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EPA and Regional Integration: SACU

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Overview of the presentation

- Regional Integration: A Shared Vision
- Deeper Integration: A SACU Agenda
- How can EPA play a supportive role?

A Shared Vision ACP/Africa-EU



- Regional Integration, a common objective in the 2000 Cotonou Agreement (Article 1):

"Regional and sub-regional integration processes which foster the integration of the ACP countries into the world economy in terms of trade and private investment shall be encouraged and supported".

- Regional Integration, a shared vision in the 2007 Joint EU-Africa Strategy:
 - Continental economic integration as the long-term horizon
 - Regional (subcontinental) Economic Communities as the building blocks towards continental integration
 - Regional Integration, Trade and Infrastructure as one of the eight EU-Africa Strategic Partnerships within the 2008-2010 Action Plan

A Shared Vision SA-EU



- Regional Integration in Southern Africa, a key objective of the 1999 TDCA (Article 1 (c)):

“To promote regional cooperation and economic integration in the Southern African region to contribute to its harmonious and sustainable economic development”

- EPA and Regional Integration in Southern Africa, a common commitment in the 2007 EU-SA Strategic Partnership:

“Both parties are firmly committed to the development objectives of the EPAs and that regional integration will foster sustainable development in the whole region”

- A commitment to conclude the EU-SADC EPA at Presidential level (2nd EU-SA Summit, 11/09/2009):

“We agreed to urgently pursue the negotiation and resolution of all outstanding issues with a view to a prompt and mutually satisfactory conclusion that supports regional integration and development in Southern Africa”

Deeper Integration: A SACU Agenda



- Integration goals in the 2002 SACU Agreement (Article 2):
 - to create effective, transparent and democratic institutions
 - to promote the integration of Member States into the world economy
 - to facilitate the development of common policies and strategies, notably in the areas of customs procedures, TBT/SPS standards, industrial and agricultural policies, competition and unfair trade practices

Deeper Integration: A SACU Agenda



- WTO Trade Policy Review of SACU (November 2009):
 - “Alignment of policies in these areas has not yet taken place”
 - “SACU's performance outlook will depend on the effectiveness of ongoing policy harmonisation efforts aimed at achieving a more cohesive regional market and fostering export-led growth”

Deeper Integration: A SACU Agenda



- Recent Positive Developments:
 - Future of SACU is now receiving an unprecedented degree of political attention, with notably the gathering of three Summits in 2010
 - New Vision and Mission : "An economic community (...) to serve as an engine for regional integration and development, industrial and economic diversification, the expansion of intra regional trade and investment, and global competitiveness (...) to develop common policies and strategies for areas such as trade facilitation; effective customs controls; and competition".



How can EPA be supportive of SACU integration ?

EPAs as a trade instrument for regional integration
(2008 Commission Communication, endorsed by Council):

- By fostering the effective implementation of regional trade-in-goods commitments
- By encouraging the forging of common positions and the consolidation of regional rules on trade-related matters (e.g. trade facilitation, SPS/TBT)
- By expanding regional trade in services and promoting investment within the region and with the EU
- By reducing transaction costs and improving opportunities for all SACU economic operators within the region and with Europe
- By providing financial and technical assistance through EU-funded projects that would accompany the EPA implementation

How can EPA be supportive of SACU integration ?



- Situation Today:
 - The non-signing of the iEPA by SA maintained a divergence between import regimes and their legal frameworks
 - However, the current situation is much better than the previous one:
 - in the past Cotonou and TDCA = differences on more than 3000 tariff lines
 - Now iEPA and TDCA = differences on 53 tariff lines that reflect BLS sensitivities

How can EPA be supportive of SACU integration ?



- Next steps towards a comprehensive EPA that enhances regional integration in SACU/SADC:
 - Alignment of TDCA with iEPA provisions on tariffs and rules of origin (the 53 lines)
 - Sort out remaining pending issues on text (MFN, definition of parties, other minor issues)
 - Inclusion of other trade-related areas that mirror SACU/SADC integration objectives (e.g. trade facilitation, competition...)

Conclusion

- EU committed to conclude negotiations by the end of the year
- Regional integration: a SACU agenda receiving an unprecedented attention
- The SADC EPA can be a strong vehicle to enhance such integration in Southern Africa



THANK YOU!

