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Dear Commissioners Mandelson and Michel,

As companies involved in trade between the EU and African, Caribbean and Pacific (ACP) countries, we share a common commercial interest in the ACP's sustainable economic development. In this regard, we would like to raise some serious concerns about the ongoing Economic Partnership Agreement (EPA) negotiations and their potential negative impacts on ACP economies.

Analysis from the UN and others suggests that the EU's current EPA proposals would threaten millions of jobs in ACP manufacturing and agricultural sectors, and reduce government revenue from import tariffs by between 10 and 20 per cent in countries like Gambia, Senegal and Ghana. The proposals would also limit the scope for ACP governments to introduce pro-development regulations in areas such as services and intellectual property. Government officials, businesses, farmers and consumers in many ACP countries are deeply worried at this prospect.

We are particularly troubled to hear that, in spite of these concerns, ACP negotiators are coming under pressure to sign EPAs by the end of this year, or many countries will lose preferential access to the EU market. As exporters from ACP countries and importers into EU countries, many of our businesses would be directly affected should the EU raise tariffs on ACP imports. The potential threat of tariff increases may already (or will soon) be affecting importers' decisions about contracts for 2008 in sectors with longer lead times. This could jeopardise the share of ACP exports in the European market - built up over decades - with resultant negative impacts on ACP workers, for example, the 500,000 people employed in Kenya's horticulture sector.

We feel that it is deeply unjust for the EU to oblige the world's poorest countries to choose between liberalising their domestic markets under pressure - with the risks that this may entail to national and regional economies - or risking livelihoods in export sectors as tariffs are raised on exports to the EU.

The EU and its member states have repeatedly stated that any EU-ACP trade agreement must prioritise development and poverty eradication. We call on you to fulfil this commitment by:

- Removing the time pressure on ACP negotiators by guaranteeing that tariffs will not be increased in January 2008 if their countries are not ready to sign EPAs.
- Thoroughly assessing the proposed EPA texts alongside any alternative proposals, such as GSP+, to ensure that the development needs of ACP countries are placed at the heart of any new EU-ACP trade regime.

Yours sincerely,



Paul Chandler
EFTA Treasurer and Chief Executive of Traidcraft



Pierre Magne
President, African Industrial Association

On behalf of:



UK Importers

- SunKing Flowers Ltd
- World Flowers Ltd
- Wealmoor Ltd

UK Trade Association

- Fresh Produce Consortium

European Fair Trade Companies and Networks

- Cafedirect Plc (UK)
- Fairtrade Foundation (UK)
- Tropical Wholefoods / Fulwell Mill (UK)
- Shared Interest (UK)
- Shared Earth (UK)
- People Tree (UK)
- IDEAS (Spain)
- GEPA (Germany)
- EZA (Austria)
- CTM Altromercato (Italy)
- Oxfam Fairtrade (Belgium)
- Oxfam WW (Belgium)
- Oxfam Magasins du Monde (Belgium)
- Oxfam GB / Oxfam Activities Ltd (UK)
- Traidcraft (UK)
- Tearcraft (UK)
- Twin Trading (UK)
- British Association for Fair Trade Shops (UK)

European Fair Trade Associations

- International Fair Trade Association IFAT Europe, board
- European Fair Trade Association EFTA

African Industry

- African Industrial Association (AIA) (Pan-Africa)
- Fédération Nationale des Industries de l'Agro-Alimentaire et de Transformation du Burkina (FIAB) (Burkina Faso)
- Kenya Fish Processors & Exporters Association (Kenya)

African Producer networks

- African Fairtrade Network (AFN)
- The Cooperation for Fair Trade in Africa (COFTA)

CC. European Trade and Development Ministers