



SADC Economic Partnership Agreement launched

Inside this issue:

| | |
|---|---|
| <i>SADC EPA launched in Windhoek</i> | 1 |
| <i>The SADC—EC Joint Roadmap explained</i> | 1 |
| <i>SADC news</i> | 2 |
| <i>SACU work on the all important Annexes</i> | 2 |
| <i>ATF makes its views heard</i> | 3 |
| <i>Useful Trade Web sites—NGO's</i> | 3 |
| <i>Namibia and Angola sign trade agreements</i> | 4 |
| <i>Schedule of future trade meetings</i> | 4 |

The Cotonou Agreement between the European Union and its former colonies that enabled Namibia to export Beef and other products through a preferential arrangement to the European Union market will come to an end by 31 December 2007. A new agreement called the African Caribbean Pacific (ACP), European Union Economic Partnership Agreement (EPA) will be negotiated.

At the outset of the negotiations the EU's made it clear that it wished to engage a group of countries rather than negotiate individual Economic Partnership Agreement

s with all the member states

This has prompted Namibia to get together with six other SADC countries to form a bloc that engages the European Union (EU) to negotiate the EPA. This SADC EPA configuration consists of Botswana, Namibia, and Swaziland from the Southern African Customs Union (SACU), plus Mozambique, Angola and Tanzania from SADC (the so called 'MAT'). Other SADC members are have elected to join other EPA configurations. South Africa is participating as an observer because she has an existing free trade agreement with the

European Union, the EU/RSA Technical Development Cooperation Agreement (TDCA)

The launch of the negotiations was held in Windhoek on the 8th of July this year and negotiations are expected to be completed by 2007 to enable the EPA to come into effect on the 1st January 2008.

The launch of the SADC EPA included the final agreed 'Road Map' for the negotiations (see below). A schedule for the negotiations was also completed and adopted at the SADC/EU EPA launch round of talks.

The SADC—EC Joint Roadmap explained

What is the Joint SADC-EC Roadmap for agreeing an EPA?

All EPA negotiations start with a 'roadmap'. This joint document agrees the objectives of the negotiations and the principles that will apply. In the case of the SADC EPA, it brings into being the Regional Preparatory Task Team (RPTA) made up of members from both sides and including both trade negotiators and, an important departure from other such negotiations, people involved in development aid from the EU. From the SADC side, the negotiations will be led by Botswana's Minister of Trade and Industry.

The roadmap agrees that parties will alternate their meetings between Brussels and the SADC region and that these negotiations will follow three stages:

Stage I:

Setting priorities & preparation for negotiation. July 2004—December 2004

Stage II

Substantive negotiations. January 2005—December 2007

Stage III

Finalisation. July 2007-December 2007

In stage one the parties will lay out their existing market

access, identify technical problems and define their sensitivities.

The second stage will be to reach common understanding on the substance of the EPA, which is potentially both a broad (eg, covering a wide range of issues) and a deep (eg, dealing with great detail of each issue) instrument. The final stage will involve enacting the necessary legislation to ensure the EPA comes in force in January 2008.

Assuming that this timetable is kept, Namibia will have a fully reciprocal, WTO compatible trade agreement with the EU in place by early 2008.

Full Membership of the ATF includes:

- Meat Board of Namibia
- Namibian Agronomic Board
- Namibian Grain Processors Association
- Namibian Milk Producers Association
- Namibian Agronomic Producers Association
- Feedmaster Ltd
- Namibian Orange River Table Grape Association



Southern African
Development Community

Towards a
Common
Future

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

SADC News

News from the SADC Council of Ministers and annual summit meeting.

Heads of state and Ministers met in a series of meetings in Mauritius leading up to the annual SADC summit for

2004.

Highlights for Namibia including setting-up a Regional Land Reform Technical Support Facility. The purpose of this committee is to solicit funds in support of land re-

form activities in member states.

The meeting also re-stated the SADC commitment to the targets set by the Extra-Ordinary Food Summit earlier this year.

Namibia and Angola sign trade agreements



Namibia and Angola have successfully signed two agreements in order to promote trade and investment.

The Two agreements are: an agreement on trade and economic cooperation between the two countries; and, an agreement on encouragement and reciprocal protection of investment. Under the agreement on trade and economic cooperation, the two countries have undertaken to make efforts to establish and increase the flow of trade in goods and services between

themselves. The following goods, where wholly produced in the territory of the countries, will receive preferential market access:

- Mineral products extracted from their soils.
- Vegetable products harvested or gathered in the countries.
- Live animals born and raised therein
- Products obtained from live animals therein
- Forest products harvested

therein

The agreement also stipulates that the two countries shall accord each other most favoured nation treatment on all matters related to trade in goods and services.

Under the agreement on the Encouragement and Reciprocal Protection of investments, the two countries have to promote investment through the investment protection. The agreement shall remain in force for a period of fifteen years.

SACU work on the all important Annexes

Even though the New SACU Agreement has been in affect since 2002, there remains much additional work to be done on completing the text. In particular, it was agreed that there should be a range of important annexes dealing with various aspects of trade and trade facilitation.

South Africa has gone ahead and drafted two of these annexes and has had them ratified by the South African Parliament. These are annexes on:

- national bodies
- and,
- the revenue pool

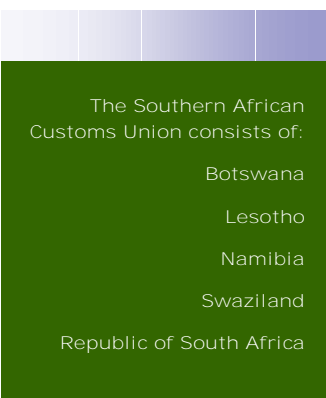
These two annexes have to be

ratified by the SACU Commission and the Council of Ministers at their scheduled meeting in September 2004. However, this is not a given and discussion by the Commission and the Council of Ministers may draw out the period until these annexes to the SACU Agreement will come into force.

Perhaps of greater interest to the agricultural sector, the 2002 SACU Agreement also makes provision for an annex to article 41 "Unfair Trade Practices". This annex will deal with the contentious issue of dumping. The drafting of this annex has been dele-

gated to Lesotho. SACU member countries are involved in a process to establish the definition of unfair trade practices and in how to address these under which article of the 2002 SACU Agreement, namely, Article 40, addressing SACU Competition policies and harmonisation of country specific Competition Acts, and article 41, addressing all practices that are otherwise described as dumping.

Lesotho has engaged the help of UNCTAD and a SACU Task Team has drafted a set of modalities for an annex agreement.



The Southern African
Customs Union consists of:

Botswana

Lesotho

Namibia

Swaziland

Republic of South Africa

ATF makes its views heard

The ATF and the Namibian Manufacturers Association made their concerns known to the negotiators on the eve of the formal launch of the SADC Configuration EU EPA negotiations. In a statement released to the press on the day before the Windhoek launch of the SADC EU EPA, stakeholders raised issues concerning tariffs, food safety, SPS requirements, rules of origin, the impact of the EU Common Agricultural Policy and reciprocity. They called upon the EU to agree to simple pre-emptive safeguards on sensitive products to prevent free trade leading to countries like Namibia being swamped by EU imports. They also demanded assistance to enterprises in Botswana, Lesotho, Namibia and Swaziland who have been adversely affected by tariff

reductions already committed to under the EU-RSA TDCA. On top of this, the stakeholders appealed for programmes to address the supply side constraints and the fiscal restructuring that have resulted from the TDCA and are likely to result from implementation of a SADC EPA.

In their reply, Ambassador Brueser, Head of the European Commission Delegation in Namibia welcomed the initiative shown by the ATF and promised that resources would be made available for dealing with supply side and SPS problems. He went on to agree that issues of market access, safeguards, rules of origin and the external effects of CAP reform would be included in the negotiations. In

reference to the text of the agreed Roadmap, he reiterated the text which states that the SADC – EC EPA will “preserve and improve the current ACP and EBA preferences in the EU market for SADC export, and all SADC countries should be better off following EPA negotiations”.

This encouraging response seems to indicate the willingness of the EU to engage in these negotiations with both state and non-state actors. However, on a more cautious note, the willingness of the EC negotiation team to move on issues of primary concern (such as reform to CAP) within the framework of these negotiations may or may not match the enthusiasm of their Namibian representative to engage the private sector.

“The SADC-EC EPA preferences in the EU market for SADC export, and all SADC countries should be better off following EPA negotiations”

Ambassador Brueser,
EC Head of Delegation,
Namibia

Useful Trade Web sites—NGO's

This issue will focus on NGO trade support networks.

In order to get their views across cost effectively, a number of NGO's work together on the issue of trade. Here are some examples.

The International Centre for Trade and Development (ICTSD) site is

<http://www.ictsd.org/>

is one of the most useful trade information sources on the web. It is possible to sign up to their weekly and monthly trade digests, called “BRIDGES” as well as a bi-weekly newsletter devoted to trade in biological resources, “BioRes”. ICTSD is a Geneva based NGO with funding from a consortium of international NGO's.

A related site is the Trade Knowledge Network

<http://www.tradeknowledgenetwork.net/>

with links to useful trade publications.

Within the SADC region, the best NGO source of information is the Trade Law Center (TRALAC) based in Stellenbosch. Funded by Swiss donors, this NGO provides regular news on local trade negotiations and in-depth analysis of issues of interest. The site is at

<http://www.tralac.org/>

The Institute for Agriculture and Trade Policy (IATP) is a USA based NGO focusing on trade, sustainable farming and the environment. They provide a useful monthly newsletter which give information on a wide range of food and agricultural trade issues with a US angle. The site is at

<http://www.iatp.org/>

Another site funded by a coalition of European NGO's is ‘EPAwatch which focuses on negotiations between the European Union and ACP countries. It is a useful source of updated official and unofficial documents on the EPA and a place where it is possible to see the views of other ACP members on their specific EPA negotiations and to compare notes. ‘EPAwatch’ is available at:

<http://www.epawatch.net/general/start.php>

The Namibian Stakeholders position paper is at:

http://www.epawatch.net/documents/doc220_1.doc

The separate section entitled “EPA ABC is a particularly useful introduction to all the terms and modalities of ACP-EU trade agreements.



 trade knowledge network



 trade law centre for southern africa centre de droit commercial pour l'Afrique australe centro de direito comercial para a África austral

 EPAwatch

A joint effort of the Agricultural Trade Forum and the Ministry of Agriculture, Water and Rural Development—improving trade opportunities for Namibian farmers

ATF

Namibian Agricultural Trade Forum

Incorporated Association not for gain, Reg. No.: 21/2003/690



Physical Address: Agricultural Boards' Building 30 Hochland Road
Postal Address: PO Box 5096
Tel Office: (+264) (61) 224741/2/3
Fax Office: (+264) (61) 225371
E-mail: jurgen@nammic.com.na

The contact point in the Ministry of Agriculture for trade issues is:

Mr Anton Faul e-mail: faula@mawrd.gov.na
Tel: 00 264 (0)61 2087673 Fax: 00 264 (0)61 2087767

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Up coming trade activities - the work programme (Sept-Dec 2004)

SACU

SACU Council of Ministers, Commission and Technical Liaison Committees to meet around end November, early December for the last time this year. Task Team on Wheat and Dairy to convene (together with Permanent Secretaries/Director General) to finalise a SACU position on Wheat and Dairy Rebates along with the Agricultural Liaison Committee meeting to be held early November 2004 in South Africa.. Meetings to finalize Customs Co-operation issues and Annexes on Unfair Trade Practices with third parties will take place in Lesotho, South Africa and Namibia for the rest of the year.

SACU-MERCOSUR FTA

The next round of negotiations will take place on 29 to 01 October 2004 in Brasilia, Brazil. The meeting will aim to finalise request lists and text on SPS, Dispute Settlement, Rules of Origin and Safeguards. The negotiations to conclude a Preferential Trade Agreement could be finalized by the end of the year at the MERCOSUR Summit in Brazil.

SACU-USA FTA

Round 7 is suppose to take place from 11-17 October 2004 in Botswana. However, the Heads of Delegation of SACU and the USA Negotiating Teams will convene before that in order to deter-

mine the negotiating calendar for the rest of 2004.

Post Cotonou

SADC states will undertake a familiarization visit to Brussels end September 2004. A Negotiating round is scheduled for mid-November 2004 to kick-start the negotiations and it is expected that officials of the negotiating teams would discuss the roadmap and the negotiating calendar as well as the framework agreement.

SACU-EFTA FTA

It is envisaged that negotiations on line by line offers will start at the next Round to take place in Pretoria from 6-11 December 2004 with the aim of finalizing the negotiations

by early 2005. The focus has shifted from a comprehensive agreement including Phase 2 issues such as Competition, Investment, Intellectual Property Rights and Government Procurement, to a FTA that deals only with Trade in Goods and Services.

SACU-India FTA

A Framework Agreement between SACU and India was signed in Windhoek mid-September 2004. It is expected that negotiations will start early 2005.

WTO SPS

The third regular meetings of the SPS Committee during 2004 are scheduled for 12-15 October 2004 in Geneva, Switzerland.