



Committee on International Trade (INTA)
PREP MODULE

Honorable delegates,

We have the honor of being your Committee Presidents for this upcoming MEP session in Vienna. We would like to congratulate you on participating in the conference and can't wait to work with you in the committee meetings.

This year, the Committee on International Trade is dealing with trade relations between the European Union and the African Union (AU). The EU and the AU have a longstanding relationship and cooperation on a number of issues. Africa is the largest recipient of European aid, however, the economic relationship between the two unions is rapidly changing. With fast economic growth, the countries in the AU are becoming less dependent on the EU and are forming mutual trade relations with the EU. The questions that you will have to answer are how the EU is going to achieve a fair trade partnership with the AU. Furthermore, how the EU should deal with growing Chinese investments and the exploitation of resources in Africa. And lastly, how the EU can continue to foster stability and economic growth in Africa.

In order for you to be well-prepared, we have provided you with some useful links. Apart from that, we strongly encourage you to do research on your own and create your own opinion regarding the issue. Lastly, we would like to ask you to prepare a brief summary of the issue, including the viewpoint of your country for the first committee meeting.

We believe that this will help you understand the topic even better and also make the discussions in the committee more fruitful and interesting.

Looking forward to seeing you in Vienna.

Your CP, Co-CP

Sweden (F) – Clara Falkenek INTA	Austria (F) - Constance Clarke-Foster
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The African Union

The African Union is a continental body with 55 member states, all African countries, and works within a framework very similar to the EU. The AU has, just like the EU, a commission, a council, and a parliament. As of the 29th of April 2019, the AU ratified into force The African Continental Free Trade Area (AfCFTA), which is inspired by the EU's single market. AfCFTA will now be the largest free trade area in the world. It will reduce, if not eliminate, tariffs between African countries and will have a significant impact on manufacturing and industrial development, tourism, intra-African cooperation, and economic transformation. The EU has cooperated closely with the AU to set up this free trade area as well as providing funding, e.g. EU allocated €50 million support to the AfCFTA for the period of 2018-2020.

EU-AU economic relations

Five of the world's ten fastest growing economies are in Africa. It is also the continent with the fastest growing population. The EU has been a great facilitator of aid to Africa and helped the continent to reach its current situation.

The EU has tariffs imposed on all third nation countries that the EU does not have a free trade agreement with. However, the EU has special schemes in place for the majority of African countries to not be subject to these tariffs. Hence, these countries can import almost all of their goods into the EU tariff-free. Meanwhile, the EU is gaining access to African markets gradually.

Currently, the EU does not have a continental trade agreement with Africa, rather it has five regional Economic Partnership Agreements (EPAs) with a number of groups of African countries: the Southern African Development Community (SADC), Central Africa, West Africa (ECOWAS), Eastern Africa Community (EAC) and Eastern Southern Africa (EAS). However, all of these have not been fully implemented as some countries of the regional groups have refused to sign the EPA. The EU is the largest trading partner with most of these country groups but the trade balance between EU exports and imports varies. Trade is also covered in the Cotonou Agreement signed in 2000.

China in Africa

Recently, China has invested billions of dollars in Africa to build infrastructure projects as part of its Belt and Road Initiative (BRI). China builds infrastructure, often beneficial to the African country, however, in doing so China also often places the recipient country in a "debt trap" to China. The recipient country is then eventually forced to give large influence over the country's infrastructure to the Chinese, sufficiently serving China's own geopolitical interests. One example of the BRI strategy at work is the port of Hambantota in Sri Lanka.

Links:

<https://africa-eu-partnership.org/en/stay-informed/news/africa-europe-alliance-eu-support-african-continental-free-trade-area>

(Please look through the attached files on the page)

<https://www.dw.com/en/eu-investment-in-africa-europe-racing-to-catch-up/a-45500068>

