

## **Economic Partnership Agreements: Mozambique joins EU-SADC Interim EPA in Maputo, Mozambique (15 June 2009)**

***Following the signature by Lesotho, Swaziland and Botswana on June 4, Mozambique and the EU signed the EU-Southern African Development Community SADC Interim Economic Partnership Agreement in Maputo, Mozambique on 15 June 2009. The EPA ensures continued preferential access to the EU market for exports from Mozambique.***

The EU hopes that Namibia will sign in the near future and will continue to work with Namibia, Angola and South Africa on certain outstanding issues. Both Angola and South Africa have existing trade regimes with the EU in place: Angola as a Least Developed Country continues to benefit from duty-free, quota-free access to the EU market through the Everything But Arms (EBA) initiative (a sub-scheme of the Generalised System of Preferences or GSP), while South Africa-EU trade is governed by the Trade and Development Cooperation Agreement (TDCA) signed in 1999.

The signatories have agreed to work towards a comprehensive EPA, which will address all outstanding issues in terms of trade in goods, and also include chapters on services and trade-related aspects such as investment. All seven SADC countries are fully involved in this process.

### Background

The EU-SADC EPA aims to boost existing regional integration processes such as the Southern Africa Customs Union (SACU) by providing the opportunity to create a single EU-SACU trade regime. The EU-SADC EPA actually removes differences between the trade regime offered to South Africa (TDCA) and the other SACU members that have existed for many years thus bringing the region closer to a single trade regime with the EU than ever before. Out of several thousand product lines, only 53 will be covered by different tariffs. Therefore, the EU-SADC EPA is conducive to regional integration and economic development.

### EU-SADC trade flows

The EU represents SADC group's largest trading partner: in 2008 total trade flows with the EU for the four countries which have now signed the interim EPA were almost €2.1 billion. All four countries enjoyed individual trade surpluses with the EU – the combined surplus standing at around €1 billion.

In 2008 the main exports to the EU for the four countries were aluminium, diamonds, sugar, beef and fish. Their main imports from the EU were mechanical machinery, electrical machinery, fertilisers and vehicles. The SADC region as a whole has been a net beneficiary of trade with the EU up to now and the EPA will allow the region to boost competitiveness, diversify its exports, and build strong regional cooperation networks. All of this goes hand in hand with EU financial support through the European Development Fund (EDF) and Aid for Trade facilities.

For more information on the EU – SADC EPA:

[http://ec.europa.eu/trade/issues/bilateral/regions/acp/regneg\\_en.htm](http://ec.europa.eu/trade/issues/bilateral/regions/acp/regneg_en.htm)

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