

## EU using "dirty tactics" to force unfair trade rules on poor countries new report reveals

The European Commission (EC) is using strong-arm tactics to force 76 African, Caribbean and Pacific (ACP) countries to sign trade deals that will benefit rich nations at the expense of developing countries, according to a new report by five UK development agencies.

23 May 2007

Partnership under Pressure, compiled by Tearfund, Traidcraft, Christian Aid, ActionAid and CAFOD, is an assessment of the European Commission's conduct in the current Economic Partnership Agreements (EPA) negotiations. The report is being launched as representatives from the EU and ministers from ACP countries meet in Brussels this week to review progress in negotiations.

The main objective of the Economic Partnership Agreements between the EU and ACP countries was to foster economic development based on the principle of partnership. However, the EU is racking up a catalogue of abuses as negotiators vigorously pursue the negotiations using threats and manipulation which will hinder, not enhance, development in the ACP countries.

The report presents evidence that the EU has blatantly disregarded ACP institutions, processes and politicians, has taken a dismissive approach to pro-development proposals from the ACP and has repeatedly tried to force onto the table issues rejected by the World Trade Organisation (WTO).

For example, the European Commission (EC) is manipulating the prospect of development aid linking future development assistance to the trade concessions it is requesting from the ACP in EPAs.

The report cites an EC Commissioner cautioning African ministers that aid will match their level of "ambition" in the EPA negotiations [1], and leaked EC documents telling the ACP that development assistance can only be provided in return for "clear commitments on rules [on investment]". [2]

The EC is also using threats of loss of market access for ACP exports if EU-led EPAs are not concluded before the end 2007 deadline. For example, in November 2006, when west African negotiators asked for an extension in the negotiations - to ensure that any agreement was pro-development, they were told by the EC that failure to sign EPAs on time would lead to higher tariffs on more than 1 billion - or 9.5% - of West African exports to the EU. [3]

"The EU is using the promises of aid and the threat of loss of access to the European market to force ACP countries to sign a deal that will ultimately threaten the livelihoods of millions of poor people. This is unjust and unacceptable behaviour." said Mari Griffith of Tearfund.

"This report is a damning critique of the European Commission's approach to trade negotiations with some of the poorest countries in the world. The Commission may be desperate to get these deals through, but there is no excuse for the dirty tactics they are now stooping to in the name of development. Member states need to rein in the Commission," said Sophie Powell from Traidcraft.

The overall costs of EPAs to ACP member countries will run into \$billions according to recent research.[4] Countries in eastern and southern Africa stand to lose \$212 million worth of trade with one another, while the EU will increase its exports to the region by \$1.1billion. Zambia is predicted to lose \$15.8 million - enough to cover the government's annual spending on HIV/AIDS. However, in contrast EU exporters stand to net \$1.9billion in west Africa alone.

"These agreements will determine the pattern of trade relations between the EU and the ACP countries for decades to come," said Martin Gordon, international campaigns manager at Christian Aid.

"African Trade Ministers have repeatedly issued statements raising fundamental concerns with the process of negotiations as well as with the impact of EPAs on development. They have called for all possible alternatives to EPAs to be explored [5], but their requests have been routinely ignored. This week in Brussels, the EC must not be allowed to shamelessly bulldoze these agreements for their own benefit," he added.

- 1] EC Commissioner at the Joint Ministerial Trade Committee, 1 March 2007
- 2] Leaked European Commission Staff Working Document, SEC (2006)1427, para 25 <http://ec.europa.eu/>
- 3] Leaked European Commission letter to west African negotiators, Argumentaire: Pourquoi est-il souhaitable de continuer viser fin 2007 pour la conclusion des négociations APE UE-Afrique de l'Ouest ? December 2006
- 4] Economic and Welfare Impacts of the EU-Africa Economic Partnership Agreements, ATPC briefing No 6, UN Economic Commission for Africa (UNECA), May 2005
- 5] African Union Trade Ministers' statements issued in Cairo, June 2005; Nairobi, April 2006; Addis Ababa, January 2007

For more information, please contact [the Traidcraft press office](#).