

## **PRESS RELEASE – 27/11/08**

### **European Parliamentarian says Pacific EPAs must be changed**

**A Member of the European Parliament has told the African, Caribbean and Pacific (ACP) – European Union (EU) joint parliamentary assembly meeting this week in Port Moresby that free trade deals initialled between the EU and Pacific countries must be changed to reflect the development needs of the region.**

Glyn Ford, the Member of the European Parliament responsible for reporting on negotiations for an Economic Partnership Agreement (EPA) with Pacific countries said he would recommend the European Parliament vote “no” to the interim agreement unless contentious issues in the interim EPAs are addressed.

Outlining concerns about the agreements for PNG and Fiji, Mr Ford said the European Commission should allow Pacific countries to use export taxes for development purposes and that EPAs should include adequate protection for infant industries. Mr Ford also said any new deal on services must allow Pacific workers entry into Europe to provide services.

Mr Ford raised concerns about intellectual property protection, saying new rules in the EPA should not be “just for Western technical artefacts”. He also said opening up public procurement to foreign business must be “consistent with Pacific states’ needs”.

Pacific Network on Globalisation coordinator Maureen Penjueli welcomed the intervention from Mr Ford. “We urge all members of the European Parliament to support Mr Ford’s recommendation and vote no if the European Commission fails to accept renegotiation of contentious clauses within the current interim EPAs,” said Ms Penjueli.

PNG and Fiji initialled interim-EPAs in late 2007 to protect market access for exports of tuna and sugar to Europe. If PNG and Fiji go ahead and sign the interim EPAs, the deals then go to the European Parliament for discussion and approval.

However, PNG and Fiji remain unhappy with the terms of the interim agreements. Throughout 2008, Pacific Trade Ministers have told the European Commission, the body responsible for negotiating Europe’s trade deals, that rules on export taxes, infant industry and the ‘Most Favoured Nation’ clause contained in the interim EPAs should be changed.

Today, Mr Ford asked the European Director-General for Development Louis Michel, if the European Commission would offer “feasible alternatives” that would allow Pacific countries to maintain market access to the European Union if they choose not to sign an EPA. Mr Michel responded in one word, saying “yes”.

Ms Penjueli said the EPA proposed by the European Commission posed serious dangers for Pacific countries – including dramatic losses in government revenue and the cutting off of policy space that could be used to stimulate development.

“The European Commission continues to be completely unreasonable in its negotiations with the Pacific,” said Ms Penjueli. “Given that the EPA has not been designed to meet the Pacific’s development needs, and that the Commission has shown a reluctance to move on key issues for Pacific negotiators, now is the time to start looking at alternatives.” She said the European Union should offer immediate access to the EU’s “Enhanced” General System of Preferences (GSP-plus) that

would allow Pacific states to continue to access European markets, and that Pacific countries “should formally request these alternatives”.

More than 100 parliamentarians from across 27 EU countries and 79 ACP countries are meeting in Port Moresby this week to debate trade and development issues affecting their relationship as part of the 16<sup>th</sup> session of the ACP-EU Joint Parliamentary Assembly.

**Further Information:**

Maureen Penjueli is Coordinator of the Pacific Network on Globalisation (PANG)  
Ms Penjueli is available for interview. Phone: (675) 71777210. Email:  
[media@pang.org.fj](mailto:media@pang.org.fj)

**Notes for the editor:**

Papua New Guinea currently has an export tax on the export of logs (worth well over K100million each year). PNG Forestry Minister, Belden Namah, also announced earlier this year plans to ban all round log exports by 2010 to encourage development of the local forestry industry. Under the terms of the interim EPA initialled by PNG in 2007, PNG will not be able to maintain export taxes on logs or impose new bans on log exports if it goes ahead and signs the deal.

Fiji currently has an export ban on round logs which has helped develop its local furniture industry.

Solomon Islands also has an export tax on round logs which accounts for around 14% of government revenue.