

## AFRICA AND EU IN PARTNERSHIP Sustainable Economic Development

A contribution to the round table discussion  
by Klaus Schade

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## Namibia at a glance



- Gained Independence on 21 March 1990
- Driest country South of the Sahara
- About 824,000 sqkm
- Population of some 2.2 million
- Agriculture provides livelihood for the majority of people but contributes only about 3 per cent to GDP
- Mining industry backbone of the economy in terms of GDP contribution (12 percent), contribution to Government revenue and to exports – diamonds, uranium, copper, zinc, gold
- Fisheries, manufacturing, wholesale & retail trade as well as tourism are further relevant sectors
- Classified as Upper Middle-Income Country, but very skewed income and wealth distribution (Gini-coefficient of 0.6).
- Poverty (19.5 percent – 2009/10) and unemployment (28 percent – 2014) are persistent
- Extended social safety net – non-contributory old-age grant, Orphans and Vulnerable Children grant
- Compulsory contribution of formal sector employees to Social Security – sick leave, maternity leave, death benefit

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## Lessons learned from EPA negotiations



- Understand economic and social situation and developmental needs of African partners (go beyond macro indicators – GDP per capita etc.)
- Accept need for policy space. In the case of Namibia for instance:
  - Infant Industry Protection: UHT milk, pasta, broiler, cement
  - Quantitative import/export restrictions – import licenses required for certain wheat and maize, horticultural marketing promotion scheme, pork market share promotion scheme, levies for exports of livestock
- Take into account and support regional cooperation / integration agenda
- Create platforms for broader participation / consultation of:
  - Private sector (associations) incl. employers' federations
  - Trade unions
  - Civil Society
- Strengthen diversification of economy and supply side capacity in order to produce tradable goods and services
- Focus on medium to long-term benefits for both sides rather than short-term market access benefits

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## Future prospects for EU – Africa trade



- Analyse potential impacts of mega trade deals on Africa (TPP, TTIP etc.) – impact on trade and investment flows, standards etc.
- Duty-free, quota-free access to EU market will not automatically increase trade, if non-tariff trade barriers remain (such as SPS)
- Strengthen supply side capacity of African industries (quality, quantity, product differentiation, brands, etc.)
- Enhance technology, knowledge transfer (also to address NTBs)
- Identify and develop possible value chains between EU and African companies
- Invest in Research, Development & Innovation capacity in Africa
  - For sustainable and growing trade, trade imbalances i.t.o. variety, volumes and values of goods traded need to be addressed

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## Promotion of sustainable economic growth



Economic, social and environmental sustainability:

- Support economic diversification and analyse potential impact of free trade agreements on economic diversification
  - Identify and support use of renewable resources
  - Collaborate on and share knowledge about resource-saving technologies
  - Strengthen educational system and support RD & I capacity (incl. indigenous knowledge)
- Collaborate on achieving SDGs

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## Engagement of EU and Africa private sector



- Support creation of strong and inclusive private sector associations / representations
- Support regional, continental and EU-Africa platforms for regular exchange of information, ideas, opportunities etc.
- Identify opportunities for mentorship programmes, job attachments, etc.

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## Fair tax collection



- Close tax havens
- Exchange tax information (transfer pricing, thin capitalisation, investment)
- Strengthen tax authorities – capacity development
- Review national tax legislation – close legal loopholes

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## Thank you for your attention

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