

JOINT STATEMENT BY THE EU-SOUTHERN AFRICA BUSINESS COUNCIL (ESBC)

10th MARCH 2008, JOHANNESBURG (SOUTH AFRICA) & BRUSSELS (BELGIUM)

Following a video conference the private sectors of both regions, represented by the EU Southern Africa Business Council (ESBC¹), have adopted today this joint statement.

Both the EU and SADC private sectors support the aims of the EPA negotiations to promote regional integration and strengthen trade and investment links with the EU. Against this background we were disappointed with the result of the negotiations last year that saw only some

¹ The EU-Southern Africa Business Council (ESBC) includes the following founding members:

Southern Africa Private Sector

1. Association of SADC Chambers of Commerce and Industry -ASCCI
2. SADC Employers Group SEG
3. Southern Africa Confederation of Agriculture Unions-SACAU

European Union Private Sector

1. European Business Council for Africa and Mediterranean -EBCAM
2. European Services Forum-ESF
3. Private Investors in Africa-PIA
4. Association of European Chambers of Commerce and Industry-EUROCHAMBRES.

EU-SOUTHERN AFRICA BUSINESS COUNCIL

countries from the SADC EPA group signing an interim agreement. We understand that discussions will continue in 2008 and we urge all parties involved, whether they have signed the interim EPA or not, to engage constructively with the goal of realising one trading regime. We believe that this is crucial if the regional integration agenda of SADC is to make progress and is especially important for the Southern African Customs Union (SACU).

The ESBC sees much to be gained from the EPA negotiations but is not willing to support an agreement simply for the sake of reaching an agreement. The final EPA must take into account the particular situation of the SADC region, including its specific development needs. Ideally it should result in a non-differentiated market access regime. Any exceptions to this should be driven by SADC stakeholders and not dictated by the EC.

Last year the ESBC undertook and endorsed some research in the region in order to get a more detailed perspective of the interests of business in the EPA negotiations. These papers were on three areas namely market access, services and monitoring and implementation of the EPA agreement.

With regards to market access, the ESBC was pleased to see the efforts that were made to ensure that SADC EPA group countries maintained undisturbed access for their exports to the EU market when the deadline for the EPA negotiations expired at the end of 2007. The ESBC noted with interest of the reported new market access concessions from the EU that were recently discussed during Commissioner Mandelson's recent visit to South Africa. The Council looks forward to learning more about the offer that was made so as to assess its importance for the business community.

In many cases the new rules of origin set out in the interim EPA will benefit SADC exporters. There is still much to be done however in the area of standards, technical regulations and conformity assessment procedures. The SADC private sector would like to see greater participation by our governments in standard setting so as to ensure that those measures which are imposed reflect the realities on the ground.

EU-SOUTHERN AFRICA BUSINESS COUNCIL

Trade facilitation remains the most important of the market-access related areas for the SADC private sector. The ESBC would support binding commitments being taken in the final EPA in areas such as customs administration, transshipment within SADC and the digital submission of documentation. Not only would such steps benefit trade with Europe but would also go some way to strengthen intra-regional trade.

On the area of services the ESBC recognises the relatively open nature of the services sectors in SADC countries and would support the discussion of services issues in the EPA negotiations. Liberalisation has proved to be insufficient in order to ensure competition and the reduction of the high costs of doing business in the region. It needs to be accompanied by regulatory reform and enforcement, including appropriate competition policies. The Council believes the EPA could act as a catalyst to address these issues and ensure an overall improvement in the investment and trading environment in the region.

The discussions on services in the EPA must however take into account the regional agenda, including the pace at which discussions around the SADC Services Protocol are taking place between member states. The ESBC supports a phased approach that places a priority on services sectors that facilitate trade, such as transport, telecommunications and financial services. Some opportunities do exist for SADC companies to export services to the EU but this area has not been explored that much. The EPA could again provide a catalyst for undertaking more efforts to identify those sectors in which there are real chances to grow the participation of SADC services companies in trade.

The third issue that was considered in our research last year was the question of monitoring and implementation of an EPA. A key principle enshrined in the Cotonou Agreement is the involvement of non-state actors in the negotiating process. Strong linkages and interaction between governments and the private sector are crucial for the success of the EPA. We once again make the plea for closer engagement between governments and business at both the national and regional level. This should take into account the varying capacity of the private sector in different sectors and countries.

EU-SOUTHERN AFRICA BUSINESS COUNCIL

As organised business, we are attempting to play our part by encouraging debate and interaction on the issue of the EPA. We are exploring ways to increase awareness about trade policy issues in the region. The ESBC is exploring ways in which it could contribute to the monitoring and evaluation of the EPA. New technologies could assist in this regard.

In conclusion, it is often said that it is the private sector that trades and not governments. What we as ESBC are asking is that trade negotiations begin to more accurately reflect this reality and that the views of the private sector be taken into account throughout the process rather than as an after thought.

Contact List:

European Union Private Sector

1. European Business Council for Africa and Mediterranean- Fernando Matos Rosa Fernando.Matos.Rosa@ebcam.org
2. European Services Forum- Pascal Kerneis, P.Kerneis@esf.be
3. Association of European Chambers of Commerce and Industry- Freya Lemcke, Lemcke@eurochambres.eu
4. Private Investors in Africa- Richard Sterneberg, Richard.Sterneberg@akkanto.com
5. UNIONCAMERE-Sede di Bruxelles - Paolo Logli, paolo.logli@unioncamere.be

Southern Africa Private Sector

1. Association of SADC Chambers of Commerce and Industry-Zodwa Mabuza, Zodwa@business-swaziland.com
2. SADC Employers Group -Jerry Vilakazi, Jerry.Vilakazi@busa.org.za

EU-SOUTHERN AFRICA BUSINESS COUNCIL

3. Southern Africa Confederation of Agriculture Unions-Ajay Vashee, Ishmael.Sunga@sacau.org