff training and the lack of a credible traceability system.

The immediate problems were

quickly addressed, and within a month meat exports were resumed. The Ministry of Agriculture will have to inform the EU in writing as to how and when long-term problems will be solved.

Namibia has learned an expensive lesson. Animal health issues are essential to trade, and having an effective and reliable Veterinary Services is still the best insurance policy.



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### SADC News

*SADC consists of 14 members: Angola, Namibia, South Africa, Swaziland, Zimbabwe, Malawi, Mauritius, DRC, Seychelles, Zambia, Lesotho, Mozambique, Botswana and Tanzania*

SADC to hold an extraordinary summit on Agriculture and Food Security.

At the SADC Council of Ministers meeting in Arusha, Tanzania in March 2004, Ministers agreed to hold a special meeting on agriculture and food security. This meeting, to be held in May 2004 will revamp the Regional Indicative Strategic Development Plan (RISDP) which proposes a SADC focus on enhanced agricultural and food security and poverty reduction.

SADC considers its GMO position

At a meeting in Johannesburg in January 2004, SADC experts met to conclude a memorandum of understanding on GMOs in the region. The SADC Advisory Committee on Biotechnology and Biosafety (SACBB) was created by the SADC Council of Ministers in response to the GMO food aid crises of 2002. The main objective of the committee is to harmonize regional policy on GMOs.

Members include experts on human health, environmental affairs, research, science, consumer affairs and trade.

It emerged that SADC members have a range of different policies and legislative arrangements for GMO's. Until these are harmonized, cross-border trade in certain agricultural commodities will be constrained in the region. The need for both trade and technical experts working in parallel to resolve these issues was agreed.

## News from the SACU Free Trade Agreements

FOCUS on the SACU MERCOSUR NEGOTIATIONS

The 4<sup>th</sup> round of the SACU-MERCOSUR Preferential Trade negotiations took place in South Africa, Pretoria from the 15<sup>th</sup> – 16<sup>th</sup> April 2004. SACU and MERCOSUR agreed to negotiate a Fixed Preference Agreement at this stage, rather than a full Free Trade Agreement given the sensitivities experienced by both parties.

In his opening address, SACU's chief negotiator, Mr Xavier Carim, stated that these negotiations will enable south-south co-operation in order to break out of the traditional trade with the north. Ms Moremi, SACU Secretariat's Executive Officer, stated that there are a lot of similarities between SACU and MERCOSUR and expressed her willingness to co-operate. MERCOSUR's Chief Negotiator, Mr R A Salafia, indicated that MERCOSUR is busy with negotiations with the EU and might have an agreement signed by October 2004. Bolivia, Chile and Peru

are associate members of MERCOSUR and Colombia is soon to become an associate member. MERCOSUR is also busy with negotiations with India and NAFTA.

Two negotiating groups met during the Round. One dealt with the draft text of the Fixed Preference Agreement and the other dealt with market access issues and information exchange. MERCOSUR expressed its wish for the Main Agreement (Fixed Preference Agreement) to be signed by Ministers at the MERCOSUR summit to take place in Buenos Aires during the 2<sup>nd</sup> week of July 2004.

Proposed texts included the Main Agreement and Annexes on Rules of Origin, Safeguards and Dispute Settlement, Sanitary and Phytosanitary Measures (SPS) as well as Technical Barriers to Trade (TBTs). Namibia instituted proposals and amendments to the text on the Main Agreement, SPS, Safeguards and Dispute Settlement Procedures. These were specifically focussed towards Special and Differential Treatment provi-

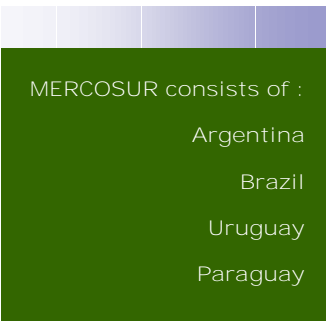
sions such as Infant Industry Protection and development initiatives.

In the Market Access Group an important observation was made by MERCOSUR. It indicated that there is no free movement of products within MERCOSUR if such products originate from outside the region. They are however busy with legislation to solve this problem. MERCOSUR could be a full customs union by 2010.

The parties also agreed to define their defensive interests in light of the other party's offensive interests. SACU provided a preliminary request list at the meeting and will submit a more specific list by the end of May 2004. MERCOSUR already submitted their request list during 2003 but indicated that this will be revised as well.

The two sides agreed in principle that there should be a balance in concessions.

The next round of negotiations could be before the MERCOSUR summit to take place in June 2004.



## What are Good Agricultural Practices?

A desire on the part of many consumers for products that are safe, morally acceptable and traceable back through to their origins on the farm has given impetus to the development of codes of 'good' practice in the agriculture sector of many countries.

While good agricultural practices ('GAP') have been formulated for the livestock sector in some developed countries, the existence of GAP schemes for livestock are rare in the developing world.

One such scheme that does exist in a developing country is the Farm Assured Namibian Meat Scheme (FAN Meat) in Namibia. FAN Meat elaborates standards for animal health, nutrition, welfare, traceability, farm management and farm record keeping. It was the existence of FAN Meat, coupled with a need to raise awareness of GAP in the SADC region that prompted a workshop on GAP for the livestock sector in Namibia.

The workshop covered a vari-

ety of topics, including the nature of GAP, the forces driving it, the development of GAP in SADC countries, the trade dimensions of GAP and the future of GAP.

The outcome was a regional commitment to Good Agricultural Practices in the livestock sector. It emerged that there is a need for the development of a set of basic regional standards and further GAP training in the region. Support for this has been offered by the FAO.

Good Agricultural Practices (GAP) are a collection of principles to apply for on-farm production and post production processes, resulting in safe and healthy food, while taking into account economical, social and environmental sustainability



## EU launch public consultation on EPA's

An EU-Namibia information seminar was held on the 5 March 2004 at the Safari Court. The topic was 'Namibia & Economic Partnership Agreements (EPA) with the European Union (EU)'.

Under the proposed EPA, Namibia will be required to open its markets to EU goods. This is called 'reciprocation'. Previous agreements between Namibia and the EU were not recipro-

cal. The WTO requires reciprocity for such agreements.

In his opening address, the Hon Deputy Minister of Foreign Affairs, Dr Kaire Mbuende, acknowledged the need for reciprocity but stressed that the principle of Special & Differential Treatment (SDT) should be part of the negotiations.

The EC Ambassador to Namibia, HE Antonius Brueser, observed that, although the EU is the destination for 60%

of Namibia's exports, there is still room for improvement. He went on to say that the EU will maintain market access for Namibian exports and take into account SDT and agricultural subsidies.

Important areas highlighted in the discussions were Market Access, Reciprocity and Technical Barriers to Trade (TBT).

The EU-Namibia EPA negotiations will be launched in Namibia during 2004.

New Economic Partnership Agreement between SADC and the EU to be launched in Windhoek in July 2004

## Useful Trade Web sites

The EU's rather daunting web page is <http://europa.eu.int/>. Most of the information you might want on trade is available through the 'External Trade' portal ([http://europa.eu.int/comm/trade/index\\_en.htm](http://europa.eu.int/comm/trade/index_en.htm)). Of particular interest to those wishing to sell to the EU is the new 'Expanding Exports Helpdesk' which explains a lot about how to get products into the EU. [http://europa.eu.int/comm/trade/issues/global/development/thd\\_en.htm](http://europa.eu.int/comm/trade/issues/global/development/thd_en.htm)

If you want to know what the tariff is on a particular export commodity, then you should search the TARIC lists of fixed and variable tariffs. Be careful to read the fine print since numerous complex exceptions often apply. [http://europa.eu.int/comm/taxation\\_customs/dds/en/tarhome.htm](http://europa.eu.int/comm/taxation_customs/dds/en/tarhome.htm)

The EU trade site is also a good place to find out about problems selling to other countries since they keep a very close watch on non-tariff barriers around the world.

[http://europa.eu.int/comm/trade/issues/respectrules/com\\_defense/index\\_en.htm](http://europa.eu.int/comm/trade/issues/respectrules/com_defense/index_en.htm) or <http://mkaccdb.eu.int/>

The EU applies strict sanitary and phytosanitary rules and these are constantly being changed. New regulations can be searched for using EULEX, but this can be time consuming. Alternatively, the EU Delegation in Namibia library will allow you to view a CD version of EULEX, which is much faster. <http://europa.eu.int/eur-lex/en/index.html>



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Namibian Agricultural Trade Forum

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## Up coming trade activities - the work programme (May - July 2004)

### SACU CUTT:

Meetings to finalize Customs Co-operation issues and Annexes on Unfair Trade Practices with third parties. Ratification by RSA and Swaziland and depositing of instruments by all SACU members to be finalized.

### SACU:

The SADC Extra-ordinary Summit on Agriculture & Food Security is scheduled for the 2<sup>nd</sup> week of May in Dar Es Salaam, Tanzania. The Hon. Minister of the MAWRD will attend.

A SADC Trade Negotiating Forum is to take place during May 2004. Issues on the agenda include Rules of Origin, Market Access issues and SADC-EU EPA Negotiations.

A SADC Workshop to Review the Consultant Report on the SADC Food Reserve Facility is to take place sometime in May in Gaborone, Botswana.

The SADC ICM (Integrated Committee of Ministers) will

be meeting from 14-18 June in Gaborone, Botswana. The FANR Directorate will also meet and therefore the Hon. Minister of Agriculture of Namibia will also attend.

A Regional meeting on SPS and the SADC Trade Protocol is scheduled for end July 2004 in Gaborone, Botswana.

### OIE:

The 72<sup>nd</sup> General Session of the International Committee of the OIE is to be held from 23-28 May 2004 in Paris, France.

### SACU-MERCOSUR FTA:

The next round of negotiations could be before the MERCOSUR summit to take place in July 2004. The aim is to finalize the first phase of negotiations of the Fixed Preference Agreement Round.

### UN:

The 11<sup>th</sup> UNCTAD Summit is scheduled for 15 – 19 July 2004 in Sao Paulo, Brazil. The Namibian Negotiating Team will attend this in conjunction with Round 5 of the MERCOSUR-SACU Negotiations.

### SACU-USA FTA:

Round 5 will take place in Maseru, Lesotho from 2 – 9 May 2004. Full negotiations on tariff concessions and requests/offers will start as soon as agreement on text and modalities is reached. Phase II issues will also be on the table. Round 6 will take place from 20 – 27 June 2004 in Atlanta, USA. The aim is still to conclude the negotiations by end 2004.

### Post Cotonou:

The launch of negotiations between the EU and SADC minus (BLNS, Tanzania, Angola & Mozambique) will be held in Windhoek from 4-8 July 2004. A Namibian Stakeholders Team will be created and preparatory meetings will start in May 2004. The negotiations must be concluded by December 2007.

A SADC-EU Joint Steering Committee Meeting on the Negotiations of EPAs will be held on 14 June 2004 in Brussels, Belgium.

An ACP Summit of Heads of State and Government will be

held at the end of June/ early July in Maputo, Mozambique.

### SACU-EFTA FTA:

Negotiations on line by line offers will start in mid-2004 with the aim of finalizing agreement by end of 2004. Round 4 is expected to take place from 7-11 June 2004 in Oslo, Norway.

### SACU-INDIA:

No negotiations are expected during 2004.

### WTO SPS:

The second regular meeting of the SPS Committee for 2004 is scheduled for 22-25 June 2004 in Geneva, Switzerland.

### WTO post Doha/Cancun:

The negotiations have been restarted and three more meetings be held during May-July 2004. The aim is to develop a draft Framework for the negotiations by end July 2004. The tentative schedule is as follows: 2-4 June 2004, 23-25 June 2004 and 14-16 July 2004.