Regional Seminar on EU-SADC EPA

South Africa and Tariff Alignment

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Why Tariff Alignment?

- South Africa and EU Trade, Development and Cooperation Agreement (TDCA)
- Interim EPA signed by Botswana, Lesotho, Mozambique and Swaziland (initialled by Angola and Namibia)
- Opportunity to restore integrity of SACU common external tariff
- Administrative difficulties in implementing IEPA if tariff not aligned for whole of SACU

TDCA vs. IEPA

- Alignment of TDCA market access for EU (trade chapter) and IEPA offer from Botswana, Lesotho and Swaziland (IEPA Annex 3)
- IEPA based on TDCA
- Key difference in areas of sensitive products
- TDCA due for full implementation by 2012
- 86% of EU products will enter SA duty-free

Tariff Differences

- Difference of 54 product lines between TDCA and IEPA
- Eggs, honey, juice, beer, soap, candles, paper [including toilet paper], slide fasteners and cotton
- Extended phase-downs for some to 2015
- Few lines to 2018 – gingerbread, waffles, rusks

Additional Market Access

- TDCA Review provided scope for EU to request additional market access to SA
- Agreement reached on fish in July 2010
- Small progress made on NAMA – stoppers, wood and paper products reclassified
- Discussion ongoing on clothing, textiles and footwear (12 six digit lines requested by EU)
- Agriculture still most sensitive – no agreement on process (e.g. simultaneous exchange of requests and offers, step by step or formula cuts)