

Editorial

Dear reader,

Welcome to this 3rd edition of the Export Helpdesk Newsletter of 2009!

The December issue is starting off with a thematic topic that, we understand, is of interest to many of our readers: Early 2009, new regulations on organic farming entered into force. The organic farming sector is subject to ever growing interest both among European consumers who opt to buy organic products as an alternative to products from conventional production and among farmers in developing countries who seize the opportunity to export their organic produce to the EU market to respond to this demand. This Newsletter wishes to inform our readers about the new import provisions that exporters in third countries need to apply when trading organic products within the EU.

Furthermore, we report on the end of transitional quotas for sugar and rice under the EU's 'Everything But Arms' (EBA) initiative of the Generalised System of Preferences (GSP). The EBA regime has been providing all least developed countries with duty free access to the EU market for all their exports, except for arms and ammunitions, and with limited transitional quotas for sugar and rice. These have been progressively expanded annually since 2001. Very recently, all imports of rice and sugar under the EBA regime have been fully liberalised. This is certainly very good news for many sugar and rice producers in least developed countries!

In this edition, you can also read about the latest news on the Economic Partnership Agreements (EPA) with the ACP countries, in particular the signing of the interim EPA between the EU and Papua New Guinea as well as Madagascar, Mauritius, Seychelles and Zimbabwe. The signing ceremony with the Eastern and Southern African countries in August in Mauritius was organised in conjunction with a Business Forum gathering economic operators of the COMESA region. The Export Helpdesk Team participated in this Forum which also marked our fruitful collaboration with TradeCom Facility. In the 'Voice of the Delegations', the EC's trade counsellor in Guinea-Bissau is sharing with us the Guinean story of cashew nuts. And as usual, we report on our recent outreach activities.



Petros Sourmelis
Head of Unit

On behalf of the Export Helpdesk Team

Produced by

European Commission
Directorate General for
Trade

Contact

Export Helpdesk
European Commission
External Trade
Unit G.1
B-1049 Brussels

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NEW RULES ON EXPORTING ORGANIC PRODUCTS TO THE EUROPEAN UNION

More and more citizens in Europe, but also worldwide, are choosing to consume products that stem from organic farming. Organic farming relies on a number of objectives and principles, as well as common practices designed to minimise the human impact on the environment, while ensuring the agricultural system operates as naturally as possible. Organic farming is becoming an important economic sector and the European Union (EU) has become a main importer of organic products in order to satisfy the demand of its consumers.

According to the **World of Organic Agriculture 2007** study, though organic agriculture is practised in most countries around the world, most organic products were consumed in Europe and North America, which were actually experiencing an undersupply. The same study estimated that European sales of organic products were worth between € 13-14 billion in 2005, the biggest market being Germany with annual sales of € 3.9 billion at the time. Germans are followed by fellow consumers in Italy and France, with annual turnovers of €2.4 billion and €2.2 billion respectively. Although organic products still only represent about 2% of the total EU market share, the annual market growth is between 10-15%.

In order to regulate the sector of organic farming in the EU, the **first legislation** on organic farming was enacted in **1991**. Originally, it only concerned plant products, but was later extended to animal products.

In **June 2007** a new regulation on organic production and labelling of organic products was adopted. It entered into force on 1 January 2009. New provisions on imports of organic product from third countries also entered into force in 2009 to simplify the previous rules and make them permanent. A substantial step forward!

What does this imply for organic farmers in third countries who wish to export their organic products to the EU market?

The production and control of organic products in the third country must be aligned with the goals and principles outlined in the EU organic legislation, but the rules do not have to be exactly the same. The new legislation foresees three regimes for import:

- Equivalence through **list of third countries recognised for having equivalent provisions**. Today these countries are¹: *Australia, Argentina, Costa Rica, India, Israel, New Zealand, Switzerland* and *Tunisia*. A further 18 countries have applied to be listed and their request is under examination. Countries can send in a request at any moment as the assessment of the applications is a continuous process;
- Equivalence through **list of control bodies recognised as equivalent** for their activities in third countries that are not listed, if they apply equivalent production and control rules². The first deadline for applications is 31st October 2009. **As from 2013**, this approach of a more efficient community list of control bodies in third countries will **replace the Member State case-by-case import authorisation system** of import consignments. The EC has published guidelines that explain how control bodies can apply to get approved, how they should be supervised and which other measures are necessary in relation to imports of organic products and their control

¹ The list of recognised countries is set out in [Commission Regulation \(EC\) 1235/2008](#) (published in the Official Journal of the European Union L334/25 of 12/12/2008)

² See [Commission Regulation \(EC\) 1235/2008](#) for details

- Compliance through **list of control bodies approved on the basis of full compliance** with the EU standards and certification. The first deadline for applications under this import regime is 31st October 2011;

What are the effects?

The EU expects the system to be more effective, clear and less cumbersome, more

transparent about the applied standards and to contribute to a stable and fair trade in organic products. This will hopefully foster

international trade in the field and facilitate the import of organic products from developing countries into the EU. The EU hopes that developing countries may therefore further explore their potential in providing markets for organic products in the EU.

For further information, including applicable regulations and guidelines:

http://ec.europa.eu/agriculture/organic/eu-policy/legislation_en

THE EXPORT HELPDESK AND ORGANIC FARMING

Users of the Export Helpdesk can find information about organic farming in the 'Requirements and Taxes' section, after having selected a product, a country of origin and a country of destination. Here is an example of an exporter of apricots from Argentina to Belgium:

The screenshot shows the 'EXPORT HELPDESK for developing countries' interface. The 'Requirements and Taxes' section is active. The 'SPECIFIC REQUIREMENTS' section displays a 'REQUIREMENT LIST' for product code 08091000, origin Argentina (ar), and destination Belgium (BE). The list includes general requirements like 'Health control of foodstuffs of non-animal origin' and 'Labelling for foodstuffs', and specific requirements for organic production. Two red arrows point to the 'Plant health control' and 'Products from organic production' rows. Below the requirements, the 'Internal Taxes' section shows a VAT rate of 6% and an excise rate of -.

Code	Product Description	
0809	Apricots, cherries, peaches (including nectarines), plums and sloes, fresh	
0809 10	-Apricots	
0809 20	-Cherries	
0809 30	-Peaches, including nectarines	
0809 40	-Plums and sloes	

Specific requirements for 08091000		
<input type="checkbox"/>	Health control of foodstuffs of non-animal origin	EU/BE
<input type="checkbox"/>	Labelling for foodstuffs	EU/BE
<input type="checkbox"/>	Marketing standards for fresh fruit and vegetables	EU/BE
<input type="checkbox"/>	Plant health control	EU/BE
<input type="checkbox"/>	Products from organic production	EU/BE

Internal Taxes	
VAT	Excise
6%	-

'Everything but Arms': The end of transitional quotas for sugar and rice

Since 2001, under its "Everything But Arms" (EBA) arrangement, the EU has been granting all least developed countries (LDC) duty free access to the EU market for all their exports (except arms and ammunitions) with some limited transitional restrictions for sugar and rice. These remaining duty free quotas have been progressively expanded every year since 2001 and have lapsed completely on 31st August 2009 and 30 September 2009 respectively. All imports of rice and sugar originating in LDCs are therefore now fully liberalized.

From 1st October 2009 onwards, the EBA will thus grant full 100 per cent duty-free and quota-free market access for all products from all LDCs (except for the imports of arms and ammunitions).

The EU Heads of State and Government at their informal meeting of 17 September 2009 invited the G-20 to adopt the EBA initiative without delay in order to support people in developing countries suffering from the crisis.

Background:

The EU's EBA arrangement is incorporated into the Council Regulation (EC) No 732/2008 on the Community's scheme of generalised preferences (GSP). EBA is not time-limited and applies to all LDCs as

designated by the UN:

<http://www.unohrrls.org/en/ldc/related/62/>

The EU's EBA initiative was a particular response to the Brussels Plan of Action for LDCs, adopted at the 3th UN Conference for LDCs in Brussels in May 2001. The objective of the initiative is to facilitate the integration of LDCs in the world economy and in international trade.

When the EBA arrangement entered into force in 2001, transitional provisions were established for the imports of bananas, rice and sugar, which allowed for duty free import of these products under a gradually expanding quota regime. For bananas, the quota regime ended already end 2006. From 1st October 2009, the quota restrictions for the two remaining products, sugar and rice, have also been fully liberalized.

Total imports under EBA have gradually increased to reach € 5.8 billion in 2008. The rough value of the preferences for 2008 provided (in terms of nominal duty loss if the same products had been imported and duties paid under the EU's standard MFN tariff rate) can be estimated at € 657 million.

The 'Import Tariffs' section of the Export Helpdesk reflects these recent changes following the end of these quotas.

More info on the EBA: http://ec.europa.eu/trade/issues/global/gsp/eba/index_en.htm



NEWS ON THE STATE OF PLAY OF EPA NEGOTIATIONS**EPA negotiations between the EU and the Pacific**

On 30 July, the EU and Papua New Guinea signed the interim Economic Partnership Agreement (EPA) which was first initialled end 2007. In 2007 Fiji also initialled the Agreement but decided to sign at a later stage. The agreement focuses on trade in goods and includes provisions on rules of origin for the fisheries sector. The Agreement was signed by EU Trade Commissioner Catherine Ashton on behalf of the European Commission, Mr Anders Ahnlid, Director General for Trade, on behalf of the Swedish Presidency of the EU and The Honourable Samuel Abal, Minister for Foreign Affairs, Trade and Immigration on behalf of Papua New Guinea.

The interim EPA that was initialled in November 2007 by Papua New Guinea and Fiji, has been provisionally implemented by the EU since 1 January 2008. Under the agreement all imports from Papua New Guinea and Fiji will have immediate duty

free quota free access to the EU market, with short transition periods for rice and sugar. Papua New Guinea removes customs duties on 88% and Fiji on 87% of their EU imports over the next 15 years.

In the meantime, EU and Pacific representatives met again in Brussels at technical level end September to negotiate a regional EPA. Positions could be narrowed on a number of issues. Niue, Samoa, Cook Islands and Micronesia presented market access offers for trade in goods which will be jointly reviewed. As regards services, the EC considers ways to allow Pacific countries to undertake commitments in a flexible way whereas the Pacific region proposes a general rendez-vous clause. The next technical negotiation round is tentatively scheduled for early 2010. Once finalized, the regional EPA should replace the interim EPA.

**EU-West Africa EPA: Negotiators meet in Brussels, 21-25 September**

EU and West African negotiators met in Brussels from 21 to 25 September to discuss the way forward towards a regional EPA.

The talks, at technical and senior-officials' level, addressed West Africa's market access offer and other issues such as agriculture. Both sides converged on the need to include a non-discrimination clause in the agreement. Regional levies, development co-operation (the EPA Development Pro-

gramme or PAPED) and rules of origin were also part of the agenda.

Further talks took place on 23 and 24 October in Abidjan (Côte d'Ivoire) and at senior-officials' level from 10 to 13 November.

Two West African countries, Côte d'Ivoire and Ghana, initialled bilateral interim EPAs with the EU at the end of 2007. The interim EPA with Côte d'Ivoire was signed on 26 November 2008.

For more information on EPAs:

http://ec.europa.eu/trade/issues/bilateral/regions/acp/regneg_en.htm

THE EXPORT HELPDESK AND TRADECOM FACILITY



The ESA-EC Business Forum took place on 27 and 28 August 2009 in Mauritius just before the signature of the Interim Economic Partnership Agreement (EPA) between Madagascar, Mauritius, Seychelles and Zimbabwe and the EU. It was organised by COMESA³, the Government of Mauritius and TradeCom Facility⁴ which also provided the funding.

The Forum “*The ESA-EC EPA: a new frontier for Trade, Investment and Services*” aimed at providing an opportunity for both the public and private sectors of the COMESA region to get to know the salient features of the Interim EPA and to promote trade and investment strategies to maximize its benefits. The Forum gathered about 130 participants.



The Export Helpdesk was presented in the Forum as a useful tool to obtain information about the trade opportunities of **the**

Interim EPA as well as the EU import requirements. A networking event allowed one-to-one meetings with exporters from various sectors (seafood, fruits and vegetables, agro-industry, textiles, etc.). The Export Helpdesk, which is little known and used in the region, was welcomed with great interest.

The participation of the Export Helpdesk in this event also triggered a new collaboration with TradeCom Facility, a programme of the ACP group financed by the European Development Fund (EDF), which helps ACP countries in three areas: (1) formulation of trade policies, (2) trade negotiations and (3) implementation of trade policies and international trade agreements. In the context of the negotiations of the Economic Partnership Agreements, collaboration between TradeCom Facility and the Export Helpdesk will continue to be developed, to ensure that the Export Helpdesk will be represented at similar events.

Indeed, as the negotiations and the conclusion of the Economic Partnership Agreements (EPA) unfold, the Export Helpdesk will continue to reflect as timely as possible the new trade provisions (import tariffs or rules of origin) and will therefore serve as the first-stop-shop to inform stakeholders in the ACP countries.

³ COMESA is the Common Market for Eastern and Southern Africa promoting regional economic integration through trade and investment

⁴ <http://www.tradecom-acpeu.org/>



THE VOICE OF THE DELEGATIONS

The Export Helpdesk in Guinea-Bissau

Guinea-Bissau is a Portuguese speaking country located in West Africa between Senegal and Guinea-Conakry. It is the size of Belgium but represents only 1/6 of the population (1.6 million). Water constitutes 22,4% of its total area of 36,125 km². The reason for this is the Bijagós archipelago: a lost paradise of some 80 palm-beach islands only known by professional sport fisherman (and a few lucky ones like the author!). And, of course, by its people, the Bijagós' people, one of the many ethnic groups in the country with their own beliefs, rituals and language.

Let's talk about Guinea-Bissau's top product: cashew-nuts. Delicious, smallish and possibly the tastiest in the world! If you try one, you won't stop...



Text and picture: Zé Manuel ALVES-PEREIRA, Trade Counsellor – EC Delegation Guinea-Bissau (<http://delgnb.ec.europa.eu/>)

This year, the country has reached its biggest harvest ever: 150.000 tons. This makes Guinea-Bissau the 2nd biggest producer in Africa and places it among the world's top-five. 16% of the arable land is planted with cashew trees providing for 98% of the total national exports. Regrettably, with below €50 million per year, this export volume remains insignificant. In addition, there is only little added value in the local production chain: the nuts are exported without being locally transformed for final consumption. Almost the entire raw production is sent to India where the nuts are transformed and then ex-

ported in almonds packages to the US and Europe where most final consumers are located. On the Export Helpdesk (EH) website, Guineans can obtain information on how to export raw or processed cashew almonds into the EU. For Guinea-Bissau to enhance its export opportunities in this sector and create a value added at local level, it must further promote the local transformation of nuts into almonds and export the final product directly to foreign markets. This business can generate thousands of jobs in an industry where on average 60% of the workforce are women. Besides, the volume of exports has the potential to increase 20-fold and reach €1 billion!

Fish is another potential export product. This sector remains virtually unexplored. Guinean waters are amongst the richest in the Atlantic. Alas, the country does not export one single sardine to the EU! Indeed, it is very challenging to fulfil the strict EU rules in a country that lacks laboratories that are adequately equipped, or the capacity to deal with complex issues, such as SPS or rules of origin. But slowly, by 2010, we expect to be able to delight Europeans with tasty Guinean fish, be it through the financial support provided by the EU fisheries compensation and the cooperation projects, be it through the accessibility of information on EU import regulations using tools such as the EH. The fact that Portuguese is one of the EH languages, helps Guinean exporters access this kind of information in their own language.

When it comes to statistics of the use of the EH, the hits from GW are significantly undersized. The reason is that the Internet is not as broad banded as in Europe. Actually, one of the few internet providers is a Senegalese company; hence the hits on the website appear as .SN instead of .GW. In any case, there is one certainty: the use of EH will increase and its functionalities are very useful. The local Trade Chamber has participated in a demonstration of the EH website and immediately acknowledged the advantages and possibilities of this tool.

OUR ACTIVITIES TO REACH OUT TO MORE NEW USERS



The Export Helpdesk at the EuropeAid Info Point, 17 September, Brussels

The Info Point of EuropeAid, the European Commission's cooperation office, organises conferences on European external cooperation. The aim is to engage partners in development and stimulate debate and different points of view. The conferences are aimed both at the general public and staff of the European institutions.

On 17 September, the EH was presented at the Info Point to a diverse public. Main questions raised by the audience related to organic farming, regulations on pesticides in agricultural products and the imports of horticultural products from Eastern Africa.



The Export Helpdesk at the EU-Africa Business Forum, 28-29 September, Nairobi (Kenya)

The EU-Africa Business Forum met in Nairobi (Kenya). The theme of this Forum was *"Africa and Europe: On the road to new win-win partnerships"*.

This 2-day event brought together African and European business leaders representing multi-nationals, large corporations, small and medium-scale enterprises, confederations, multilateral and regional institutions. It represented an opportunity for businesses to share their views and create networks with other businesses and policy makers.

The EH was represented by the staff of the EC Delegation to Kenya, who was

running a stand during the Forum in order to present the EH to the audience. Most questions raised by participants were related to the possibility to consult sanitary and phytosanitary requirements (SPS) and import duties on the EH website. Equally frequent were the questions about the possibility to find counterpart businesses in the EU or consult business-to-business directories.

This Business Forum provided an excellent platform to reach out to one of the main target groups of the EH, namely economic operators and exporters from all over Africa and make them aware of the EH as a tool to consult important EU import information with a view to accessing the EU market.



The Export Helpdesk at EU-Pacific EPA negotiations, 30 September, Brussels

On the occasion of the EU-Pacific EPA technical negotiations in Brussels, the EH was presented to the representatives of the trade ministries of the Pacific.

In view of the recent signing of the interim EPA with Papua New Guinea, the EH can play an important role to help Pacific economic operators access EU import information in the context of the new trade provisions applicable under the interim EPA.

The EH tool which is little known and used in the Pacific region (2% users among all ACP countries) was very much appreciated by the participants, who saw it as a very useful tool to get first hand information on the trade preferences granted by the EU as well as all import requirements.

CALENDAR OF TRADE AND DEVELOPMENT EVENTS

Event	Dates	Location
EU Development Ministers' Meeting	21 October	Stockholm
European Development Days	22-24 October	Stockholm
Informal African Ministers' Meeting	27-29 October	Cairo
7 th International Debt Management Conference	9-13 November	Geneva
UN Global Commodity Forum	24-26 November	Geneva
18 th ACP-EU Joint Parliamentary Assembly <i>(to be confirmed)</i>	28 November – 3 December	Luanda
7 th WTO Ministerial Conference	30 November – 2 December	Geneva
UN Conference on South-South Cooperation	1-3 December	Nairobi
UN Climate Change Conference	7-18 December	Copenhagen
New European Commission	January 2010	Brussels

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