

## Stop EPAs - questions and answers

### What are EPAs?

Economic Partnership Agreements (often shortened to EPAs) are trade deals being negotiated between the European Union (EU) and 76 poor countries – mostly former colonies in Africa, the Caribbean, and the Pacific (known as the ACP). The deals are extremely important as they will lay the rules of trade between Europe and these countries for decades to come and affect the lives of millions of people. They are also highly controversial.

[Read more: What are EPAs? »](#)

### Why are EPAs being negotiated?

For the last 30 years the EU and ACP have had a series of five-year agreements that set the framework for their political and economic relationship. Under these agreements the EU have been giving ACP countries preferential access to their markets on the goods they export. But this preferential treatment has been declared incompatible with the rules of the World Trade Organisation (WTO).

[Read more: Why are EPAs being negotiated? »](#)

### How many EPAs have been signed?

The ACP regions, and countries within them, are all at different stages of signing EPAs. Fifteen Caribbean countries have signed, as well as 6 countries from Africa. A further fifteen African and Pacific countries have 'initialled', but not yet signed the deals.

[Read more: How many EPAs have been signed? »](#)

### Are all the agreements the same?

EPAs are 'free trade' agreements. That means both sides agree to reduce the taxes (known as tariffs) on goods coming in. This might sound good in theory but free trade is only fair when all sides are equal and the EU and ACP are far from equal partners.

[Read more: Are all the agreements the same? »](#)

### What is the difference between 'initialling' and 'signing' an EPA?

'Initialling' an EPA signals a political commitment to the agreement.

Only when agreements are 'signed' do they move towards being legally binding (but still have to be ratified).

### What is the difference between 'Interim' and 'Full' EPAs?

'Interim' EPAs cover the liberalisation of goods (agricultural or manufactured products).

'Full EPAs' include goods, services, and investment (anything from banking, water services and construction).

[Read more: What is the difference between 'Interim' and 'Full' EPAs? »](#)

### What impact will EPAs have on countries who have signed?

The impact could be devastating. EPAs will force poor countries to 'liberalise' their economies too fast and too much. Experience from similar deals in the past shows that EPAs will result in:

- Job losses: poor countries will face direct competition with goods from Europe before they are ready, destroying local industries, resulting in huge job losses.
- Loss of a manufacturing future: EPAs allow countries to exclude a few products from liberalisation; so many countries chose to protect their vulnerable agricultural sectors. This means little remaining scope to promote industrial development in the future.
- Loss of sovereignty: legal commitments to look after the rights of overseas investors, ahead of local laws to protect workers and the environment. These could also override poor countries' own plans for development.
- Less government income: a reduction in government revenue because of reduced taxes on imports into poor countries. This will mean there's less money for investing in health, education and infrastructure like electricity cables or new roads.

[Read more: What impact will EPAs have on countries who have signed? »](#)

### Why did some countries initial or sign an EPA?

Ultimately, many ACP countries were left with no choice.

The whole process for negotiating EPAs could not be further from the spirit of 'partnership'. ACP countries voiced their concerns many times throughout the negotiation process but the EU failed to respond.

Instead the European Commission (EC) threatened to raise taxes on their exports to Europe if countries did not meet the December 2007 deadline, leaving many ACP countries with little choice.

[Read more: Why did some countries initial or sign an EPA? »](#)

Can the agreements be reviewed or renegotiated?

It is not too late to right the wrongs of the deals that some countries have initialled.

Legally, there are clear opportunities to renegotiate the deals and the ACP have been requesting this ever since countries started to initial agreements in late 2007.

Some European governments – in recognition of ACP concerns – have called for the European Commission to show flexibility and to consider revising aspects of the deals.

However, the European Commission's trade team, now led by Commissioner Ashton, have been unwilling to commit to revising the interim EPAs, without attaching conditions – notably that the ACP countries must adopt further liberalisation commitments under so-called 'full EPAs'.

[Read more: Can the agreements be reviewed or renegotiated? »](#)

Weren't EPAs supposed to be regional agreements?

Yes! At the start of negotiations, the ACP countries were divided into six regions to negotiate the deals, which were supposed to promote stronger regional markets.

Regional markets play an important role in supporting economic diversification, especially when domestic markets are small and fragmented. Regional integration gives companies larger markets, making it easier for them to specialise and add value.

However, the pressure of the December 2007 deadline led to the fragmentation of the EPA negotiating blocs, undermining regional integration objectives.

[Read more: Weren't EPAs supposed to be regional agreements? »](#)

What is trade liberalisation and isn't it a good thing?

'Trade liberalisation' is the term for the process whereby a country opens up its markets to international trade i.e. reduces the taxes (known as tariffs) and other limits (such as quotas) on goods coming in. It also often comes alongside increased rights for investors and pressure to privatise its economy.

[Read more: What is trade liberalisation and isn't it a good thing? »](#)

Why has the EU pushed ahead with unfair deals?

The EU's official public position on EPAs is that they were necessary to comply with WTO rules and that the deals would be good for development.

However neither of these claims hold water:

- There were other legally viable alternatives to EPAs which the ACP requested and the EU could have pursued;
- The proposals the EU put forward have been cited as anti-development by an impressive and wide-ranging group including the United Nations, the World Bank, academics from the EU and ACP and non-governmental organisations in Europe and worldwide.

[Read more: Why has the EU pushed ahead with unfair deals? »](#)

What does the UK government say?

In December 2007 the UK government claimed that the current agreements were a success but our analysis reveals a huge gap between the EPAs that have been initialled and the kinds of deals the Government said it would support.

The UK government has promised repeatedly that poor countries should not be forced into trade agreements which would undermine their development and in 2005 it issued a position statement on EPAs saying it believed poor countries should not be forced to liberalise their economies. But the ACP countries that have initialled EPAs are being forced to do just that.

[Read more: What does the UK government say? »](#)

Is there any more we can do to Stop EPAs?

Yes! Many of the ACP countries haven't signed yet, and those that have may be able to revise the agreements and make them better for development. We also need to stop the 'full EPAs' being pushed through.

What has the Stop EPA campaign achieved?

A huge amount! When the negotiations started we knew it would be an uphill battle. But the deals could have been much worse and we have shone a spotlight on some of the most important but secretive decisions being made in the world today. Thank you for your part in it.

[Read more: What has the Stop EPA campaign achieved? »](#)

Is Traidcraft continuing to work on EPAs?

Yes. We will continue to work on EPAs as long as we can improve the outcome for people living in poverty. There will be more actions to come throughout 2009 whenever public pressure can make a difference. And we will continue to work behind the scenes, monitoring the negotiations and lobbying privately with the UK government and other key players.