

Opening statement of the ACP Secretary General at the 18th ACP Ministerial Trade Committee, 24 June 2015, Brussels

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[*Protocols*]

It gives me great pleasure to welcome you all to ACP House, your house.

I am particularly pleased that many Ministers responsible for trade issues coming from as far as the Pacific, the Caribbean and different parts of Africa have been able to come to Brussels to participate in the two meetings that are ahead of us – namely the 18th ACP Ministerial and the 13th Joint ACP-EU Ministerial Trade Committee. You have made it here despite your busy schedules, and for some, very difficult travel connections.

Your presence here is clear testimony to the seriousness and importance that your countries attach to ACP. For this, I want to assure you of my own and the Secretariat's continued commitment, to serve you diligently, so that the partnership amongst our States and the agreement between the ACP and the EU, and with other partners, will effectively serve the interests of our countries for the benefit of the ACP peoples.

I extend a special welcome to two distinguished guests, Dr Mukhisa KITUYI - Secretary-General of UNCTAD and Dr Kunio MIKURIYA - Secretary-General of the World Customs Organization, who have accepted our invitation to grace this occasion and exchange views on important topical trade issues with our gathering.

Honourable Ministers, Distinguished Guests,

A key objective of your meeting here today and tomorrow is to prepare for an engagement with our European Partners. Article 38 of the Cotonou Partnership Agreement establishes the ACP-EU Joint Ministerial Trade Committee (JMTC) and provides for it to meet at least once a year. Unfortunately, the Committee did not meet last year owing to changes that were taking place within the entire European Union leadership, namely the European Commission, the European Parliament and the European Council. The European side requested that the meeting be postponed until this year.

When the Cotonou Agreement was revised for the second time in 2010, it enhanced the mandate of the JMTC to enable it to address any trade related issues of concern or interest to the ACP States, including, most importantly, the monitoring of Economic Partnership Agreements (EPAs). The ACP-EU consultation process was clearly defined, with the JMTC having a key role in addressing or resolving difficult issues.

One of the difficult issues that has recently arisen is the publication of a Communication by the European Commission on a "Fair and Efficient Corporate Tax System in the European Union" which has listed 30 countries purported to be non-cooperative tax jurisdictions. Of these, 15 Island states, some of them ACP States have been blacklisted. These countries were not consulted ahead of the publication of the list by the European Commission. There is no doubt that such publication will cause damage to the financial sectors of these ACP States, most of which are service- dependent economies. This is a serious issue and there is need for appropriate consultations on this subject with our European Partners. Ministers, you will address this very seriously in your meeting tomorrow.

The objective of the next, 13th Meeting of the JMTC, which will take place on Friday afternoon, is first and foremost, to address issues related to ACP-EU trade relations. These include progress on the negotiations and implementation of Economic Partnership Agreements (EPAs), as well as other pertinent issues arising from the current ACP-EU trade arrangements. As we move ahead with EPA negotiations for the remaining ACP States and regions, and as 49 of our states start or continue to implement the EPAs, the importance of the present meeting of the JMTC cannot be over-emphasized.

Ministers will also be called upon to address the issues before the multilateral trading system of the World Trade Organization. The preparations for the Tenth WTO Ministerial Conference that will be held in Nairobi, Kenya in December this year will feature prominently in the discussions. We are proud that for the first time in the history of the WTO, the meeting will take place in an ACP State. We congratulate Kenya on its hosting of this important event and encourage all ACP States that are Members and Observers to the WTO to attend the Conference and make it a great success.

Honourable Ministers

The Senior Trade Officials who have met here for the last three days have worked most efficiently to prepare for your meeting.

The Senior Officials received reports from all the regional EPA configurations on the progress made in the negotiations as well as the implementation by the Caribbean and those countries in the Pacific and Eastern and Southern Africa (ESA) that

are implementing interim EPAs. I am happy to learn and report that interesting progress has been recorded.

Reports from the various regional configurations are in the draft report. Specific attention was drawn to the fact that the European Commission has proposed to the Pacific region to carry out reforms to its fisheries management systems as a prelude to completion of the negotiations for a comprehensive EPA. Aware of the demand for its fisheries resources and the need for their sustainability, the region does not believe the 3-year suspension of negotiations is acceptable. We support the Pacific region which is keen to resume negotiations as soon as possible.

Honourable Ministers

Another subject Ministers will consider and later discuss with the EU side touches on EC's negotiation with third countries. The ACP States' major concern has been the fact that preferences granted under the Economic Partnership Agreements are being continually eroded by the conclusion of free trade agreements with third countries. It will soon reach a point where tariff advantages under the EPAs are completely wiped out because of concessions granted to third parties.

A more serious development relates to the rise of the so-called mega regional trading arrangements. The negotiations between the European Union and United States of the Transatlantic Trade and Investment Partnership (TTIP) is causing consternation to the ACP Group.

We believe that if agreed, TTIP will have the effect of trade diversion resulting from removal of market entry barriers among the Parties at the expense of previous suppliers from third countries. ACP States will no doubt be affected. Furthermore, the challenges of complying with the higher standards that will be harmonized between the EU and the US will increase. The likelihood of these mega RTAs undermining the multilateral process in the World Trade Organization cannot be underestimated. Therefore, the ACP Group needs to keep a close watch on developments in these negotiations. If outcomes tend to negatively affect our countries, we will respond and engage with the European Union in accordance with the relevant provisions of our Partnership Agreement.

Honourable Ministers,

The ACP has recently witnessed positive developments in relation to regional integration. The launch of the Tripartite Free Trade Area in Sharm el Sheik, Egypt on 10 June 2015 by the Heads of State and Government of member countries of COMESA, SADC and EAC, and the launch of the negotiations of the Continental Free Trade Area by the African Union Summit in Johannesburg on 15 June 2015, are welcome events. We believe that the time is now ripe to engage in concerted efforts to prepare for an all-ACP trade framework that has so far eluded us. I will aim to pursue this agenda with vigour with a view to enhancing intra-ACP trade and economic relations. This will be done in parallel with our new direction of fostering south-south cooperation in trade and investment. The timely report of UNCTAD is a significant resource in this regard.

Another key issues before Ministers relates to the adoption of the Draft Agreement on Customs Cooperation to facilitate cumulation in the rules of origin. At its 101st Session that concluded on 29 May 2015, the ACP Council of Ministers mandated your Committee to finalize the consideration of the Draft Agreement. I am happy to report that after taking and incorporating views from nearly all the EPA regions, there was consensus at the Senior Officials meeting that the Draft Agreement should now be adopted. It will be placed before you for consideration.

Other issues brought to your consideration relate to Non-Tariff Measures, rules of origin, utilization of the EU Generalised Scheme of Preferences, including Sanitary and Phytosanitary measures as well as commodities. Support in the area of trade related capacity building will also be discussed.

On all these topics, the Senior Officials report is rich with recommendations which you will be invited to deliberate on and come up with appropriate recommendations.

I would like to conclude with the call that the Ministerial Trade Committee platform be reinstated as an ACP framework for dialogue which helps us to identify the necessary areas for action and the allies needed to achieve the objectives we set for ourselves for trade and development.

Thank you for your kind attention.

Dr. Patrick Gomes
ACP Secretary General

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