

## **TRADE-EU: Regional Agreements May Increase Poverty**

By Stefania Bianchi

BRUSSELS, Mar 31 (IPS) - Regional trade negotiations between the EU and the African, Caribbean and Pacific countries could undermine poverty reduction programmes, says a report released here.

The report by the Brussels-based non-governmental organisation (NGO) Eurostep and five partners from the African, Caribbean and Pacific (ACP) group of countries says such negotiations cannot be considered "synonymous with reciprocal free trade" because WTO rules are currently under negotiation and could be redefined.

Eurostep criticises "the predominant focus" in the negotiations on removal of tariff barriers and a move towards reciprocity between the ACP and EU.

The study says that the negotiations will result in increased access for EU exports to the 77 ACP countries, but "pay little attention to non-tariff barriers that are the principal obstacle for ACP imports into the EU."

Eurostep fears that an influx of EU products will "overwhelm" ACP economies.

"The promotion of trade liberalisation will lead to significant job losses in ACP countries, particularly in agricultural sectors where people, predominantly women, are already living on low incomes," the report says.

The study released Wednesday (Mar. 31) looks at the potential implications for people in ACP countries of the proposed Economic Partnership Agreements (EPAs) for defining trade rules between the EU and ACP countries that would replace existing agreements.

The study draws on the experiences of people in Benin, Cameroon, the Dominican Republic, Ghana and Jamaica.

The EPAs, which aim to progressively remove barriers to trade and enhance cooperation, are part of this agreement. The EU and several ACP countries have already started negotiating regional EPAs to promote trade.

The first phase of the EPA negotiations began in Brussels September 2002. But the negotiations over market access, trade-related areas, services and development proved inconclusive.

The second phase was marked by regional negotiations between the EU and Central and West Africa in October last year and with the eastern and Southern African region in February this year.

The negotiations are due to be concluded by December 2007. The EPAs are, then, expected to be implemented between 2008 and 2020.

The EU says that under these agreements it will further open its market to ACP products and tackle all other trade barriers. The European Commission, the executive arm of the EU, says that by opening up trade between both regions and setting up clear trade rules, EPAs will contribute to the economic integration of the region.

But Eurostep says that by removing customs duties on EU imports "it is evident that all ACP countries stand to lose huge amounts of revenue, which could be pumped into social sector programmes."

The report says the loss of funds would be "even more critical considering that the EU puts the onus on the ACP for any financial adjustments to be made for new trade arrangements."

Such concerns are also being raised within the ACP countries.

Opening up ACP markets to the EU "would be the last straw to break the camel's back," says Aubrey Taylor, chairman of the Jamaica Dairy Farmers Federation. "It would totally wipe out local dairy farmers," he said in the report.

The report says that ACP countries are unable to overcome the many rules and regulations, which hinder their exports to the EU in areas that provide employment to the poor and income for the government.

Eurostep is concerned also that the ACP countries cannot access EU markets because of "restrictive standards and the costly processes for certification and import authorisation."

In a separate report the independent EPA Watch says the EU needs to review "existing institutional arrangements for extending assistance to address supply-side constraints."