

# EU - The Interim Economic Partnership Agreement (iEPA)

## **Background**

Eastern and Southern Africa (ESA) is a diverse Economic Partnership Agreement (EPA) group including Indian Ocean islands (Comoros, Madagascar, Mauritius and Seychelles), countries from the Horn of Africa (Djibouti, Ethiopia, Eritrea and Sudan) and some countries of Southern Africa (Malawi, Zambia and Zimbabwe). At the end of 2007, the 6 ESA States: Comoros, Madagascar, Mauritius, Seychelles, Zambia and Zimbabwe agreed an interim EPA with the EU. The EU countries are Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and United Kingdom

This deal is a stepping stone towards a full EPA and remains open to other countries willing to join at a later stage (such as Djibouti, Ethiopia, Eritrea, Malawi and Sudan). There is also a clause which would allow ESA countries not willing to make a market access offer, to benefit from the development cooperation and fisheries provisions foreseen in the initialled text.

The original ESA group at the start of the EPA negotiating process also included the Eastern African Community (EAC) states of Burundi, Kenya, Rwanda and Uganda. However, in 2007 they agreed a separate interim EPA based around the newly formed EAC customs union.

## **The iEPA**

The EU-ESA interim EPA was signed by the EU and Mauritius, Seychelles, Madagascar, and Zimbabwe in Mauritius on 29th August 2009. For Zambia and Comoros, which initialled the Agreement in 2007, signature is still pending. The Interim EPA replaces the trade provisions of the Cotonou Agreement that expired on 31 December 2007.

The interim Agreement contains provisions concerning rules of origin, development cooperation, fisheries, trade defence instruments and dispute settlement.

This Agreement constitutes a stepping stone to a wider and comprehensive deal currently under negotiation between the EU and the ESA region, taking into account the development dimension for the ESA signatory countries.

The areas potentially covered by the full Economic Partnership Agreement (EPA) go beyond trade in goods and will include services and investment, and trade-related areas such as sustainable development, competition, Trade Facilitation as well as further improvement in trade in goods and rules of origin.

The interim EPA consolidates the duty free, quota-free market access which the EU offers to all exports from the four ESA States. The ESA countries involved will gradually open their markets to EU exports over 15 years, with some exceptions for products that ESA countries consider sensitive.

Zimbabwe decided to liberalise its market to EU imports 80% and decided to exclude the following sensitive products from liberalisation: products of animal origin, cereals, beverages, paper, plastics and rubber, textiles and clothing, footwear, glass and ceramics, consumer electronic and vehicles.

The business community is strongly advised to be well conversant with what the interim Agreement offers and prepare for the possible consequences which might arise when competition finally lands in 2022.

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