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**Committee on Regional Trade Agreements
Hundred and Sixth Session**

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**ECONOMIC PARTNERSHIP AGREEMENT BETWEEN THE EASTERN AND SOUTHERN AFRICA
STATES AND THE UNITED KINGDOM, GOODS**

NOTE ON THE MEETING OF 27 MARCH 2023

Chair: Ambassador H.E. Ms. Clare KELLY (New Zealand)

1.1. The 106th Session of the Committee on Regional Trade Agreements (hereinafter "CRTA" or the "Committee") was convened in Airgram WTO/AIR/RTA/31/Rev.1 dated 17 March 2023.

1.2. Under Agenda Item I.I of the Session, the CRTA considered the Economic Partnership Agreement between the Eastern and Southern Africa States and the United Kingdom, goods (hereinafter "the Agreement"). The Chair stated that the factual presentation had been prepared by the Secretariat on its own responsibility in full consultation with the Parties, in accordance with paragraph 7(b) of the Transparency Mechanism for Regional Trade Agreements (document WT/L/671).

1.3. The Agreement had entered into force on 1 January 2021. It had been notified to the WTO by the Parties on 31 December 2020 under Article XXIV:7(a) of the GATT 1994, as establishing a free trade area for trade in goods within the meaning of Article XXIV of the GATT 1994 (document WT/REG427/N/1). The text of the Agreement, together with its Annexes, was available on the Parties' official websites and in the WTO RTA database. The Factual Presentation, document WT/REG427/1, and questions and replies, document WT/REG427/2, had been distributed.

1.4. The representative of the United Kingdom congratulated the Chair on her appointment and delivered a joint statement, on behalf of the UK, Mauritius, Seychelles, and Zimbabwe, on the Agreement. The Agreement had been successfully implemented since 1 January 2021 by Mauritius, Seychelles, Zimbabwe (ESA), and the UK. Madagascar and Comoros had also signed the Agreement, and it would be applied to them when they brought it into effect in their domestic legislation.

1.5. The Agreement had played and continued to play a vital role in providing both continuity and certainty for ESA and British businesses that traded between the Parties. Overall trade was worth GBP 1.1 billion in 2022, with strong mutual trade since the inception of the Agreement. All the Parties were keen to see further growth in the coming years. It had reaffirmed the strong relationship between the UK and the ESA region, which had been built upon the Parties' long-standing historical ties and shared values. As well as the existing Parties to the Agreement, any other State in the region could accede to the Agreement with the agreement of the Parties.

1.6. The text of the Agreement replicated the Economic Partnership Agreement that had been negotiated between six ESA countries and the European Union (the EU-ESA EPA) in 2007, albeit with minor changes to accommodate the UK's new bilateral context.

1.7. At its heart, the Agreement aimed to contribute to the economic growth and development of ESA Partner States, through a strengthened trade and development partnership. A key aspect of the Agreement's development-oriented nature had been the provision of full duty-free and quota-free market access for goods originating in ESA States in the UK market. Large businesses to small producers in ESA States had continued to benefit from duty-free, quota-free access to the UK market, many of whom had relied on such access to effectively compete in the UK. On the other hand, the Agreement had provided for ESA States to liberalize their tariffs progressively and

gradually over a number of decades for goods originating from the UK, which concluded in 2022. The asymmetrical tariff schedule had been designed to support ESA States to grow their economies in a sustainable way, recognizing that the UK and ESA States were at different stages of their development.

1.8. Crucially, the Agreement also contained integrated safeguards which allowed ESA States to introduce tariffs or quotas in the unlikely case that imports from the UK harmed domestic industry or caused social or economic problems.

1.9. The Agreement had also provided generous cumulation arrangements. For ESA States, the provisions allowed products to be considered as originating, and thereby benefit from duty-free access in the UK market, when incorporating materials originating in the UK. This also applied when ESA States incorporated materials originating in the EU, the other ESA States, other African, Caribbean and Pacific States, and the UK's Overseas Countries and Territories. Additionally, at the request of ESA States, these provisions may be extended to include neighbouring developing countries, specifically, Algeria, Egypt, Libya, Morocco, Tunisia, and the Maldives. Similarly, products were considered as originating in the UK when incorporating materials originating in an ESA State, the EU, other African, Caribbean and Pacific States, and the UK's Overseas Countries and Territories. In all cases, for these provisions to be applied, the countries involved in the acquisition of originating status and the country of destination had to have concluded an agreement on administrative cooperation. The Parties would share with each other details of their agreements on administrative cooperation and would publish the date on which the cumulation provided could be applied.

1.10. The Agreement had also allowed the ESA States to maintain regional preferences with other African countries and regions without having to extend them to the UK. Furthermore, Parties could be assured that future trade agreements entered into by the Parties would give due consideration to the Agreement. The obligations were once again asymmetrical to preserve the Agreement's objective to support the ESA States' sustainable development and integration into the global economy. The UK was required to extend to the ESA States any more favourable treatment resulting from a future FTA with a third party, whilst the ESA States had the same obligation with respect to the UK, but only to the extent that the third party was a "major trading economy".

1.11. Development cooperation had been a core element of the Agreement and an essential factor for the realization of its twin objectives, trade and development. Cooperation was aimed at enhancing the competitiveness of ESA economies, building up supply capacity and enabling signatory EPA States to implement the Agreement smoothly. Several areas were also specified for development cooperation, including cooperation to support establishing a strong, competitive, and diversified economic base in the ESA states, developing capacity for trade, and attracting investment, and strengthening policies and regulations.

1.12. The Agreement's institutional arrangements included an EPA Committee, composed of ESA and UK representatives, which was responsible for the administration of all matters and fulfilment of all tasks under the Agreement. It also provided for a Joint Development Committee, to effectively monitor the implementation of the development cooperation under the Agreement.

1.13. The Agreement contained a 'rendez-vous clause', wherein the Parties had agreed to pursue negotiations in the future with a view to extending their partnership in several areas, including technical barriers to trade and sanitary and phytosanitary measures, services, investment, competition, sustainable development, intellectual property rights and transparency in public procurement.

1.14. Both Parties looked forward to continuing deepening their relationship through the Agreement.

1.15. The representative of Mauritius congratulated the Chair on her election and thanked the Secretariat and WTO Members for their interest in the Agreement and the questions they had submitted. He also highlighted that the UK had been one of the key trading partners of Mauritius. The commercial partnership between Mauritius and the UK had been consolidated with the entry into force of the Agreement on 1 January 2021, which had allowed, in fact, to preserve predictability and continuity in trade relations between the UK and Mauritius, and other ESA States. The latest data in 2021 indicated that Mauritius' exports to the UK amounted to approximately MUR 6 billion, which

was about 12% of its total exports, and the main exported products were prepared or preserved tuna, textiles, and sugar. Mauritius imported products worth around MUR 3.3 billion from the UK. Mauritius hoped that, with the Agreement, trade and economic relations would be further deepened, and looked forward to collaborating with the UK.

1.16. The Chair opened the floor for any questions from the Members.

1.17. The representative of the European Union congratulated the Chair on her appointment. She thanked the Parties for their presentation of the Agreement and wished them success in the implementation of the Agreement.

1.18. The representative of the United States congratulated the Chair on her appointment and thanked the Parties for their participation in the valuable transparency exercise. He noted that tables 3.1 and 3.2 of the factual presentation showed similar tariff liberalization commitments by Mauritius and Seychelles, but Zimbabwe's commitment was remarkably different as shown by table 3.3, with 13.7% of its tariffs remaining dutiable. He asked whether the reason for the difference in apparent market access commitments was related to the development rationale as presented in the Parties' joint statement or if there were any other reasons for the difference.

1.19. The representative of the United Kingdom thanked the U.S. for the question and appreciated the fact that it had taken the time to look at the matter. She confirmed that the difference in market access commitments by Zimbabwe was completely linked to the development elements of the Agreement. She preferred not to comment further on it since Zimbabwe was not present at the meeting. As mentioned in the Parties' joint statement, they had been happy to take different characterizing requirements for each Party based on its stage of development, including different time frames and commitments. She would provide more specific information as a follow-up, if needed.

1.20. The representative of Canada thanked the former Chair of the Committee, Ambassador Taeho LEE, for his work and extended a warm welcome to and looked forward to work with the newly elected Chair in the future. He also expressed gratitude to the Parties for ensuring transparency on the RTA being considered. He asked if the Parties, while negotiating the Agreement, had discussed the definition of the broad outlines of a major trading economy with regards to MFN treatment to be granted after the Agreement had been concluded.

1.21. The representative of the United States followed up on a written question and requested information regarding the rendez-vous clause mentioned by the UK, which potentially required negotiations for future commitments in TBT, SPS, services, competitiveness, sustainable development, transparency, and public procurement. He asked the Parties to clarify the process and whether they had any plans to address some of these additional elements of the potential agreement in the future.

1.22. The representative of the United Kingdom thanked Canada and the US for the questions raised and appreciated the debate and discussion. Regarding the MFN clause and the definition of a major economy, she explained from the UK's trade agreement perspective that the UK had many EPAs across Africa and the Caribbean. She believed that, in part, it was designed to ensure that the current economies of these countries were captured. Economies with which the UK had EPA-style agreements definitely would not be captured under that kind of forward-looking MFN provision. However, if there was a change in the future and an agreement was reached with a major economy that followed a standard FTA structure covering all types of trade, then the UK would want to be included under the MFN provision. She also noted that the EPA Committee's regular discussions would allow them to review individual agreements on a case-by-case basis to identify specific types of agreements to be covered by the MFN provision. She further clarified that it was not intended to capture each State's economic partnership type agreement and was also not intended to capture any specific regional trade agreement, such as the African Continental Free Trade Area (AfCFTA). On the rendez-vous clause, she noted that the EU and now UK EPAs had predominantly focused on trade in goods and did not include services. The UK currently had a busy FTA schedule to get through. Its focus had been on notifying and being transparent about existing agreements. The UK also had a busy schedule of forward looking agreements, particularly with countries such as India. The UK was prioritizing work on expanding its existing FTAs. However, the process was still in its early stages

and the Parties involved needed to work out with the help of the Committee under the Agreement what to prioritize.

1.23. The representative of the United States shared his experience in negotiating the U.S.'s FTA with Kenya and its broader trade engagement with the East African Community and the need to be mindful of the provisions in the EU-EPA and UK-EPA.

1.24. The Chair noted the consideration of the Economic Partnership Agreement between the Eastern and Southern African States and the United Kingdom, goods had allowed the Committee to clarify a number of questions and conclude oral discussion of the RTA in accordance with paragraph 11 of the Transparency Mechanism. Any delegations wishing to ask follow-up questions were invited to forward submissions in writing to the Secretariat by 3 April 2023 and the Parties were asked to submit replies in writing by no later than 17 April 2023. In accordance with paragraph 13 of the Transparency Mechanism all written submissions, as well as the minutes of the meeting would be circulated promptly, in all WTO official languages, and made available on the WTO website.

1.25. The Committee took note of the comments made.
