



# **Africa Regional Workshop on WTO Negotiations Trade Preferences : EPA /WTO Negotiations**

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# CHARACTERISTICS

- **UNILATERAL**
- **NON RECIPROCAL**
- **UNPREDICTABLE**
- **LIMITED PRODUCT COVERAGE**
- **MARKET SPECIFIC**
- **RULES OF ORIGIN**
- **GRADUATION**
- **CONDITIONALITIES**
- **QRs**
- **OTHER NTBs**
- **PREFERENTIAL MARGIN VS MFN RATES**

# Preferential arrangements

- GSP
- EBA
- AGOA
- Lome Conventions – COTONOU
- Sugar Protocol
- Etc.

# PREFERRED MARGINS

## Preferential margin and volume growth between 1988 and 1997

	Import value in 1997 (mio ECU)	preferential margin in 1996	preferential margin in 2000	1988/97 volume growth rate
<b>Agricultural products</b>				
I Live animals; animal products	871	7,4%	6,7%	70,9%
II Vegetable products	2338	2,4%	1,4%	1,8%
III Animal or Vegetable Fats, Oils, and Waxes	265	3,7%	2,4%	-12,7%
IV Prepared foodstuffs, Beverages; tobacco	2464	8,3%	6,6%	49,0%
<b>Total</b>	<b>5937</b>	<b>5,7%</b>	<b>4,5%</b>	<b>25,9%</b>

# KEY QUESTIONS

- IMPORTANCE OF PREFERENCES GIVEN OBJECTIVES OF LIBERALIZATION
- UNILATERALISM vs. MULTILATERALISM
- UNCERTAINTY vs. CERTAINTY & PREDICTABILITY
- EXPERIENCE OF CHALLENGES BY WTO MEMBERS ON
  - BANANAS
  - FISH PRODUCTS
  - SUGAR

# EPA NEGOTIATIONS – KEY ISSUES ON PREFERENCES

- REPLACEMENT OF CURRENT TRADE ARRANGEMENT WITH WTO COMPATIBLE AGREEMENT - GATT ART. 24
- INTRODUCTION OF RECIPROCITY
- CREATION OF FTAs BETWEEN ACP RECs AND EU
- MARKET ACCESS TO EU – NEW ELEMENT FOR ACP INCLUDING LDCS
- USING CURRENT PREFERENCES AS BASIS FOR FUTURE MARKET ACCESS
- REVIEW OF RULES OF ORIGIN

# WTO NEGOTIATIONS - KEY ISSUES ON PREFERENCES

- TARIFF REDUCTION NEGOTIATIONS
- NAMA & AGRICULTURE FORMULEA
- CORRECTION COEFFICIENT
- SUBSIDIES
- SENSITIVE AND SPECIAL PRODUCTS
- DOMESTIC SUPPORT
- RULES :GATT ARTICLE 24

# CONCERNS

- **FOR PREFERENCE DEPENDENT ECONOMIES, EROSION OF PREFERENCES THROUGH MFN REDUCTIONS**
- **IMPACT OF SUBSIDIES ON DC/LDCS EXPORTS E.G COTTON**
- **LOSS OF MARKETS SHARE – TUNA**
- **SUSTAINABILITY**
- **WELFARE, EMPLOYMENT AND REVENUE EFFECTS**
- **NEED FOR GREATER FLEXIBILITY (SDT) - REVIEW OF GATT ARTICLE 24**



# AFRICAN INTEREST

- **IMPROVED MARKET ACCESS FOR PRODUCTS OF EXPORT INTEREST ESP. AGRICULTURE**
- **CERTAINTY & PREDICTABILITY THROUGH LEGALY BINDING COMMITMENTS**
- **FOR LDCs BOUND DUTY & QUOTA FREE MARKET ACCESS**
- **POLICY SPACE FOR INDUSTRIAL DEVELOPMENT**
- **USE DDA NEGOTIATIONS TO LEVERAGE ACTION FROM OTHERS AGENCIES & INSTITUTIONS TO GIVE MEANING TO DEVELOPMENT DIMENSION OF THE DOHA ROUND**

# AFRICAN INTEREST

- **COMPENSATION FOR LOSS OF PREFERRED THROUGH A SPECIAL ADJUSTMENT FUND**
- **NEGOTIATE SIMPLE AND LESS RESTRICTIVE RULES OF ORIGIN – EPA**
- **RESTRUCTURE FISCAL SYSTEMS TO OFFSET REVENUE LOSSES - ALTERNATIVE SOURCES OF REVENUE SUCH INTRODUCTION OF AS VAT**
- **ACTIVE PARTICIPATION IN THE NEGOTIATIONS ON RULES -RTAs**

# Develop own solutions

- **Develop strategies to reduce adjustment cost**
- **Identify products of export interest**
- **Identify and spell out supply side constraints & required action to;**
  - **Improve competitiveness**
  - **Improve regulatory environment**
  - **Attract investment**
  - **Increase trade**
- **Deeper regional integration**
- **Alternative markets (south - south trade)**
- **Sustainable development**
- **Stronger linkages between national development plan/strategy and DDA negotiating objectives**

# TRADE HUB ACTIVITIES

## TRADE FACILITATION

- **Customs - simplification and harmonization of procedures, Single Administrative Document**
- **Transport- harmonization of procedure and reduction of transaction cost , development of transport corridors**

## TRADE CAPACITY BUILDING AND POLICY

- **TCB and improving regulatory and policy environment to make trade rules work for business (investment environment, export diversification, institutional support – business and inter governmental)**

## TRADE COMPETITIVENESS

- **Support at firm level to improve product quality and find new export markets, making trade happen through trade deals**
- **Advisory services on AGO including developing national AGOA strategies, trade missions etc.**



**THANK YOU**