

EU partnering with Southern Africa

Most common exports from Namibia to the European Union include fish, beef and table grapes. However, without an agreement, when these products enter Europe, they immediately become between 15 and 100 percent more expensive with the addition of customs duties. If nothing is done, the same would soon apply for many important exports from the Southern African region to the EU, e.g. for sugar exports from Swaziland. That would be bad news for both African producers and European consumers, and it's certainly not the relationship that the EU wants to have with Southern Africa.

But change is underway. Today, we sign an Economic Partnership Agreement (EPA) that brings together six countries of Southern Africa and the European Union – the start of a new era in the trade relationship between us. As of today, common goals on trade will unite the 28 nations of the EU with Botswana, Lesotho, Mozambique, Namibia, South Africa and Swaziland.

Today's signature is a sign of the joint willingness of the EU and these Southern African countries to strengthen the ties between us, while basing our trade relations on a predictable business environment. Commonly agreed rules include areas such as customs procedures, sanitary measures, and technical barriers to trade. That, in turn, prepares the ground for economic growth and sustainable development.

Getting rid of customs duties for African exporters, big and small, is one reason why it is so important to get this agreement in place – the free, long-term and stable access for Southern African products to the EU market. Much of the existing procedures for trade between the EU and several countries in the region are about to expire.

A high priority of many countries in Southern Africa is also to diversify their economies – to broaden production to include a wider range of products and services. In this process, *imports* of certain goods become vital – industrial parts, seeds and machinery, for instance. Now import duties of many so-called intermediary goods will be significantly reduced, becoming more easily accessible to Southern African entrepreneurs.

Today's Economic Partnership Agreement is of an entirely new species – it is the first trade deal that directly supports the economic integration of a specific region. As we in Europe have experienced through trial and error over many years – the regional integration of markets is one of the most powerful drivers of prosperity, stability and growth that mankind has devised. So together, we have shaped this economic partnership in a way that favours closer links *within* the six Southern African nations involved.

We have also agreed on flexible so-called "rules of origin" for the Southern African producers. It will make it easier to put together products from components from other countries without risking losing one's free access to the EU market – something that will be important for countries such as Mozambique and Lesotho, for example. When producing and exporting canned fruit, for instance, the fruit can be now harvested in one country, then preserved and canned in another. Products in these value chains can also come from other so-called least developed countries, such as Zambia and Tanzania.

At the same time, while negotiating this deal we took full account of the economic and societal differences between the countries involved. This led us, from the EU side, to commit to eliminating much more of our customs duties than our Southern African partners. In short – the EU opens up its

markets far more, and far faster, providing free market access to the African countries involved. The markets of the six Southern African nations, meanwhile, are going to be only partially and very gradually opened to European products. The Southern African countries also retain their right to invoke protective measures – for instance to protect nascent, fragile industries or for food security reasons – safeguarding the region's right to pursue policies as it sees fit.

The overarching goal of our agreement is to spur sustainable development. In doing this, we build on principles of rule of law, respect for human rights, and democracy enshrined in the Cotonou Agreement of 2000. A specific chapter upholds workers' rights and covers environmental protection, for instance by supporting best practices in forest management and sustainable fishing. Civil society will have a special role in monitoring the impact of the agreement.

After today's signature, we must make sure that the agreement actually delivers. The European Union is ready to assist its African partners to overcome challenges in putting this agreement in place. Going forward, our new, joint institutions will ensure the smooth handling of all trade issues and support a deepened dialogue between us. Today's signature marks the end of a long process, but it is rather a beginning – we are creating a partnership in the true sense of the word.