

THE ECONOMIC PARTNERSHIP AGREEMENT BETWEEN KENYA AND THE UNITED ARAB EMIRATES

Overview

Kenya and United Arab Emirates (UAE) have expressed intention to negotiate a Comprehensive Economic Partnership Agreement, a long term trading framework to deepen trade, economic cooperation, investment and trade in services. Kenya - UAE CEPA provides the country with a unique opportunity to enter into a reciprocal bilateral trade and development negotiations with one of the global economic powerhouses. The United Arab Emirates and which is Kenya's 7th largest export market and 3rd overall trading partner.

The CEPA'S areas of focus

Consequently both sides agreed to undertake further consultations and establish technical working committees that have set the Terms of Reference for the envisaged CEPA between the two countries and have identified the following fourteen (14) areas as possible areas of focus: trade in goods; market access; rules of origin; food and agriculture (SPS); technical barriers to trade; customs procedures and trade facilitation; digital trade; investment; trade in services; economic and development cooperation; small and medium enterprises; trade remedies; legal and institutional issues; and intellectual property rights.

Negotiating objectives

To initiate, negotiate and conclude a WTO compatible Free Trade Area (CEPA) Agreement based on the International and WTO General Principals and one that promotes preferential and mutually beneficial trade, investment and economic relations; the negotiations shall also be consistent with GATT Article XXIV and GATS Article V.

Specific objective

To secure, enhance and diversify exports of goods and services into the UAE under predictable and preferential terms based on the terms of this agreement. The priority chapters under the Comprehensive Economic Partnership Agreement are highlighted as follows:

Trade in Goods: The Kenya - UAE CEPA will aim at progressively eliminating tariff and non-tariff barriers on substantially all trade in goods in order to establish a free trade area among the parties.

Market Access: Tariff negotiations will be conducted on a comprehensive basis with all the EAC Partner States within the framework of the East African Community Customs Management Act.

Sanitary and Pyhtosanitary standards: Provide for enforceable and robust SPS obligations that build upon World Trade Organization (WTO) rights and obligations, including with respect to science-based measures, good regulatory practice, import checks, equivalence, regionalization, certification, and risk analysis, making clear that each party can set for itself the level of protection it believes to be appropriate to protect food safety, human, plant and animal health in a manner consistent with its international obligations.

Customs Procedures and Trade Facilitation: Build on and set high standards for implementation of WTO agreements involving trade facilitation and customs valuation.

Rules of Origin: Develop simple and easy to implement rules of origin which ensure that the benefits of the Agreement go to products genuinely made in Kenya; and establish rules of origin that encourages regional value chain by allowing cummulation across the existing regional blocs.

Trade Remedies: Preserve the ability of Kenya to enforce rigorously its trade laws, including the antidumping (AD), countervailing duty (CVD), and safeguard laws.

Technical Barriers to Trade: To facilitate trade through cooperation in the areas of technical regulations, standards, metrology, conformity assessment and accreditation and cooperation in the elimination of unnecessary and unjustifiable technical barriers to trade.

Trade in Services: The negotiations shall be comprehensive, of high quality and substantially eliminate restrictions and/or discriminatory measures with respect to trade in services between the two countries.

Digital Trade: Ensure non-discriminatory treatment of digital products transmitted electronically and guarantee that these products will not face government-sanctioned discrimination based on the nationality or territory in which the product is produced. This will support Kenya in strengthening E-Commerce and digital platforms for Trade in goods and services enable.

Investment: The negotiations shall aim at creating a liberal, facilitative, and competitive investment environment. Negotiations for investment shall cover the two pillars of promotion and facilitation.

Intellectual Property Rights: The overall objective is to initiate, negotiate and conclude an Intellectual Property (IP) Chapter that facilitates implementation of the IP provisions in the Kenya Constitution 2010, especially as regards support, promotion and protection of IP rights

Small and Medium-Sized Enterprises (SME): Secure commitments by the parties to provide information resources to help small businesses navigate requirements for exporting to each other's market; and cooperate and collaborate on SME issues of mutual interest including enhancing technical and managerial capacities.

Economic and development cooperation: To build upon a common understanding to support the implementation of the Agreement, with the objective of maximising its benefits, supporting pathways to trade and investment facilitation, and openness to contribute to the sustainable inclusive economic growth and prosperity.

Dispute Settlement: Establish dispute preparedness mechanisms to prevent disputes from emerging. Additionally, parties should ensure these mechanisms at an early stage to avoid any breach of contract. Put in place a dispute settlement mechanism that is effective, less costly and timely, and in which panel determinations are based on the provisions of the Agreement and the submissions of the parties and are provided in a reasoned manner.

How to get involved

The Ministry is keen to consider submissions by its stakeholders on the general views, comments, interests and concerns in line with the constitutional objectives and good regulatory practices. Inquiries and memoranda can be submitted via the email:

info.cepa@trade.go.ke