

EUROPEAN COMMISSION

MEMO

Gaborone, 19 July 2013

"EU committed to conclude trade negotiations with SADC still this year" - Remarks by EU Trade Commissioner Karel De Gucht at his visit to Botswana

Ladies and Gentlemen,

I am pleased to be in Botswana today. I am visiting the region this week to help bringing the negotiations of the Economic Partnership Agreement – the EPA - between the EU and SADC closer to conclusion.

Botswana holds the chairmanship in the SADC EPA group, and therefore plays an important role in these negotiations. I met Vice-President Kedikilwe and Trade and Industry Minister Makgato-Malesu today and expressed my gratitude to Botswana for their excellent chairmanship. I hope that together, we can conclude our negotiations as soon as possible.

Trade between the EU and Botswana is very healthy. If we look at the growth rate of trade since 2000, our trade has grown more than 400%! And on top of this, over the last years, Botswana has had a solid trade surplus with the EU.

Botswana currently enjoys free access to the EU market – its products do not pay duties at the EU's borders and are not subject to any quotas. But this regime is based on a temporary instrument which will end on 1 October 2014, on the basis of WTO rules.

After this date, Botswana would not be eligible for preferential treatment for its exports to the EU anymore - unless, it has concluded and ratified an Economic Partnership Agreement.

The EU is therefore strongly committed to bring the negotiations on an EPA to conclusion still this year – this would ensure that Botswana continues to enjoy free access to the EU market. And it would be an important driver for regional integration in Southern Africa.

Of course, we also understand that there are a number of concerns about this trade deal in Botswana. The EU is listening and we are showing a lot of flexibility towards Botswana's interests. I hope this goes to show our willingness to make this deal a reality.

For example, the EU offers full free access to its market, while Botswana can open a lot less.

But an EPA with the EU is also more than just about lowering tariffs. The EU is the largest integrated market in the world. The EPA would provide legal certainty for businesses and can offer other advantages like better rules of origin. Botswana is rightly pursuing greater diversification. The EPA can help save that goal.

So to be frank with you: Once we conclude this Economic Partnership Agreement, it will be the most generous trade agreement that the EU has ever agreed with any other FTA partner.

But we have not yet reached the finishing line. We still have some outstanding issues.

One of them is market access for agricultural products. As I have said, we are ready to open our market in an asymmetric way. Botswana will have free access to the EU market for agricultural products. But in return we would like to see a certain degree of balance, too. Otherwise this is not a politically feasible deal for Europe.

We agreed to organise a new negotiating round in September. I hope that this will be the final round in which we can resolve the outstanding issues. Our negotiators should plan an extended session to allow that to happen.

You can be assured that the EU is strongly committed to reach this agreement.

Thank you.