

Nobody is pushing free trade on Africa

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No question in Europe's trade and development policy is more pressing or more politically sensitive than how we can use trade to help African, Caribbean and Pacific countries build stronger economies and break their dependence on trade preferences and basic commodity trade.

The key is to give greater confidence and more opportunities to local businesses, attract new investment and build strong regional markets. These will in turn strengthen their capacity to sell their goods in a global market. The Economic Partnership Agreements that the EU is currently negotiating with the six African Caribbean and Pacific regions are designed to help do all these things. They will take a trading relationship based on dependency and turn it into one based on economic diversification and growing economies.

But there are some misconceptions about EPAs doing the rounds which are complicating the job of those in the ACP who want and need these agreements. Critics of Economic Partnership Agreements say that the EU is steamrolling ACP regions into completing negotiations this year. It is not the EU that is imposing this deadline.

Our current trade arrangements discriminate in favour of some developing countries – the ACP – and against others. That is not compatible with international trade rules. We promised non-ACP developing countries in 2000, when we agreed our current arrangements, that we would put in place a new system by the end of this year. When the legal waiver they gave us for these arrangements ends, they can and they will challenge us.

Unless we agree new WTO-compatible arrangements, we will have to fall back on our default preference scheme for all developing countries, the Generalised System of Preferences, which is less generous than our current scheme. Unlike an Economic Partnership Agreement, it would also not help ACP countries build regional markets, improve product standards or promote investment. The EU is not threatening to raise tariffs for these countries, it is doing everything it can to avoid it.

In some regions there are good signs that we will have a full agreement by the end of the year: trade opening and regional rules in goods and services, rules of good economic governance and targeted development assistance. Others have not progressed as far and will need a little more time to reach comprehensive deals.

But rather than refuse to sign an agreement until every part of the negotiation is complete, we have said that as long as we can reach agreement on the question of trade in goods, then we believe we will be on solid ground in the WTO. This means their preferential access to the EU market will be safe. We will then finish off discussions on other important parts of the agreement early in 2008.

Only a comprehensive agreement will deliver the full development potential of EPAs. But reaching an agreement on trade in goods now will at least prevent a disruption to ACP trade with Europe.

Critics of Economic Partnership Agreements claim they will open ACP markets to EU trade at the expense of local businesses, and local growth. Again, this is simply not true. EPAs won't mean "free trade" between the EU and African Caribbean countries from January 1st next year, or any time soon.

From the EU side there will be a full removal of tariffs and quotas, with short transitions for sugar and rice. We will also make sure there are no export subsidies on any goods where ACP countries remove tariffs. African, Caribbean and Pacific countries will be able to protect and exclude sensitive products and take advantage of long transition periods to nurture growing industry and protect fragile agricultural sectors if that is what they want.

The simple fact is that EU companies and investment are not trying to muscle into ACP markets. The problem is that EU businesses and investors have too little interest in these markets, not that they have too much.

This process is not just about trade, but is also about bringing economic reform and development assistance together. We want to build regional markets and attract new investment.

Not only will the African, Caribbean and Pacific countries continue to benefit from hundreds of millions of euros annually in development aid, – in total, €23 billion until 2013, but they will be major beneficiaries of the decision to increase Europe's spending on aid for trade to €2 billion a year, with a priority given to measures that help implement Economic Partnership Agreements.

There is no question that the Economic Partnership Agreement negotiations force us to face up to difficult issues. We are rebuilding an economic relationship that has been in place for many years.

But no one believes the status quo is working. Africa's dependence on a few basic commodities has seen it fall far behind the poverty reduction and economic growth of Asia and Latin America. Calling for an end to EPA negotiations when there is no credible alternative is playing poker with the livelihoods of those we are trying to help.

Some people don't even like the very idea that ACP countries might sit down with Europe and negotiate a trade agreement. Perhaps it doesn't suit those Europeans who prefer to caricature them as weak and helpless. But ACP countries themselves have repeatedly said that they are committed to the goals that Economic Partnership Agreements are designed to achieve.

Of course there should be debate over EPAs. But those who suggest that Economic Partnership Agreements are a danger to development are not only wrong. They undermine those in Africa and other ACP countries who are seeking to work constructively for economic reform and a new trade and development relationship with Europe.

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