

Oppose EU's economic agreements - Oxfam

By [Michael Appel](#)

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Addis Ababa – International humanitarian organisation Oxfam and Afro-flag Youth Vision have urged African governments to jointly oppose the European Union's (EU) proposed Economic Partnership Agreements (EPAs).

Addressing the 10th African Union (AU) Summit on Thursday, 31 January 2008, Oxfam regional director Abera Tola highlighted that the implementation of the Europe's EPAs "...will have a critical negative impact on Africa's industrial development and economic policies."

The Summit is taking place in Addis Ababa, Ethiopia under the theme: "Industrial Development of Africa."

"An overwhelming number of studies indicate that the lowering of import tariffs will rob government of significant revenue, forcing governments to cut expenditure on essential public services such as healthcare and education," said Tola.

EPAs are structured in such a way that African countries have to liberalise and lower their tariffs. In so doing, they threaten the livelihoods of millions of rural producers and the viability of local manufacturing industries.

Tola said a loss in import tariffs for countries such as Cameroon, Burundi, Kenya and Mauritius would be greater than their entire budgets for health "in a worst case scenario".

"In [the Democratic Republic of] Congo (DRC), Mauritius and Togo, the drop in government revenue from trade liberalisation under an EPA is nearly equivalent to their government expenditure on education," she highlighted.

At the EU-AU Summit that took place in Lisbon, Portugal in December 2007, African and European leaders were at loggerheads over the liberalisation of trade barriers and the subsidising of certain sectors within economies.

In Lisbon, African leaders made the point very clear that opening their economies up to cheaper foreign goods would only destroy local industry.

Similarly, director of Afro-flag youth Vision of Ethiopia Eyob Balcha said: "EPAs must not jeopardise existing benefits of trade under the Cotonou Agreement or reverse attempts towards industrialisation.

"We echo the call of Ethiopia's minister to jointly address this that at the highest political level."

The current stalemate at the World Trade Organisation's Doha Round of discussions, has left the policy door regarding the

subsidising of sectors such as agriculture wide open.

The United States has been faulted as one of the biggest culprits in subsidising its farmers, to the detriment of Africa's local producers. African farmers as a result, struggle to match the price of cheaper, imported products.

While Africa possesses vast natural resources, it is responsible for less than 1% of global manufacturing.

A number of trade envoys have visited the continent in recent years in an effort to help Africa add value to its commodities - effectively helping the majority of African countries out of the single commodity-based economy into a diversified economy.

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