



**EUROPEAN TRADE UNION
CONFEDERATION - ETUC (CES)**



**INTERNATIONAL TRADE UNION
CONFEDERATION (ITUC)**

Brussels, 24 September 2007
JM/TJ/sw

Mr. Peter Mandelson
Commissioner for Trade
European Commission
Berlaymont
1049 Brussels

Via e-mail: peter.mandelson@ec.europa.eu

Dear Commissioner Mandelson,

Further to our previous contacts with you concerning EU-ACP issues, we are writing now to ask you to support an extension of the negotiation period of the Economic Partnership Agreements (EPA) beyond the date of 31 December 2007.

This being an issue within the specific competences of DG-Trade, we address our letter to you alone on this occasion, although we are copying it to your colleagues in DG-Development and DG-Employment for their information too.

It is our understanding that, in virtually all regions, the pace of negotiations has been extremely slow and that today there is still no consensus with the EU's negotiating partners on issues that are crucial for the development prospects of ACP countries. Indeed according to the review carried out in the framework of Article 37.4 of the Cotonou agreement, substantial divergences persist most notably on market access; the pace and schedule of liberalisation; the list of products to be exempted from the liberalisation programme; and the list of products to which longer transition periods should be applied.

In our views, these issues are too important to be dealt with in the last rush. What is at stake is the smooth and successful integration of many of the world's poorest countries into the world economy. In order to ensure that the EPA negotiations do not result in a precipitous liberalisation programme that would undermine ACP economic and social development, decisions on these items require both consensus and a full understanding of their implications.

Five years may appear a long period for a trade negotiation, but given the drastic change that EPA introduces in EU-ACP trade relationships and the weakness of local and regional institutional capacities, it is in fact a very short period of time. The reality of many ACP countries today is that they are being required to negotiate simultaneously a regional custom union, a bilateral deal with the

EU and a multilateral negotiations process through the WTO. Very few countries in the world would be able to successfully take up such a challenge in five years. The poorest countries are certainly not in a position to do so.

The ETUC and ITUC are fully aware of the constraints imposed by the WTO waiver whose expiration is scheduled for the end of this year. Nevertheless we think it is possible for the Commission to obtain a common assent from WTO membership for an extension of the negotiation period. A strong argument could be the uncertainty around the outcome of the Doha Round which renders it impossible for ACP countries to evaluate the possible advantages or drawbacks that EPAs could provide.

As you know there is a precedent in the history of the EU-ACP trade relationship when the EU maintained preferences for 2 years after the expiration of a WTO waiver. The waiver of the Lomé - IV tariff preferences granted in 1996 expired in February 2000 but the EU maintained those preferences until the 4th WTO Ministerial Conference in November 2001. On that occasion trade preferences were maintained without any formal approval from the WTO and without any legal challenge either. It is in addition well known that very few free trade agreements are actually in full conformity with Article XXIV of the GATT, making many WTO members rather reluctant to challenge others' trade agreements.

Maintaining trade preferences for ACP countries until EPAs can be wholeheartedly agreed upon would be consistent with the spirit of the Cotonou agreement. It would also be the appropriate political message to send to those, both in Europe and in Africa, who are increasingly questioning the benefits of free trade.

Counting on your understanding in this matter,

Yours sincerely,



John Monks
ETUC General Secretary



Guy Ryder
ITUC General Secretary

cc: Commissioner Louis Michel, DG-Development
Commissioner Vladimir Spidla, DG-Employment



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