

Poorer nations face import tariff rise as EU refuses to budge

[Print](#)

By Andrew Bounds in Brussels

Published: December 11 2007 02:00 | Last updated: December 11 2007 02:00

Beef, rum, cocoa and bananas from former colonies will be in effect locked out of the European Union from New Year's day as ministers agreed yesterday to go ahead with hefty tariff rises on imports from poor countries that refuse to sign new trade deals.

The economic partnership agreements (EPAs) replace a preferential regime ruled illegal by the World Trade Organisation. The deadline is December 31 but some countries asked for more time, fearing that liberalisation under the EPAs would damage fledgling industries and deny them customs revenues.

EU ministers yesterday overwhelmingly backed a measure to enforce the year-end deadline.

Peter Mandelson, the European trade commissioner, said nevertheless he expected all but a handful of countries to sign the agreements - or at least an interim deal covering goods - by the deadline.

About 20 of the 79 African, Caribbean and Pacific countries have initialled the trade deals so far. Brussels will continue to offer duty-free, quota-free access to the very poorest.

Mr Mandelson hit back at criticism from Thabo Mbeki, South African president, and Abdoulaye Wade, his Senegalese counterpart, at a weekend summit of EU and African leaders. "You have Mbeki and Wade sounding off. Both of them have absolutely nothing to lose," he told Reuters in an interview. Pretoria has a bilateral trade deal, while Senegal will continue to benefit from its poor country status.

"If all of Africa has rejected EPAs, why are we getting people signing?" Mr Mandelson said. "It's because in some cases they feel reluctantly that they don't have any alternative and don't want their trade disrupted and in other cases because they see an opportunity." Madagascar and Malawi signed yesterday.

The 14-strong Caribbean community could clinch a deal this week, he said. He expected Ghana, Cameroon and Gabon, facing catastrophic loss of cocoa and banana exports, to follow suit.

However, oil-rich Nigeria and Congo-Brazzaville "have shown little interest in the negotiations", he told trade ministers. Nigeria would lose €106m, (\$156m, £76m) or 15 per cent of its non-oil trade, according to Commission figures. Namibia is still wavering.

The southern African country would lose beef, grapes and fish exports worth €45m overnight, four times the annual aid it receives from Brussels, said Mareike Meyn, of the Overseas Development Institute, a UK-based think-tank.

The Pacific islands of Nauru and Tonga would find their sugar, half their exports, shut out of the market. "There are other products that would have small rises that would effectively stop the export because margins are small such as peas and beans," said Ms Meyn.

She said the rush to conclude negotiations would store up trouble for the future. "Few deals are EPAs. Tariff offers are on a country-by-country basis. Different countries have locked in different tariffs. It is going to be hard to build the regional trade blocs envisaged."

The EU is offering 100 per cent market access while ACP countries should liberalise on average 80 per cent of their market over 15 years.

Copyright The Financial Times Limited 2007

"FT" and "Financial Times" are trademarks of the Financial Times. [Privacy policy](#) | [Terms](#)
© Copyright The Financial Times Ltd 2007.