



Economic Partnership Agreements

# Putting Partnerships into Practice

2020 edition

EU trade and investment  
with **African, Caribbean  
and Pacific** states



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## Foreword

by the Commissioner for Trade,  
Phil Hogan

Leveraging trade and investment for sustainable development is the core objective of the EU's Economic Partnership Agreements (EPAs) with African, Caribbean and Pacific (ACP) states.

Implementation of EPAs has now reached cruising speed: in 2019 we implemented seven agreements, with 31 partners – 14 of them in Africa. This is unmatched in any other region of the world. While implementation of the African agreements started a bit later, the EPA with the Caribbean has already celebrated 10 years of application.

EPAs are an evolving, dynamic process that has now entered a new era. Demand for EPAs in the ACP states is increasing, with more countries joining already-existing agreements. The agenda is also expanding in substantive terms to respond to requests from EPA partners to add new issues to their agreements, including services and investment.

It is therefore time to take stock of what EPAs are delivering. We regularly monitor EPA implementation, for example through the Directorate-General for Trade's annual report on the implementation of its free trade agreements. The last edition was published in October 2019 <sup>(1)</sup> and shows some impressive results for EPAs: for example, exports from EPA partner countries to the EU grew by 5 % in 2018, with manufacturing exports



to the EU growing by 8 %. The EU is the main trading partner for most of our EPA partners.

Beyond figures, we are interested in understanding what is happening to people, businesses, farmers, workers, consumers, women and men on the ground. We are in continuous dialogue with stakeholders in our partner countries, from public administration to business associations and from smallholder farmers to labour-union representatives in order to understand the reality that they face and how the EPA is helping them to move ahead, grow, work, export and do business within their country and region as well as with the rest of the world.

Meeting and learning from those who use our agreements in order to continuously improve their implementation is one of the most important tasks that I have ahead of me as EU Commissioner for Trade.

This brochure brings you some of the inspiring stories we are hearing from stakeholders and we hope it will help to shed some light on what we have achieved – and the opportunities that lie ahead.

<sup>(1)</sup> The report, as well as the more detailed staff working paper, can be found here: <https://trade.ec.europa.eu/doclib/press/index.cfm?id=2071>.



## Introduction: Leveraging trade and investment for sustainable development

Economic Partnership Agreements (EPAs) are trade agreements between the European Union and countries and regions of the African, Caribbean and Pacific (ACP) Group of States.

The global objective of EPAs is to contribute to sustainable economic growth and poverty reduction in ACP countries. EPAs are a tool to strengthen competitiveness, boost industrialisation, improve export performance and reform the investment climate.

This introduction serves to set the framework for the collection of success stories presented in this brochure. In the following, we recall the basic features of EPAs and give an overview of their implementation and the way forward.

### The features of the current EPAs

#### A new partnership of equals

- EPAs are a permanent partnership, a promise to work together to make trade work for development.
- EPAs encourage a progressive and fundamental shift from aid to trade and investment as engines of growth, jobs and poverty reduction.
- EPAs entail rights and obligations for both parties (EU and ACP states) – a move away from the unilateral preferential arrangements of the past.

#### The best possible access to the EU market

- **‘Duty- and quota-free’ access.** EPAs give free access to the EU market: zero tariffs and unlimited quantities for all products (except for arms). Some half a billion European consumers can now be reached.
- **Flexible rules of origin.** EPAs also have flexible conditions under which ACP exporters can more easily source from elsewhere the

inputs they need to make their final products without losing their free access to the EU.

- **Financial support.** EU capacity-building measures support ACP producers’ ability to comply with sanitary, phytosanitary (‘plant health’) and other product standards.

#### Strengthening competitiveness and promoting industrialisation

- EPAs support ACP countries’ efforts to develop new industries and diversify their economies, so they depend less on unprocessed commodities and low value-added craft industries, which generate less revenue.
- EPAs lower the cost of imported inputs and products needed to make final products, such as machinery. Doing so lowers the costs of production in ACP countries, which in turn increases the competitiveness of the local economy to produce for local, regional and international markets and to connect to global value chains.
- If local industry is threatened because of import surges from the EU, EPAs make it possible for ACP countries to protect certain established or infant industries (ones which the country seeks to develop). ACP countries have also been able to keep their market closed to imports of sensitive products from the EU that are especially susceptible to foreign competition. This includes doing so to protect government revenue.
- At global level the EU is the largest market for manufacturing exports from ACP countries – and EPAs ensure that duty-free, quota-free market access is there to stay.

#### Attracting investment

- Attracting foreign investors to set up production in a country is one of the objectives of the EPAs.



- EPAs contribute to a stable climate conducive to investment by providing certainty on trade rules that govern exports and imports from the EU.
- EPAs allow investors to source physical inputs for their investments from the EU at preferential rates and provide long-term certainty about the possibility to export to the EU duty free and quota free.
- Implementing an EPA demonstrates that partner governments are committed to a transparent and rules-based regulatory environment, highly valued both by domestic and international investors.
- Investors value the possibility to produce for larger markets – and EPAs encourage the consolidation of regional integration processes.
- EPAs are an impetus for reform for ACP countries, and the EU provides support for accompanying reforms of fiscal regimes, the business climate and modern industrial policy.

### Encouraging economic integration

- EPAs aim at contributing to regional economic integration by joining up smaller markets in larger EPA regions that were established by the ACP countries themselves.
- Coupled with the EU's overall strategy to support regional integration, EPAs will in particular help African regions come to grips with technical and policy aspects of economic integration, including at continental level.
- EPAs are building blocks for the African Continental Free Trade Area (AfCFTA). The AfCFTA is a cornerstone of the African Union's agenda 2063 as well as of the Africa–Europe alliance for sustainable investment and jobs, which was launched in September 2018.

### Aid for Trade

- Aid for Trade strengthens ACP trade policy capacity, which helps trade negotiations at regional level as well as the negotiations and implementation of the AfCFTA.

- Aid for Trade includes support for trade facilitation and infrastructure to allow the free movement of goods within the region and with the EU.
- Aid for Trade is also provided to accelerate private-sector development through access to finance, skills, services, infrastructure and other much-needed inputs for small and medium-sized enterprises (SMEs) to become competitive in global markets.

### Fostering sustainable development

- Development, growth and investment must be sustainable and EPAs therefore have sustainable development as a key objective, including labour rights and environmental issues.
- EPAs are based on the 'essential and fundamental' elements set out in the Cotonou Agreement, i.e. human rights, democratic principles, the rule of law, and good governance.

### Where do we stand today with EPAs?

#### Implementing and monitoring

- EPA implementation has reached cruising speed, with parties making good progress under the seven currently existing EPAs. Monitoring their implementation and impact is a top priority, with a number of instruments being deployed:
  - the EU's annual report on the implementation of its free trade agreements;
  - ongoing *ex post* evaluation of the Cariforum–EU EPA;
  - upcoming *ex post* evaluation of the EPA in Eastern and Southern Africa (ESA);
  - good progress on joint monitoring mechanisms with EPA partners.
- EPA implementation is also starting to deliver, with countries seeing real benefits, be it textiles from Madagascar, grapes from Namibia, processed fish from Papua New Guinea or medical instruments from Mauritius.

### Where are we going?

- Developing the EPAs to catch up with modern trade policy and allowing more countries to reap its benefits is becoming a priority.
- **‘Widening’**. Supporting accession by interested parties.
  - Accession by interested parties is possible under almost all EPAs.
  - In 2018 and 2019, Samoa joined the Pacific EPA and Comoros joined the ESA EPA.
  - Currently, Solomon Islands and Tonga wish to accede to the Pacific EPA.
  - Further accessions to other EPAs are also under discussion.
- **‘Deepening’**. Bringing more issues into EPAs to deliver a modern and comprehensive trade agreement.
  - Services and investment are at the heart of new efforts to broaden the scope of

the EPAs, as those sectors are of major importance for the development of many ACP states.

- Deepening negotiations also aim at agreeing on strong environmental, social, labour and gender provisions to ensure that the EPAs fulfil their promise of contributing to sustainable growth.
- In October 2019, the EU and the five countries currently implementing the EPA between the European Union and ESA launched negotiations as a first step to deepen their EPA.
- Deepening responds to the development needs of ESA states that have a clear interest, for example to develop their service sectors.
- Other EPAs may benefit from the same approach in the future.

## Economic Partnership Agreements – State of play

The majority of ACP countries are either implementing an EPA or have concluded negotiations with the EU.

Once an agreement is signed, ratified and applied, the focus of the process moves to its implementation, or

putting it into practice, to enable the private sector and consumers alike to reap the benefits of these agreements.

### Seven EPAs are in the implementation phase, involving 31 ACP countries.

EPAs under implementation	(1)-(5) Africa	(1) Stepping-stone EPA with Côte d'Ivoire	Côte d'Ivoire
		(2) Stepping-stone EPA with Ghana	Ghana
		(3) Central Africa	Cameroon
		(4) Eastern and Southern Africa	Comoros
			Madagascar
			Mauritius
			Seychelles
			Zimbabwe
		(5) Southern African Development Community EPA group	Botswana
	Eswatini		
	Lesotho		
	Mozambique		
	Namibia		
	South Africa		
	(6) Caribbean	Antigua and Barbuda	Jamaica
		Bahamas	Saint Kitts and Nevis
		Barbados	Saint Lucia
		Belize	Saint Vincent and the Grenadines
		Dominica	Suriname
Dominican Republic		Trinidad and Tobago	
Grenada			
Guyana			
(7) Pacific		Fiji	
		Papua New Guinea	
		Samoa	

Another 22 ACP countries have concluded negotiations on an EPA, which will be implemented once all parties have signed. This concerns the regional EPAs in West Africa (16 countries) and in East Africa (five countries), and Zambia.

Other ACP countries have the possibility to accede to one of the existing EPAs. Currently, accession procedures are underway for Solomon Islands and Tonga to accede to the Pacific EPA.



## ACP–EU trade in figures (2018)

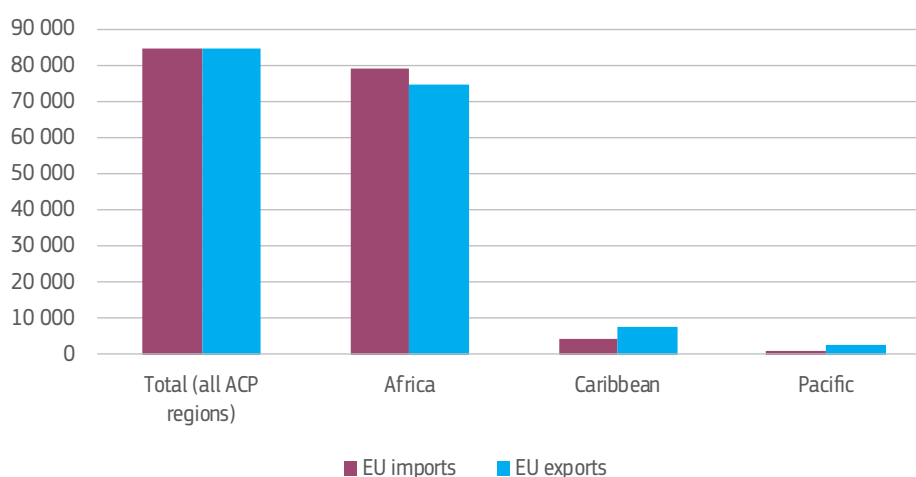
**46 %:** Increase in EU–ACP trade over the past 10 years

**49 %:** Increase in EU–ACP non-oil/gas trade over the past 10 years

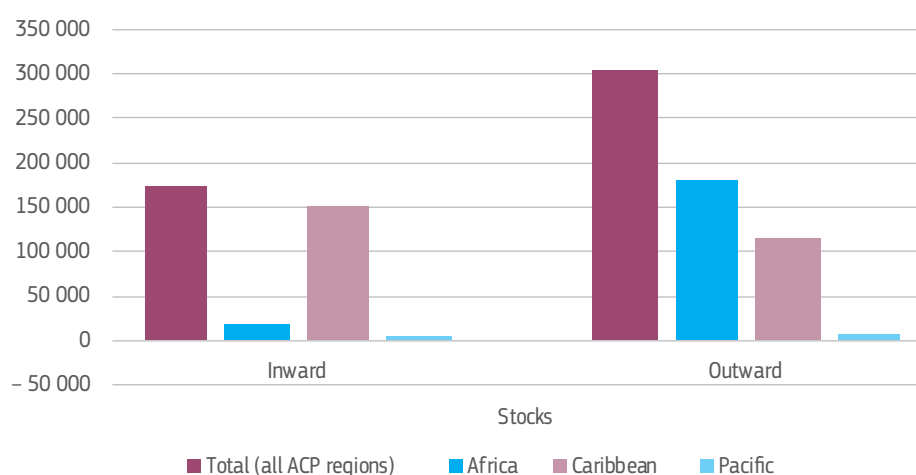
**36 %:** Increase in ACP agricultural exports to the EU over the past 10 years

**48 %:** Increase in ACP manufacturing exports to the EU over the past 10 years

### EU–ACP trade in goods in EUR million (2018)



### EU–ACP foreign direct investment in EUR million (2017)

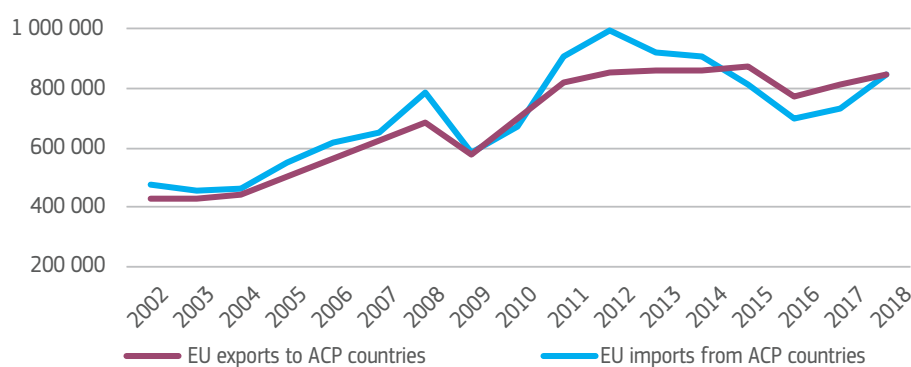


**#1:** The EU's ranking amongst ACP countries' trading partners

**21 %:** The EU's share in total ACP exports

**23 %:** The EU's share in total ACP imports

### Evolution of trade in goods between the EU and ACP countries in EUR million (2002-2018)



Source: Eurostat.

### Main exports from African, Caribbean and Pacific states to the EU, excluding oil and mineral resources



## The EPA with the Southern African Development Community



### ESWATINI

#### Baby vegetable exports help alleviate poverty

When trade policy and development cooperation go hand in hand, the local economy benefits. A good example is Eswatini's growing baby vegetable exports to the EU. Free market access under the EU–Southern African Development Community (SADC) EPA and EU-funded technical assistance to ensure the goods comply with high EU food safety standards have been instrumental in getting exports off the ground.

Baby vegetables are high-value crops and demand is increasing in the EU as well as in the SADC region,

especially in South Africa. This presents a unique opportunity for Eswatini, where such production is already known and practised.

Currently, 1 500 small farmers (and their 700 family and seasonal workers) produce baby vegetables and export them to South Africa and to the EU via the National Agricultural Marketing Board. Demand for Eswatini's baby vegetables is around 5 tonnes per year; and this trend is rising, translating into export earnings of around EUR 2.4 million.

Eswatini, as a landlocked country, currently mainly trades with South Africa (65 % of trade). The EU accounts for 3.5 % of direct exports, but a larger share is exported via South Africa. Eswatini is slowly diversifying its exports to the EU, with increasing exports of citrus fruit (+ EUR 3 million, up 72 % in 2018 compared to 2017), rum (+ EUR 4 million, up 435 % in 2018) and prepared or preserved fruits and nuts, including fruit juices (+ EUR 2 million, up 21 % in 2018).







## SOUTH AFRICA

### The EPA supports diversification of wine production

With a workforce of more than 250 000 employees and an annual production of 900 million litres, South Africa is the ninth-largest wine producer in the world. Around half of South Africa's wine production is exported, with the EU as its main destination.

While wine has been made in South Africa for more than three centuries, there were no qualified black winemakers until the end of apartheid. Young black women are now breaking down this barrier and using the EPA to export their products to the EU.

Thokozani Wines is a black empowerment spin-off of Diemersfontein Wines. It is owned by 85 employee shareholders, many of whom are women, and exports its wines to Czechia, Denmark, Germany, the Netherlands and Sweden.

Denise Stubbs, the director of Thokozani Wines, testifies: 'Exports to the EU have improved after the entry into force of the SADC EPA, but we need to scale up our efforts if we want to fully benefit from it. EU support to historically disadvantaged producers is very critical and welcome.'



Carmen Stevens established the first 100 % black-owned winery in South Africa. She sells her wines on the global market under the Catoria label. Marketing is

crucial but, as she says, her 'focus will always be on the quality of the wine because no one will buy a second bottle simply because the winemaker is black.'

Under the EPA, the EU has doubled the annual tariff-rate quota of South African wines entering the EU duty free. Subsequently, South African wine exports have increased from 300 000 tonnes in 2015 to 320 000 tonnes in 2018, with export earnings reaching EUR 405 million in 2018. Furthermore, South Africa benefits from the protection of geographical indications for 105 South African wines and from financial support towards transforming the sector in favour of producers who are more diverse and socially in need.





## MOZAMBIQUE

### Avocados reach EU shelves – duty free, of course

Westfalia Fruto Moçambique started exporting avocados to the EU in 2016, mainly to France and the Netherlands. Exports continue to increase as demand for avocados in the EU is growing. Nature gives a helping hand. The Manica province, where the plantation is located, is known as an early fruit-producing area, meaning crops grown there ripen earlier and can therefore be exported

to the avocado-hungry EU a few weeks earlier than competitors from countries further south.

Stable market-access conditions provided by the EPA help Mozambican SMEs (such as Westfalia Fruto) to expand their operations and integrate into global value chains. For instance, Westfalia Fruto expects to open new plantations and to increase its exports to 7 000 tonnes by 2021.

EU imports from Mozambique have seen a strong increase over the past years, partly fuelled by raw materials, such as aluminium, mineral fuels, ores and salt. Agricultural exports are also of key importance to the country, with tobacco being the main export product to the EU (EUR 180 million in 2018). Other agri-food exports from Mozambique to the EU are fish and crustaceans (EUR 37 million in 2018), sugar (EUR 16 million) and – growing at a rapid rate – cashew nuts (EUR 11 million). Avocados accounted for EUR 500 000 in exports in 2018.





## SOUTH AFRICA

The EPA facilitates investment and transformation in the South African automotive sector

South Africa is the dominant vehicle producer on the African continent, with an automotive industry that is highly export oriented and foreign direct investment dependent.

South Africa produces more than 600 000 vehicles annually and exported more than 350 000 vehicles in 2018. The EU leads in terms of destination, importing 66 % or 233 000 South African-made vehicles in 2018, a growth of 23 % compared to 2017 (and valued at a record EUR 4 billion). On the other hand, South Africa imports most components from the EU.

It is encouraging that, in spite of domestic and foreign economic headwinds, the seven original equipment

manufacturers <sup>(2)</sup> (four of them EU based) have made investment commitments of approximately EUR 2.5 billion for the next 5 years. Investment at this scale is significant and will promote local value-addition, with almost EUR 1.6 billion expected to be invested in domestically sourced components.

In 2018, Volkswagen South Africa and BMW South Africa completed investments of approximately EUR 350 million each in their assembly plants for the Polo and X3, respectively. The Mercedes-Benz Learning Academy was launched in 2016, and in 2019 BMW South Africa officially opened its new state-of-the-art training facility for around 300 apprentices a year.



Under the SADC-EU EPA, both European and South African car manufacturers and their suppliers benefit from preferential tariffs and favourable rules of origin for cars and car parts. The SADC EPA has thus been critical in attracting investments to South Africa (from the EU and elsewhere), which now enjoys a trade surplus with the EU in the sector.

<sup>(2)</sup> Ford (United Kingdom based), BMW, Volkswagen South Africa, Mercedes-Benz South Africa, Toyota, Nissan and Isuzu.



## NAMIBIA

### Fresh table grapes – opportunities for Namibian farmers and quality products for EU consumers

Production of fresh table grapes in Namibia has grown from 1 000 tonnes in 1991 to about 30 000 tonnes in 2018. Around 85 % of the production is exported to the EU. Exports have accelerated under the EPA, which, as well as free market access, also enhances predictability and transparency in customs procedures. From 2015 to 2018, grape exports to the EU increased by 35 % to 26 000 tonnes a year. Export earnings in 2018 amounted to EUR 65 million and Namibian grapes have gained a reputation as a high-quality product in the EU.

The cultivation area covers more than 2 000 hectares in South Namibia, mainly along the banks of the Orange River. The sector provides more than 6 000 permanent jobs and around 10 000 seasonal jobs. Many producers are committed to improving the living conditions of its large workforce through social investments, such as water supply for domestic use. New investments are also planned in packaging and export logistics, bringing positive effects in other sectors and more jobs along the value chain.

EU imports from Namibia have continuously increased over the past years (from EUR 963 million in 2014 to EUR 1.3 billion in 2018, up 35 % in 4 years). The most important exports in 2018 were copper (EUR 528 million, up 6 %), fish and crustaceans (EUR 341 million, up 6 %), diamonds (EUR 114 million, down 10 %), zinc (EUR 110 million, up 9 %) and grapes (EUR 65 million, up 28 %). Agriculture is an important sector in Namibia, with about two thirds of its inhabitants depending directly or indirectly on it. The EU is the largest export market for Namibian agricultural goods and exports, which also include dates, vegetables and medicinal plants.







## BOTSWANA

### Handmade clothes for children inspired by African design

Bea Bond, founded by a European entrepreneur established in Botswana, is a brand of handmade children's clothing, accessories and lifestyle goods.

Bea Bond uses local skills to develop and design their products by working with Botswana craftspeople, including weavers, thatchers, designers and artists.

The clothes are then cut and sewn at their partner factory located in Pilane village, just outside of the capital Gaborone. All the workers are women and many of them support their families, as they are the sole earners in their households.

Bridging the gap between the small producer in Botswana and the European consumer is not always

easy, even with free access to the European market – which is why EPA accompanying measures are put in place to tackle issues like transport logistics and market information.

Ferelith Moltke, the founder of Bea Bond, says: 'We are working with the Ngamiland Etsha weavers in the Delta, giving women a new source of revenue and supporting the rural community. Our partner factory, near Gaborone, which had to reduce its workforce due to the impact of low price imports, is now able to look towards the future and hire new employees. They have been able to make repairs to the building, among them the replacement of the asbestos roof, thus creating a safer workplace.'

Botswana's economy is still not that diversified, with diamonds accounting for more than 85 % of its worldwide exports (even 95 % in the case of exports to the EU). Little steps towards diversification of the economy and accelerating production in employment-intensive sectors are therefore all the more important for achieving progress in poverty reduction.



## The EPA with Eastern and Southern Africa



### MAURITIUS

#### Ecological T-shirts from the Indian Ocean reach neighbouring countries and the EU

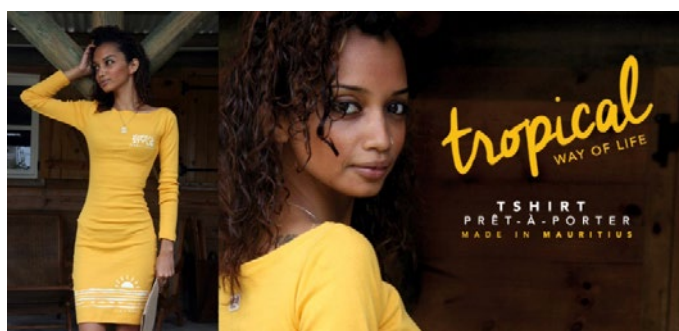
Textile manufacturers in Mauritius, conscious of the competition from low-wage production locations, are increasingly switching to higher value-added products, including high-tech, organic and fair trade. Mauritian exports to the EU of specialised textile products are consequently growing, such as professional wear (up 200 % since 2012).

Baobab Company, a brand of ecological T-shirts founded in Mauritius in 1995, is an excellent example to illustrate this trend. Drawing inspiration from the lush nature on Indian Ocean islands, Baobab T-shirts are made of 100 % organic cotton, are Ecocert certified and

adhere to the Global Organic Textile Standard. Baobab employs 50 workers in its two workshops in Mauritius and Madagascar, and exports T-shirts to neighbouring countries as well as to the EU. Thanks to the EPA, Baobab T-shirts can enter the EU market duty free and quota free.

In 2015, Baobab decided to establish a commercial presence in Europe, choosing Barcelona as a hub. The newly established shop serves the European market with fast deliveries of limited collections and is complementary to Baobab's online sales.

Mauritius is strategically using trade and investment agreements to diversify its economy. As traditional export-earning sectors like sugar (due to strong global competition) and textiles (due to increasing local wages) are breaking away, Mauritius has been able to slowly accelerate exports in new sectors, such as higher value-added textiles, medical instruments and processed fish. IT and financial services are also important economic sectors. The deepening of the EU-ESA agreement, which is currently under negotiation, will therefore further contribute to long-term sustainable growth of the Mauritian economy.





## MAURITIUS AND ZIMBABWE

### Growing exports to the EU of silver jewellery with African heritage

When Patrick Mavros created a pair of earrings for his wife Catja in 1978, he did not know that his name would become an established brand in the world of jewellery. Starting in a small studio in Zimbabwe, today the self-taught jewellery artist and his family run a successful company with 60 employees in Harare. His son, Forbes Mavros, further expanded the family business as he migrated to Mauritius in the early 2000s and started up his own jewellery workshop, which today employs more than 50 people.

The ateliers in Zimbabwe and Mauritius produce nature-inspired jewellery pieces and sculptures, mostly exported to overseas markets. They maintain sales boutiques in London and Nairobi, but also in Harare and Port Louis, where they sell to tourists visiting the country.

The EPA enables them not only to easily export to the EU market but also to import intermediate goods free of duties, which makes their production more competitive. Forbes Mavros, for example, invested in a Swedish purification system to ensure that production follows environmental standards.

Jewellery production is booming in Mauritius and exports from Mauritius to the EU increased by 30 % from 2008 to 2018, reaching EUR 20.1 million (3 % of total exports to the EU). For Zimbabwe, jewellery is still a niche product, with exports worth around EUR 400 000 in 2018 – despite significant natural resources. Tobacco, iron, steel and diamonds are currently the main EU imports from Zimbabwe, while for Mauritius they are fish, textiles and sugar.





## MADAGASCAR

### Exporting ingredients for cancer medicines thanks to a unique biodiversity

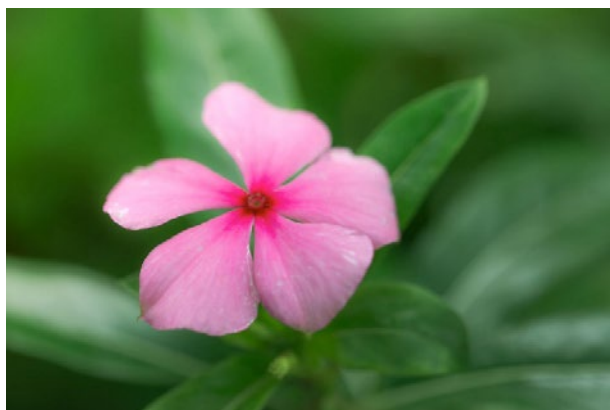
Endemic to the country, the Madagascar periwinkle at first glance appears unremarkable, but in fact it possesses strong medicinal properties. Periwinkle is a source of the drugs vincristine and vinblastine, used to treat cancer. Scientists have only recently taken the crucial last steps to unravel the complex chemistry of periwinkle and find ways for rapid synthesis of its cancer-fighting compounds. This represents huge potential for Madagascar in the future.

Production is already taking place. Pierre Fabre, a French multinational pharmaceutical and cosmetics company committed to natural medicine, employs 3 000 local farmers in the production of periwinkle, and another

2 000 farmers for peppercorn and moringa cultivation. Periwinkle is mainly exported to France, where it is further processed to extract the cancer-fighting ingredient vinblastine.

There is high demand for natural medical ingredients such as periwinkle and moringa in Europe, and a stable business environment will help to unlock the potential of Madagascar's biodiversity while protecting it at the same time. The EPA not only provides market access for these products in the EU, but also comes with commitments to respect international environmental and labour conventions while unlocking economic potential.

The EU is Madagascar's main trading partner. Madagascar's exports to the EU have more than doubled over the past years (from EUR 543 million in 2008 to EUR 1.240 billion in 2018), thanks to an improved trade and investment climate in the country as well as market access opportunities offered by the EPA. Exports have also become more diversified and include apparel, clothing, vanilla, fruit, fish and seafood, among other products.







## SEYCHELLES

### Rum from the Indian Ocean for your next cocktail

Richard and Bernard d'Offay decided to turn their father's and grandfather's passion for amateur distilling and experimentation into a business – or rather a life project. The brothers started to commercially distil and age rum in 2002 on the Takamaka heritage estate, which they rehabilitated and opened to visitors.

Now, Takamaka Rum is well known in Czechia, Germany and the United Kingdom. It is made from locally grown sugar cane and matured in American and French oak barrels. It comes in many varieties: premium St André (named after the tropical spice plantation site where the distillery is now located), dark spiced, extra noir, white, coconut, pineapple, mango and passion fruit.

The enterprise started as a two-man show and now employs 40 people. The brothers attach great importance to offering competitive working conditions and continuous investment in upgrading their staff's knowledge and skills. In Seychelles, where labour is scarce, the ability to retain workers for over a decade is almost unheard of.

The brothers currently export about 45 % of the production, which amounts to 10 000 cases annually. The plan is to increase exports to 75 % of production in the next years.

The number one ingredient for the brothers' success? 'Make your passion your business.'

The main sectors of Seychelles's economy are fish and tourism. Seychelles successfully increased its exports of fresh and prepared tuna products to the EU in the past years (from EUR 148 million in 2008 to EUR 234 million in 2018), benefiting from free market access under the EPA. As an island state, diversifying the economy beyond fish processing and tourism is a challenge – but entrepreneurs like Takamaka Rum are paving the way.



rum made *From* the seychelles  
**takamaka**  
EST MMII



## ZIMBABWE

### Rose and pea exports to the EU and SADC region are fostering female employment

Roses are red and they grow in Zimbabwe: Luxaflor Roses is a leading grower and exporter of high-quality roses in the country. Thousands of roses are grown in greenhouses occupying an approximately 40-hectare land site in Concession, close to Harare. They are exported primarily to South Africa and the Netherlands. Luxaflor employs around 350 workers, 55 % of them women, and provides electricity and water connections as well as on-site medical services and day care for children.

Not only roses, but also peas are an export product of Zimbabwe: Selby Enterprises is one of the largest wholesalers and exporters in the country, exporting fruit and vegetables to Europe, Australasia and South Africa. The company has a permanent workforce of 400 employees and hires up to 1 200 people during peak season. They also have an outgrower base of over 400 farmers situated throughout the country.

Agricultural exports account for almost half of Zimbabwe's exports to the EU. Tobacco (EUR 88 million), citrus fruits (EUR 31 million) and vegetables (EUR 18 million) account for the lion's share of agri-food exports (figures for 2018). Zimbabwe also annually exports between 5 and 6 tonnes of cut flowers (two thirds of which are roses) to the EU, with export earnings reaching EUR 5.7 million in 2018.



## The EPA with Central Africa – Cameroon



### CAMEROON

#### E-commerce enables African home design exports

Creativity, tradition and proudly African.

These are the values that define Frida-54, a Cameroon-based brand of home decorations and textiles. When founder Edith Tialeu created Frida-54 in 2016, she wanted products to be designed by African artists, using African materials and inspired by African stories, cultures and traditions.

To sell her products she looks beyond Africa: 3 years on from being established, Frida has sales points in Cameroon, France, Ghana, Rwanda, the United Kingdom and the United States, and exports to other EU Member States via its web shop.

Edith Tialeu sees tremendous opportunities in e-commerce and aims to become one of the top interior design e-shops within the next few years; an e-shop where people around the world can buy homeware produced in Africa. She also plans to reach 15 new wholesalers around the world.

The EPA between the EU and Cameroon is helping her global expansion. Not only does it allow Frida-54 to ship products to the EU duty free and quota free, but it also provides a platform to discuss with Cameroon authorities how to overcome obstacles related to cross-border payments and logistics – some of the key challenges that Edith Tialeu has identified for her business.

The EU is by far the main export destination for Cameroonian products. Total trade has been relatively stable over the past years (around EUR 3.5 billion). The main export products are oil and gas, cocoa beans, wood, bananas and aluminium. Nevertheless, Cameroon has been able to start diversifying its exports: the share of butter and powder in overall cocoa exports is continuously increasing, and so are exports of niche products such as prepared beans and alternative (non-wheat) flour.





## CAMEROON

### Cheaper inputs thanks to the EPA are sustaining local production and employment

Les Sociétés Anonymes des Brasseries du Cameroun (SABC), part of the French Castel group, is a brewing company in Cameroon. It is the largest private-sector employer in the country, employing about 10 000 people across the group and its subsidiaries. SABC holds a 75 % share of the Cameroonian market for beer and soft drinks.

SABC imports a range of products from the EU to run its business, for example larger machinery used to bottle its beverages as well as ingredients such as yeast, hops, aromas or colourants used in their production and that cannot yet be found on the local market. As imports of

these products have been liberalised for the EU under the EPA, SABC has been the biggest beneficiary of price decreases of these products due to import tariff cuts. Their fiscal gains amount to EUR 1.4 million for 2016-2019, accounting for one eighth of the total fiscal gain of Cameroonian companies.

While benefiting from EPA preferences, SABC is also increasingly trying to source inputs locally. The company has a local subsidiary that produces bottles and is buying 100 % of Maïscam's (one of the largest agro-industrial companies of the country) production of corn every year (10 000 tonnes).

The EPA foresees that Cameroon will progressively liberalise 80 % of imports from the EU over 10 years. According to Cameroon customs, the main products imported under EPA preferences between August 2016 and January 2019 were clinker, chemical products, electrical machinery and equipment, vehicles and transport equipment, paper and cardboard, and fertilisers (imports worth around EUR 335 million in total).



## The stepping-stone EPA with Côte d'Ivoire



### CÔTE D'IVOIRE

#### Gas-operated minivans assembled in Abidjan thanks to EU investment

For an increasing number of EU companies, Côte d'Ivoire is becoming an attractive destination to establish local assembly or production lines. The possibility to use the country as a basis for regional exports is one argument for investors, and ease of importing from and exporting to the EU under the EPA is another.

In 2018, the Italian automotive company IVECO announced an investment of XOF 2 billion (EUR 3 million) in an assembly line in Abidjan. The decision was made after IVECO signed an agreement with the Ivorian government and Abidjan's public transport company,

SOTRA, to purchase 700 vehicles, including 100 gas-powered buses for a bus rapid transit system and 105 waste-management vehicles.

IVECO's assembly plant will have an initial capacity of 500 vehicles per year to serve the local market. It will create around 500 jobs. The Ivorian government fully supports the project, as IVECO's investment will contribute to local job creation and to a renewal of Abidjan's bus fleet, making it greener and more efficient thanks to natural gas.

The EU accounts for more than half of the foreign investment stocks in Côte d'Ivoire, making it the largest investor in the country. The activities of more than 500 European companies present in the country, and represented by the European Chamber of Commerce in Côte d'Ivoire, together account for more than 26 % of the Ivorian gross domestic product and have created 100 000 jobs in the country.







## CÔTE D'IVOIRE

### Improving the business climate with support from the EU

Aid for Trade is essential to helping partner countries make full use of the opportunities offered under trade agreements such as the EPAs. One example is the EUR 16-million PACIR (*programme d'appui au commerce et à l'intégration régionale*), which was implemented in Côte d'Ivoire from 2010 to 2015.

The programme supported:

- the establishment of an arbitration court;
- an early-warning mechanism on trade obstacles;

- the adjustment of national regulations to regional and multilateral legal commitments;
- and the simplification and transparency of customs procedures.

As a result, Côte d'Ivoire's ranking in the 'doing business' classification moved up from 167 in 2010 to 142 in 2016. Import delays improved from 864 hours in 2011 to 125 hours in 2016. Exports and Côte d'Ivoire's share in world exports have both increased.

The EU is promoting the strategic mobilisation of Aid for Trade to help partner countries make the most of their trade agreements or arrangements with the EU. In 2017, the EU and Member States' Aid for Trade commitments amounted to EUR 14.5 billion, an increase of 7.8 % compared to 2016. For Côte d'Ivoire, commitments amounted to EUR 134 million, EUR 12 million of which went into the more narrowly defined sector of trade-related assistance, which includes the follow-up programme to the one above: PACIR II. The programme will support SMEs in improving their competitiveness, upgrading their production methods and accessing bank finance.



From left to right: Jobst von Kirchmann, EU Ambassador to Côte d'Ivoire, presents the *Livre Blanc* <sup>(3)</sup> together with Emmanuel Esmel Essis, Minister in charge of Investment Promotion, and Jean-Luc Ruelle, former President of Eurocham

<sup>(3)</sup> <https://eurochamci.com/assets/files/livre-blanc-2019-version-numerique.pdf>

## The stepping-stone EPA with Ghana



### GHANA

EU-supported laboratories render Ghanaian agricultural products more competitive

In order to unlock Ghana's export potential, the EU funded a EUR 12-million trade-related assistance and quality-enabling programme (Traque) to help modernise the Ghanaian quality infrastructure. Implemented from 2011 to 2017, the project facilitated the upgrading of equipment and provided training for staff in 28 laboratories of the Ghana Standards Authority.

As a result, Ghanaian companies are now able to obtain technical pre-approvals for their products within the country, at a lower price and in a matter of days instead of weeks.

With regard to agricultural products, Traque supported Ghana in improving the inspection and control system for phytosanitary requirements at exit points – which resulted in the EU lifting its import ban on five vegetable commodities from Ghana (e.g. chilli pepper and eggplants).

Furthermore, through Traque, hundreds of Ghanaian farmers have been trained in techniques to manage aflatoxin levels during the production and harvesting processes of groundnuts. As a result, yields have increased and larger amounts of safe groundnuts are available for consumption and export.



A functioning quality infrastructure is necessary to take advantage of the EPA. While the EPA provides free market access, products still need to comply with product and food safety standards, which the EU implements to protect European consumers. The EU provides support, for example through the EUR 35-million 'Fit for market' project <sup>(4)</sup>, which works with farmers and cooperatives in ACP countries to enable them to export fruit and vegetables to the EU.

<sup>(4)</sup> <https://eservices.coleacp.org/en/fit-for-market-sps>





## GHANA

### Fresh fruit plus coconut milk make for dairy-free African ice cream

Blue Skies has been producing fresh-cut fruit in Ghana since 1998 and has now diversified into freshly squeezed juice and dairy-free ice cream. The business employs around 3 500 people in its three factories in Ghana and sources fruit from over 120 farms across the country.

The business predominantly supplies 'own label' products to a number of retailers including Albert Heijn in the Netherlands, Delhaize in Belgium and Carrefour and Monoprix in France. Products sent to Europe include freshly cut mango, coconut, pineapple and papaya. In

2018/2019, Blue Skies exported over 7 000 tonnes of fresh fruit into the EU.

Exporting to Europe, thanks to duty-free market access under the EPA, has been a key growth factor for the company. Blue Skies has recently launched dairy-free ice cream, which is made using fresh coconut milk and has won numerous awards.

In response to growing demand, Blue Skies is investing in a new state-of-the-art factory in Benin which is expected to be completed by the end of 2019 and will take advantage of direct flights from Cotonou to France.

Ghana's exports to the EU are still dominated by mineral oil, cocoa beans, aluminium and bananas. However, exports of manufactured and value-added products are picking up. For example, exports grew strongly for cocoa butter, paste and powder (reaching EUR 500 million in 2018, up 82 % in 5 years), prepared tuna (EUR 138 million in 2018, up 27 % in 5 years), vegetable fats and oils (EUR 50 million, up 117 % in 5 years) and semi-processed or prepared fruits (EUR 7 million, up 100 % in 5 years).



## The EPA with Caribbean states



### BARBADOS

The EPA helps to target niche markets in the EU

The EU is one of the world's largest beer markets, and brewers all around the world know it. Barbados, home to two main beer producers, has seen its exports to the EU more than triple in the past decade.

One of these producers is Banks Holding Ltd (BHL). With an output of 10 000 cases of Banks Premium Lager a day, BHL has been exporting to the North American market for over 10 years. With support from the Direct Assistance Grant Scheme, funded by the EU under the Cariforum–EU EPA, it was able to adjust its products and packaging to European standards to start exporting to the EU.

The story of the 10 Saints Brewery, in turn, shows how EPAs can help companies target niche markets. Capitalising on the rising demand for craft beer, 10 Saints Brewery was established as an export brand specialised in handcrafted beer aged in rum casks. Among 10 Saints Brewery's main export destinations are Denmark, Germany, France, Italy, Poland and the United Kingdom. In 2013 and 2015, the EU supported 10 Saints Brewery in participating in the world's leading food fair, Anuga, under the 'Caribbean kitchen', a programme aimed at connecting Caribbean specialty foods and drinks with European markets.

When it comes to beverages, rum in all its variants dominates Caribbean exports. Exports of rum to the EU alone reached EUR 114 million in 2018. Nevertheless, the EU is also becoming a destination for Caribbean beer and even cider: in 2018, exports of beer reached EUR 3.9 million, cider EUR 3.6 million and sweetened lemonades and waters EUR 3.3 million.



**BHL**

Banks Holdings Limited



## SAINT VINCENT AND THE GRENADINES

### Swimwear from the Caribbean, thanks to EU support for female entrepreneurs

Vincentian-born, Trinidadian-raised and a citizen of the Caribbean, Kimya Glasgow, the CEO and head designer of her self-named clothing and lifestyle brand, aims to bring a modern version of classic Caribbean style to the world. She produces high-quality resort and swimwear pieces and focuses on building a sustainable production model to gain a foothold in overseas markets such as the EU, where she has captured the attention of buyers.

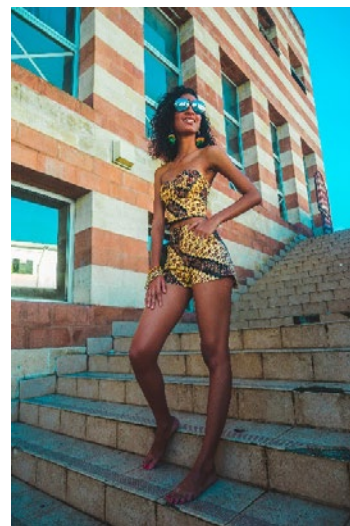
'We have exceptional talent in Saint Vincent that often does not go beyond our shores. So I am working on

raising the capital to enable me to partner with local artisans,' she says.

The 2009 Caribbean Fashion Awards winner has shown her work at fashion weeks in Miami, Jamaica, Trinidad and Tobago, Barbados, Saint Kitts and Nevis and Saint Vincent and the Grenadines; Mustique, Bequia, Grenada and New York have also featured her collections. As she gears up for more meaningful exports in 2019, Kimya Glasgow's brand is shaping up to be one to keep an eye out for.

EU-funded development programmes such as 'Women empowered through export', also known as WE-Xport, are creating a space where women can access the mentorship and the technical and financial support needed to grow their businesses. The programme provides support to women to scale up their businesses and get export ready. The programme is part of the EU's trade-related development assistance provided under the Cariforum-EU EPA, to ensure that Caribbean states reap the full benefits of the agreement.

Kimya  
GLASGOW



## The EPA with Pacific states



### PAPUA NEW GUINEA

#### Onshore fish processing creates female employment opportunities

Under the Pacific EPA's rules of origin, Papua New Guinea has obtained a derogation for 'global sourcing' (meaning Papua New Guinea can source fish from third-country vessels and process it further). It takes into account the Pacific states' own limited fishing capacity and promotes the development of an onshore processing capacity to create local employment, skills transfer and income. At the same time, strong monitoring provisions ensure long-term sustainability of fish stocks.

Since the conclusion of the EPA, five major onshore investment projects have been established in Papua New Guinea, leading to an increase in direct and indirect employment, mainly for women. By 2014 Papua New Guinea had reported 50 000 extra jobs in tuna canning, 90 % of them held by women.

Exports of processed tuna to the EU have increased by almost 300 % since 2009. They reached EUR 163 million in 2018, accounting for 18.5 % of Papua New Guinea's total exports to the EU that year.



As Hon. Richard Maru, the former Minister for National Planning and Monitoring, explains: 'Since being given duty-free market access to the European Union, thousands and thousands of jobs, mainly for women and our young girls, have been created. We are extremely grateful that the European Union has given us preferential market access that no other region or country in the world has given us' <sup>(5)</sup>.

The EU supports business-to-business (B2B) networking to strengthen investment, local processing, value addition and effective market access. The first EU–Pacific B2B conference was held in Port Moresby in June 2019 and saw the launch of the EU–PNG (Papua New Guinea) Business Council. A new EU-funded development programme (worth EUR 85 million) will strengthen agriculture value chains (vanilla, cocoa, etc.) in Papua New Guinea and will help improve the business environment (for example the creation of a single-window system for investment).

<sup>(5)</sup> Interview for the documentary *EU–PNG, 40 years of partnership*, in 2018.



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