



Fact sheet on the Economic Partnership Agreements

The Eastern African Community (EAC)

February 2014

1. State of play

At the end of 2007 the Eastern African Community (Burundi, Kenya, Rwanda, Tanzania, and Uganda) agreed a region-to-region interim or "framework" EPA with the EU.

This framework agreement mainly covered trade in goods and fisheries and has been a stepping stone towards a full EPA. A commitment was taken by both parties, to continue negotiations on agriculture, rules of origin, Sanitary and Phyto-sanitary Standards (SPS), Technical Barriers to Trade (TBT), customs and trade facilitation (C&TF) and to postpone the discussion on other trade-related rules and trade in services until a later stage. The chapters on SPS, TBT, C&TF as well as on economic and development cooperation, on dispute

The Eastern African Community

East Africa is a geographically and economically homogeneous region committed to regional integration. The Eastern African Community (EAC) consists of Burundi, Rwanda, Tanzania, Uganda (all of which are Least Developed Countries or "LDCs") and Kenya (which is non-LDC).

The EAC established a Customs Union in 2005 and full fledged union with zero internal tariffs as from 2010. The EAC in fast tracking its economic integration process has ratified since July 2010 a more far-reaching common market protocol and last November, they signed a protocol on the monetary union. The integration agenda of the EAC is strongly political in nature as its ultimate goal is to become a federation.

settlement and institutional provisions have been completed and chapters on rules of origin, agriculture are at an advanced stage of discussion. All the provisions of the framework EPA concluded in 2007 together with the new chapters (completed and on-going negotiated) have been consolidated to a single text, the comprehensive or full EPA.

2. Main features of the framework EPA

- **Duty free quota free access** into the EU for all imports from EAC, with transition periods for rice and sugar
- **Asymmetric** and **gradual** opening of the EAC to EU goods, taking full account of the differences in levels of development between them and the EU (see below)
- **Trade defence** provisions with safeguards allowing each party to reintroduce duties if imports of the other party disturb or threaten to disturb their economy
- **Rules of Origin** (subject to review in the full EPA negotiations)

- **Dispute avoidance and settlement** provisions (more elaborate provisions will be negotiated for the full EPA)
- A chapter on **fisheries** (see below under "other features")

Goods covered by liberalisation

All imports from EAC countries have entered the EU duty and quota free since the 1st of January 2008 (1.1.2010 for rice and 1.10.2009 for sugar).

The EAC committed to liberalise 82.6% of imports from the EU by value. Under the EAC Customs Union, more than half of these imports from across the entire world are currently duty free. The remainder will be progressively liberalised within 15 years after the entry into force. 2.6% of it will be liberalised by 25 year. Thus, the EPA represents an effective liberalisation effort which is merely a portion of 82.6% on imports only from Europe over 25 years.

EU – EAC Trade in Goods

The value of total trade flows between the Eastern African Community and the EU (27) is about €5.8bn, exports to the EU being dominated by a few products such as plants, flowers, coffee, vegetables, fish and tobacco. The EU mainly exports machinery, chemicals and vehicles to the EAC.

Goods excluded from liberalisation

The EAC decided to exclude the following products from liberalisation; agricultural products, wines and spirits, chemicals, plastics, wood based paper, textiles and clothing, footwear, ceramic products, glassware, articles of base metal and vehicles.

Other features

The agreement contains an extensive fisheries chapter, mainly aiming to reinforce cooperation on the sustainable use of resources (such as resource assessment and management, monitoring environmental, economic and social impacts, conformity with existing national laws and relevant international instruments, effective control and surveillance for combating illegal, unreported and unregulated fishing).

3. The negotiating process

In June 2010, a Ministerial meeting held in Dar Es Salaam noted that EAC was not ready to sign the FEPA but both parties agreed to seek a successor agreement to their framework (interim) agreement. The EAC has been determined to conclude a full EPA. However, the pace of negotiations is dependent on the on-going far-reaching regional integration process in EAC. After a break of 14 months, the EAC and the EU resumed negotiations in September 2011 in Zanzibar. Since then, the regular pace of negotiations has yielded substantial progress on all issues including the economic and development cooperation chapter which was completed. The last round at ministerial level held in Brussels in January left a small set of outstanding issues in agriculture, rules of origin, the export taxes, MFN (non-discrimination) clause and the non-execution (human rights) clause.

The narrow set of outstanding issues together with existing packages on the table foster optimism on the outcome of the next meeting at technical and senior official level (at a date to be fixed) aimed at resolving all of them, thus paving the way for a conclusive ministerial.