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Southern African region and the EU complete negotiations for an Economic Partnership Agreement

In a move welcomed by European Commissioner for Trade, Karel De Gucht, and by European Commissioner for Agriculture, Dacian Cioloș, the chief negotiators of the European Union and the Southern African Development Community (SADC) EPA Group (Botswana, Lesotho, Mozambique, Namibia, South Africa and Swaziland) concluded last week negotiations for an Economic Partnership Agreement (EPA).

The agreement takes into account the differences in the level of development between the EU and its African partners. It will open a long-term perspective of duty- and, quota-free access to the EU market for products from Botswana, Lesotho, Mozambique, Namibia and Swaziland, while South Africa will trade with the EU on the basis of improved conditions that build on the existing EU-South Africa Trade, Development and Cooperation Agreement (TDCA). The EU, in turn, will gain improved access to the SADC EPA market, particularly in the field of agriculture. Also, when SADC EPA countries will be ready to grant more far-reaching concessions to the Europe's main competitors, the EU will be able to claim those same improvements.

"I warmly welcome this achievement," said President José Manuel Barroso, "the second Economic Partnership Agreement to be initialled with an African region this month. This is a clear demonstration of the EU's commitment to use trade agreements with its friends in Africa as an instrument for development, jobs and growth in the long-term. I am convinced that the Economic Partnership Agreement with the EU will be an important driver for further trade diversification and regional integration in Southern Africa."

"The EU has been strongly committed to ensure that the countries of the SADC EPA group can continue to enjoy free, or in the case of South Africa, preferential access to the EU market, within a stable framework", said EU Commissioner for Trade Karel De Gucht. "While enhancing the development prospects of the region, we are laying the foundation for an economic partnership that is lasting and mutually beneficial. It will be very important to consolidate this achievement by signing and ratifying the EPA as swiftly as possible, and no later than October 2016."

European Commission for Agriculture and Rural Development, Dacian Cioloș said: *"This agreement secures mutually beneficial preferential economic relations between the European Union and the South African Development Community. The elimination of all EU agricultural export refunds as part of this agreement demonstrates Europe's clear commitment to full coherence between our agricultural and development policies. I also welcome our agreement on Geographical Indications as these are a key tool to protect the know-how of farmers and develop added value in quality agricultural products"*.

The members of the SADC EPA group will continue being able to shield sensitive sectors from European competitors in their domestic market. In addition, they can invoke a

number of safeguards incorporated in the agreement. This will offer them all the necessary flexibility, so that trade can work for and not against development. Following the same logic, the EU has also taken a commitment to refrain from subsidising its agricultural exports to the region.

In their mutual interest, the EU and South Africa have also reached an agreement to protect a short list of 251 EU geographical indications (GIs) in South Africa and 105 South Africa GIs in the EU. Each side's GIs will benefit from high-level protection while allowing coexistence for already registered trademarks. The EU is also committed to cooperate in the development of geographical indications with the other partners in the EPA.

The finalised text of agreement, confirmed already by the chief negotiators, is now going to be presented for signature and ratification according to the domestic procedures of each partner.

Background

The SADC EPA Group consists of 6 out of 15 members of the Southern African Development Community (Botswana, Lesotho, Mozambique, Namibia, Swaziland and South Africa) plus Angola, which may join the agreement in future. The other eight SADC Member States (Democratic Republic of Congo, Madagascar, Malawi, Mauritius, Seychelles, Tanzania, Zambia and Zimbabwe) are negotiating in other regional EPA configurations.

Botswana, Lesotho, Namibia, Swaziland and Mozambique today enjoy duty-free quota-free access to the EU on a temporary basis provided for in the EU's "Market Access Regulation". This free access was set to expire on 1 October 2014 because these countries have not ratified the interim agreement they negotiated with the EU in 2007. However, the regional agreement now concluded will replace the existing interim agreement and free access to the EU is based on this new agreement. It will be important to proceed swiftly to signature and ratification to allow the EPA to be provisionally applied as soon as possible.

The EU is the largest trading partner of the SADC EPA group. In 2013 the value of total EU imports was about €31 billion (9.3% agriculture; 1.5% fish; and 89.3% industry). The EU imports mainly diamonds (mostly Botswana), precious stones and metals, fish (Namibia), sugar (Swaziland), as well as fruit and nuts. In 2013, total EU exports to the region represented €33 billion.

For more information

[EU relations with Southern African development Community](#)

[Economic Partnership Agreements](#)

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