



EPAs: what's the deal?

Economic Partnership Agreements – EPAs for short – are essentially free-trade arrangements aimed at opening up the markets of poor countries to European goods.

Seventy-six countries from Africa, the Caribbean and Pacific have been negotiating the deals with the European Commission (which negotiates on behalf of European Union member states) for five years.

The main points for discussion are:

- how much of their markets poor countries should open over how many years
- how much should poor countries be allowed to protect their more vulnerable industries.

So what's the problem?

Using trade to lift poor countries out of poverty is meant to be at the heart of these agreements.

But ACP governments and campaigners have expressed serious concerns that free trade between an established, wealthy trading bloc like the EU and their own poor economies will destroy farmers and industries in their own countries.

Put simply, poor-country producers cannot compete.

Breaking the rules?

The European commission is also trying to use the deals to encourage privatisation of basic services such as water and electricity.

Given that poor countries took on the World Trade Organisation on this issue and won, it is scandalous that they now find themselves having to refight the battle with the EU.

What's at stake?

People's livelihoods, millions of them.

Take Mozambique's milling industry. It accounts for one-fifth of the country's manufacturing, but also stimulates the growth of other industries such as packaging and the production of pasta, bread and biscuits.

And it has real potential to grow – that is unless Mozambique signs the trade deal with the EU.

At the moment, in order to offer the industry a level of protection, the government has placed a tax on imported flour from Europe. Signing an EPA will mean opening up the Mozambican market to cheap flour, threatening the viability of the milling industry and certainly preventing it from developing further.

This is just one small example of how EPAs will affect growing industries across the ACP. And that's not considering the millions of farmers who will lose their livelihoods when their markets are flooded with cheap European products.

One estimate puts the potential losses to Zambia in signing an EPA at \$15.8 million – what the country's government spends each year on tackling HIV/AIDS.

Read on about how world trade is also affecting the cotton farmers in Mozambique:
www.christianaid.org.uk/stoppoverty/trade/stories/thread.aspx