



## Comments on the tariff issues of the West Africa EPA

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### Outline

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The texts of the West Africa (WA)<sup>1</sup> Economic Partnership Agreement (EPA), officially initialled in Accra on 10 July 2014 by the 16 Heads of State of the 15 Ecowas countries plus Mauritania, have been sent by the EU Commission to the EU Council and Parliament on September 17. A first general remark is that this so-called "partnership" agreement takes a strong neo-colonialist, or at least paternalistic, approach. The EU condescends to turn its attention to ACPs<sup>2</sup> misfortune, here WA, to define in details the best roadmap they should follow to achieve "*the reduction and long-term eradication of poverty, sustainable development and the successful and harmonious integration of the ACP countries in the world economy*".

The Agreement has a lot of bilateral bodies, which are as many straightjackets restricting the policy space of Western Africa States to define and modify their own development strategy:

"The Joint Council of the West Africa - European Union EPA;

The Ministerial Monitoring Committee of the West Africa - European Union EPA;

The Joint Implementation Committee of the West Africa - European Union EPA, which may set up and supervise special committees or bodies to deal with matters falling within its competence, and determine their composition and duties, and their rules of procedure;

The Joint West Africa - European Union Parliamentary Committee;

The Joint West Africa-European Union Consultative Committee;

The Special Committee on Customs and Trade Facilitation;

The Competitiveness Observatory"

The present paper will only focus on some provisions among the most crucial, those on tariff protection and safeguard measures, without reviewing all other important issues.

**1) Interdiction to increase import duties:** *Article 9 Status quo 1.No new customs duties on imports shall be introduced on products covered by the liberalisation between the Parties, nor*

<sup>1</sup> The West Africa EPA groups together the 15 member States of ECOWAS plus Mauritania.

<sup>2</sup> ACPs: countries of Africa-Caribbean-Pacific negotiating EPAs with the EU.

*shall those currently applied be increased from the date of entry into force of this Agreement".*

This provision – which is clearly aimed at the import duties that WA would be allowed to collect on 25% of its non-liberalized imports from the EU – is intolerable for two reasons:

a) Its huge population growth – from 340 million (M) in 2014 to 510 M in 2030 and 807 M in 2050 – will force it not only to import more, generating more import duties, but also to find additional budget resources to face the corresponding increase of its public expenditures, and in any case it should have the right to raise them independently of its demographic challenge;

b) This provision implies that WA, at least ECOWAS, could not become a WTO Member and acquire bound duties at the level of the weighted average of the bound duties of its Member States, at least of 14 of them since the membership process for Liberia is not completed yet. Indeed, once a WTO Member, ECOWAS would be free to raise its applied duties up to the level of its bound duties and, if it cannot do it on its imports from the EU because of the EPA article 9, the other WTO Members could sue ECOWAS for violation of the Most Favoured Nation (MFN, GATT article 1<sup>st</sup>) as its imports from the EU would be favoured.

**2) Locking of import duties per tariff line:** *Article 7 Customs duties 2. For each product, the basic customs duty to which the successive reductions set out in the Agreement are to be applied shall be that effectively applicable on the day of entry into force of the Agreement.*

**ANNEX C (Part 1) Customs duties on products originating from the European Union 1.** *In accordance with Article 10 of the Agreement, West Africa shall liberalise some products originating in the European Union Party imported into its territory according to the tariff dismantling categories A, B and C. A fourth category, D, covers the list of sensitive products for the region, which are excluded from liberalisation.*

2. *The classification of products into the various liberalisation groups essentially follows the categorisation of products in the tariff bands of the ECOWAS Common External Tariff (ECOWAS CET). Consequently:*

a) *group A covers essential social goods, basic necessities, basic commodities, capital goods and specific inputs;*

b) *group B includes mainly inputs and intermediate goods; and*

c) *group C covers mainly final consumption goods.*

3. *Tariff dismantling is designed in such a way that the progressive reduction in duties is in line with the structure of the ECOWAS CET tariff bands for intermediate cuts.*

It is intolerable that WA should agree to a fixed classification of products to be liberalized in groups A, B, C and D (products not liberalized). The only constraint that WA could agree ultimately is to open its market at 75% of its imports from the EU but it must keep the policy space to modify, on the one hand, the list of products in the five bands of the CET (common external tariff, at 0%, 5%, 10%, 20% and 35%) without being obliged to ask for permission to the EU and, on the other hand, to modify the list of excluded products as long as it does not collect duties on 75% of its imports from the EU. In that respect we know that, following the joint letter of the trade or development ministers of Denmark, France, Ireland, the Netherlands and the United Kingdom to the EU Commission on 3 December 2013<sup>3</sup>, the Commission agreed eventually to lower the opening rate of the WA market to the EU exports from the 80% demanded until then to 75%. Actually the text of the Agreement shows that the

<sup>3</sup> [http://www.parlementairemonitor.nl/9353000/1/j4nvgs5kjj27kof\\_j9vvij5epmj1ey0/vjg0k5ved1vs/f=-/blg274173.pdf](http://www.parlementairemonitor.nl/9353000/1/j4nvgs5kjj27kof_j9vvij5epmj1ey0/vjg0k5ved1vs/f=-/blg274173.pdf)

Commission has made its calculations on the number of WA tariff lines to be liberalized, and the South Centre has shown that this corresponds to an average opening rate of 82% of the imports value, not of 75%, going from 75.3% for Ivory Coast to 91.8% for Togo<sup>4</sup>. A true slap in the face not only of the WA Heads of State but also of the five EU countries having pressured the Commission to reduce the opening rate from 80% to 75%.

**3) Interdiction to increase export taxes:** Article 13 Export duties and taxes: "*1. No new duties or taxes on exports or charges with equivalent effect shall be introduced, nor shall those currently applied in trade between the Parties be increased from the date of entry into force of this Agreement.*"

The first criticism of section 1) above applies here also. And the second criticism applies as well: if ECOWAS increases its taxes on its exports to third countries only, they will be entitled to sue ECOWAS at the WTO under Article 1 of GATT.

**4) Interdiction of quantitative restrictions on imports:** Article 34 Prohibition of quantitative restrictions *On the entry into force of this Agreement, all prohibitions or restrictions on imports or exports affecting trade between the two Parties shall be eliminated, with the exception of the customs duties and taxes and the fees and other charges referred to in Articles 7 and 8 of this Agreement on customs duties, irrespective of whether they are implemented through quotas, import or export licensing or other measures. No new measures shall be introduced.*

Fortunately, WA has placed in the list of products excluded from liberalization those for which some ECOWAS Member States actually apply quantitative restrictions, either total – such as the ban on imports of poultry meat in Senegal since 2007 – or on a seasonal basis, as several States are doing on onion and potatoes. But the ban could be binding if WA wants to restrict in the future the import of products not yet in the D list of products excluded from liberalization.

For its part the EU will maintain its tariff quotas on imports from non-LDC countries of WA until September 30, 2015 on sugar and other highly sweetened products.

More broadly, the EU will maintain quantitative restrictions disguised in other forms limiting imports even if those limits do not apply to the WA EPA:

- Although Article 4 of the Agreement on Agriculture (AoA) forbids quantitative restrictions on imports as well as variable levies – a form of import restrictions close to quantitative restrictions –, the EU uses variable levies for cereals and many fruits and vegetables: when the entry price is below a trigger price the importer must pay, besides the *ad valorem* duty, a specific duty calculated as the gap between the entry price and the trigger price. Furthermore, when the entry price is lower than 92% of the trigger price the specific duty goes much beyond the gap. E.g. for tomatoes imported from October to March, the *ad valorem* equivalent goes from 8.8% to 73.4% when the entry price is above the trigger price or below 92% of it<sup>5</sup>. Yet the EU has not yet been challenged at the WTO on this issue.

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<sup>4</sup> *Losses of tariff revenues linked to the West Africa's Economic Partnership Agreement*, Solidarité, September 7, 2014, <http://www.solidarite.asso.fr/Papers-2014>

<sup>5</sup> Jacques Gallezot, *Database on European Agricultural Tariffs DBTAR*, EU Commission, TRADEAG, Working Paper 05/07. Also in French: [http://eumed-agpol.iamm.fr/html/publications/prj\\_report/d13\\_rapport1\\_french.pdf](http://eumed-agpol.iamm.fr/html/publications/prj_report/d13_rapport1_french.pdf); N. Hag Elamin, *Multilateral trade negotiations on agriculture. Agreement on Agriculture. A resource manual. Market Access I: Tariffs and Other Access Terms*, FAO, 2000.

- 45.8% of EU agricultural tariff lines (TLs) are not *ad valorem* duties but are either specific duties (x euros per tonne) or complex duties (specific duties plus *ad valorem* duties) and the percentage of its non-*ad valorem* duties increases all the more that the level of tariff is high: 99 of the 100 TLs in the band of tariffs higher than 90%, 113 of the 115 TLs in the band of tariffs from 60% to 90%, 227 of the 274 TLs in the band of 30% to 60% but 509 of the 1288 TLs in the band of tariffs from 0% to 30%. Now specific duties leads to a quantitative restriction since the duty is fixed, independent of the level of the CIF import price.

**5) Much too low safeguard measures, lower than those of the EU: Article 22 Bilateral safeguard measures...**

*3 The safeguard measures referred to in this Article shall not exceed what is strictly necessary to prevent or remedy serious injury or disruptions as defined in paragraphs 2, 4 and 5. These safeguard measures of the importing Party may consist only of one or more of the following:*

- a) the suspension of any further reduction in the customs duty on imports applicable for the product concerned, as provided for by this Agreement;*
- b) an increase in the customs duty on the product concerned up to a level that does not exceed the customs duty applied to other WTO Members; and*
- c) the introduction of tariff quotas on the product concerned.*

*5 Notwithstanding paragraphs 1 to 3 of this Article, when a product originating in one or more States of the European Union Party is imported in such increased quantities and under such conditions as to cause or threaten to cause one of the situations described above in paragraphs 2(a), (b) and (c) in one or more States of the West African region Party, the State or States in question may take surveillance or safeguard measures, limited to the territory of the State or States concerned in accordance with the procedures defined in paragraphs 6 to 11 of this Article.*

*7. The safeguard measures referred to in this Article shall be applied for a period not exceeding four (4) years. Where the circumstances warranting the imposition of safeguard measures continue to exist, such measures may be extended for a further period of four (4) years.*

*9. Except in exceptional circumstances subject to the approval of the Joint Implementation Committee of the EPA, no safeguard measures referred to in this Article shall be applied to a product that has previously been subject to such a measure for a period of at least one (1) year from the date of expiry of this measure.*

Availing of effective safeguards is all the more important than the ECOWAS CET (common external tariff) has particularly low duties on some food staples such as cereals (5% except 10% for rice) and milk powder (5% on about 50% of total concentrated milk). Furthermore WA countries have not implemented anti-dumping or countervailing measures under the WTO Anti-dumping Agreement, the Agreement on Subsidies and countervailing measures and the Agreement on Safeguards while the EU is constantly using them. Thus, from 1995 to 2013 the EU has filed 700 complaints to the WTO under the Anti-dumping Agreement – of which 100 by the EU and 600 by its member States, of which 102 by Germany, 58 by Italy, 51 by Spain, 47 by the UK and 44 by France, for 15.5% of all WTO complaints –, 51 complaints under the Agreement on Subsidies and Countervailing measures - 14 by EU and 37 by member States, of which 13 by Italy and 7 by France, for 15.2% of of all WTO complaints –, and 31 complaints under the Agreement on Safeguards, of which 5 by the EU and 26 by its member States, representing 11.1% of all WTO complaints. Besides 9 ECOWAS Member States notified the WTO that they had no anti-dumping measures. And in January 2002,

Nigeria reported to the WTO Committee on Safeguards that its import bans on wheat flour, sorghum, millet and kaolin were in place for safeguard purposes<sup>6</sup>.

Therefore the fact that article 20 of the WA EPA provides that "*None of the provisions of this Agreement shall prevent the European Union or the States of the West Africa Party from individually or collectively taking anti-dumping or countervailing measures under the relevant WTO Agreements... No product originating from one Party, when imported into the territory of the other Party, shall be subject both to anti-dumping and countervailing duties in order to rectify the same situation resulting from dumping or export subsidies*" would not have any effect for WA.

Yet, unlike the ACP countries, the EU is benefitting alone of the AoA Special Safeguard (SSG), which can be triggered either by the rise in import volumes or by falling import prices, while the safeguard provided in the EPA can only be triggered by the rise in import volumes. And in this case the additional fees may not exceed in the EPA "*the customs duty applied to other WTO Members*" (Article 3.b above), that is the MFN (Most Favoured Nation) duty, while for the SSG used by the EU the additional duty may "*be levied at a level which shall not exceed one third of the level of the ordinary customs duty in effect in the year in which the action is taken*" (AoA Article 5.4). Since agricultural EU applied tariffs are the same as its bound tariffs, the EU may exceed one-third of its bound tariffs on 31% of its TLs covered by the SSG, knowing that the SSG does not cap the number of TLs that can be covered a given year.

Moreover, paragraph 3 of Annex B on EU duties on imports from WA provides that the EU will use safeguard measures in case of a drop in sugar prices: "*3. As of 1 October 2015, for the purpose of applying the provisions of Article 22, disruptions in the market for products of tariff heading 17.01 may be deemed to arise in situations where the average European Community price of white sugar falls during two consecutive months below 80 % of the average European Community price for white sugar prevailing during the previous marketing year.*" In other words, here too the EU denies the right of WA countries to safeguards based on prices falls, a right that it reserves to itself.

If safeguards could be applied for up to 4 years and with a possible second period of 4 years, FAO has shown that "*There are some cases where the SSG was triggered for certain products on an almost permanent basis, that is to say, every year since 1995.*" The need to be able to trigger in the EPA a safeguard related to the fall in import prices is all the more justified that the EU has artificially lowered its domestic prices since 1993 with huge domestic subsidies offsetting these price declines.

Moreover the safeguards created by ECOWAS in October 2013 are inconsistent with those of the EPA and could not be implemented, a contradiction that has escaped the Heads of State who have initialed the EPA. Indeed an ECOWAS regulation of September 30, 2013 has created two safeguard measures: the Supplementary Protection Tax (SPT) and the Import Adjustment Tax (IAT). Moreover these new safeguards ECOWAS are lower than those adopted by the WAEMU in 1999.

The Import Adjustment Tax (IAT) is not really an issue because it is a temporary tax, for not more than 5 years, applicable when the MFN duties of a Member State are higher than the

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<sup>6</sup> [https://docs.wto.org/dol2fe/Pages/FE\\_Search/FE\\_S\\_S009-DP.aspx?language=E&CatalogueIdList=46549&CurrentCatalogueIdIndex=0&FullTextSearch=](https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S009-DP.aspx?language=E&CatalogueIdList=46549&CurrentCatalogueIdIndex=0&FullTextSearch=)

CET duties and the IAT covers the gap between the two rates of duties. In practice this concerns mainly Nigeria and to a lesser regard Ghana (particularly for rice). However, the IAT is 2 times less protective than the TDP, the degressive protection tax, which it replaces.

The Supplementary Protection Tax (SPT) is triggered either when the imported volume is higher by at least 25% than the volume imported under MFN (Most Favored Nation, corresponding to the duties paid by countries not enjoying tariff preferences) in the last 3 years, or when the MFN CIF price (import price) falls below 80% of the MFN CIF price in the last 3 years. The level of the TCP is decided by the Member State up to 70% of the CIF price but cannot exceed the WTO bound duty. On the other hand the EU SSG allows it to exceed its bound duty by one third. The SPT can be maintained up to 2 years if triggered by a higher volume and up to one year if triggered by a lower price. Since the volume increase or price decrease are calculated relative to the average of the last three years an increase in volume of 100% over the 3rd year does not allow to trigger the SPT if the volume has dropped compared to the 2 earlier years. And vice versa for the lower price. At least the SIT (Safeguard Import Tax) replaced by the SPT was triggered compared to the previous 6 months, although the SPT requires only a 25% increase in import volumes against 50% for the SIT. The fact that the EPA would not allow to trigger the SPT in the event of falling prices is a particularly serious weakness in this period of very high volatility in global agricultural prices, generally denominated in dollars, amplified by the high volatility of the exchange rate, particularly between the euro (ie the CFA franc) and the dollar.

Another weakness of the SPT is that it is a safeguard activated by each ECOWAS Member State, which can increase competitiveness distortions between Member States, as the levels of their WTO bound duties are quite different. Which is an additional reason for ECOWAS to become a WTO member and get bound duties at the weighted average of bound duties of its Member States. This would reduce the pressure that the EU could apply even more strongly on each Member State which would like to activate the EPA safeguard.

In addition, the SPT has been planned for the first 5 years of the CET and for at most 3% of tariff lines while the EU SSG has no time limit and can cover 31% of tariff lines. After the first 5 years, nothing is planned by ECOWAS whatever the rise in import volumes or lower prices!

Above all there has been a change in the scope of safeguards between the CIT (cyclical import tax) created by WAEMU in September 1999, supplemented by the use of "reference values" replacing the customs CIF prices, and the Safeguard tax on Imports (STI) created by ECOWAS in 2006, to which was added the Compensatory duty, and the SPT of the ECOWAS CET adopted in 2013.

The CIT of September 1999 aimed at reducing the negative effects of the volatility of world prices and to counter unfair practices. It consisted of a 10% tax if the CIF price was below the "trigger price" (price based on a complex calculation referring to the EU and US export prices), but the CIT had large limitations: it only covered a small number of food products, 10% was insufficient to counter unfair practices (dumping, particularly on poultry) and the CIT could only be operated for falling prices and not for increased import volumes. An alternative to the CIT was to use "reference prices": *"The mechanism of the reference values (or standard values, mercurial, minimum prices) is for the Customs Service to use a fixed value when the price charged for the imported product is below this standard values ... This value is determined by the national administration either to protect an industrial sector or to*

ensure the collection of tax revenues, or, finally, to overcome the difficulty to accurately assess an imported product value"<sup>7</sup>. But the use of reference values was strictly regulated by the WTO, as an exception to the Agreement on Customs Valuation and transiently (it expired on June 30, 2007)<sup>8</sup>.

The Safeguard Tax on Imports (STI) created by ECOWAS in 2006 improved the CIT as it could be triggered by an increased volume of imports but it was only a temporary surcharge to protect local production from the volatility of international prices and import surges while, next to it, was established the "ECOWAS Compensatory Duty " to offset the subsidies on imports from industrialized countries. The STI allowed to offset up to 100% of the price decline when it was of at least 20% over the last six months compared to the six months of the previous year or at least of 10% of the last 12 months compared to the previous 12 months. And it allowed a surcharge of 50% when the imported volume increased by more than 50% over the last six months compared to six months of the previous year or less than 20% over the last 12 months compared to 12 months precedents. But the STI could only be activated for 6 months, renewable once. As for the ECOWAS Compensatory Duty its idea to offset subsidies in exporting countries was excellent but the method of calculation rendered it inapplicable because it involved calculating the PSE (Producer Support Estimate) of the product, an OECD indicator of support highly questionable – because based on the difference between the domestic price and the world price, which is already a dumping price – and the PSE are not calculated for ACP products, let alone for ECOWAS.

To sum up, the EPA safeguards are very low, lower than those of ECOWAS which could not be implemented and much lower than those available to the EU.

## **6) EU import duties on basic staples much higher than those of ECOWAS**

In 2013 the EU MFN duties, in *ad valorem* equivalent (specific or mixed duties being reported to the CIF value) were of: 54.2% on wheat, 38.6% on barley, 40.9% on corn, 27.9% on rice, 30.8% on wheat flour; 71.3% on sugar; 32.6% of fresh beef and 46.7% on frozen beef; 43.2% to 46.7% of milk n 2013 DD MFN EU were in *ad valorem* equivalent (specific or mixed duties have been reported to the CIF value), 54.2% wheat, 38.6% barley, 40.9% on corn, rice 27.9%, 30.8% on wheat flour; 71.3% sugar; 32.6% of the fresh beef and 46.7% on frozen beef; 43.2% to 46.7% of milk powder, 67% of the butter and 31.7% on the cheese.

Table 1 – EU MFN import duties on some basic foodstuffs in 2013

HS code of product	Imports in 2013			MFN duty	
	euros	tonnes	CIF price/t	Specific or mixed	ad valorem equivalents
1001 wheat	1061680124	38864589	273	148 €/t	54,2%
1003 barley	13322517	552986	241	93 €/t	38,6%
1005 maize	2553665610	111163030	230	94 €/t	40,9%
1006 rice	909054201	14474762	628	175 €/t	27,9%
1101 wheat flour	17339444	310220	559	172 €/t	30,8%
1701 sugar	2254561835	41229071	547	339 €/t	71,3%
0201 fresh beef	1075660827	1203089	8941	12,8% + 1768 €/t	32,6%
0202 frozen beef	422800735	809568	5223	12,8% + 1768 €/t	46,7%
0402 concentrated milk	26675416	91826	2905	1254 €/t	43,2-46,7%
0405 butter	117153997	415566	2819	1896 €/t	67,3%
0406 cheese	436736798	746931	5847	1852 €/t	31,7%

Source: WTO for applied duties and Eurostat for imports

<sup>7</sup> <http://hubrural.org/IMG/pdf/EtudesurFINALUEMOATEC.pdf>

<sup>8</sup> <http://www.ictsd.org/bridges-news/passerelles/news/les-mesures-de-protection-n%C3%A9cessaires-pour-le-d%C3%A9veloppement-du-secteur>

And, despite that these *ad valorem* equivalents have decreased significantly compared to the years before the prices surge since 2007, the level of protection on imports of basic foodstuffs is far superior to these import duties because the EU high agricultural subsidies offsetting the decline in prices since the reforms of the CAP (Common agricultural Policy of the EU) have had a powerful import substitution effect in reducing the need for high duties. One more reason for ECOWAS to adopt much higher applied duties than in its new CET starting on January 1<sup>st</sup>, 2015.

### **7) The EU clings stubbornly denying the dumping impact of its domestic subsidies:**

"Article 48 Cooperation in the areas of agriculture and food security:

*5... Each Party shall ensure transparency in its domestic support policies and measures. The European Union shall therefore send, by any appropriate means, regular reports to West Africa on such measures, including, in particular, the legal basis, the forms of measures and the associated sums. The Parties may exchange information concerning any agricultural policy measure at the request of either of the Parties. 6. The European Union Party undertakes to refrain from the use of export subsidies for agricultural products exported to West Africa.*

The EU clings stubbornly on affirming in all EU and international bodies that the only export subsidies are those granted at the exporter level – the "refunds" in EU jargon – and that domestic agricultural subsidies have no "trade distorting" effect, i.e. dumping effect, especially when these domestic subsidies are totally "decoupled" from the level of prices or production, as is the case for more than 90 % of EU agricultural subsidies currently, those represented by the direct payment of the "single payment scheme" (SPS) which will be called "basic payment scheme" (BPS) from 2015. Yet this obstinacy is a lie because the Appellate Body of the WTO Dispute Settlement Body ruled four times that domestic agricultural subsidies have a dumping effect when products are exported: in the "Dairy Products of Canada" case in December 2001 and December 2002, in the "US Cotton" case in March 2005 and in the case "EU Sugar" case in April 2005<sup>9</sup>.

We have showed that the only EU subsidies to cereals, dairy products, meat and eggs exported to ACP countries were of €750 million in 2012 and €813 million in 2013, of which €414 million to WA<sup>10</sup>. For cereals we have included those in processed products, except those included in the feed that were taken into account for the calculation of subsidies to the exported animal products. The €414 million of subsidies to WA represent 32% of the annual allocation of €1.3 billion planned for the EU total aid (EDF + EU budget and European Investment Bank) to WA (€6.5 billion over 5 years). These €414 M are 2.8 times higher than the €150 M of GSP duties (Generalized System of Preferences) that Ivory Coast, Ghana and Nigeria would have had to pay on their total exports to the EU in 2013 under the GSP and that would prevail if the regional EPA is not ratified. The €73.8 M of EU subsidies on agricultural exports to Ivory Coast accounted for three-quarters (74.5%) of duties it would have paid on its total exports to the EU in 2013 under the GSP scheme. And the €70.9 M of EU subsidies on agricultural exports to Ghana represent 180% of the €39.4 M of duties it would have paid in 2013 for its exports to the EU under the GSP.

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<sup>9</sup> *The EU dumping cereals, dairy and meats in 2012, total and to ACP countries*, Solidarité, March 5, 2014, <http://www.solidarite.asso.fr/Papers-2014>

<sup>10</sup> *The EU subsidies to its exports of cereals meats and dairy products to ACP countries and West Africa in 2013*, Solidarité, July 9, 2014, <http://www.solidarite.asso.fr/Papers-2014>



**Let us add the special case of cotton trade between the EU and the AO in 2013.** Clearly the EU does not export cotton lint (raw, carded or combed, waste) to WA (or very little: 88.6 tonnes) but was a net importer of 29,827 tonnes for € 42 million. But it exported a total of 9,602 tonnes of cotton lint equivalent included in yarns, fabrics, garments and linen for €254.3 M, with a net balance of its trade in cotton products of €204.9. Since the EU is the undisputed world champion for the subsidy per tonne of cotton lint (raw, carded or combed, waste) of €2,172 in 2013 – 51.5% larger than the FOB price of €1,434 per exported tonne – the total subsidies to these exports were of €20.9 M. This represents 49.4% of the WA exports of cotton lint (raw, carded or combed, waste) to the EU and 43% of total exports of cotton fiber to the EU, with that included in yarns, fabrics, garments and linen. These €20.9 M are to be compared with the €2.75 M per year of the "EU-Africa Partnership on Cotton" which extends to the whole of Africa<sup>11</sup>.

Table 2 – EU trade in cotton products with West Africa in 2013

	Cotton lint				Yarn, fabrics			Garments and linen			Total
	raw	Carded-combed	waste	Total	Product	% cotton	Total cotton	Product	% cotton	cotton	cotton
Trade in tonnes											
Exports	5,4	2,6	80,6	88,6	10796	80%	8637	1168	75%	876	9602
Imports	28227	117	1571	29916	2702	"	2162	119	"	89	32167
Balance	-28222	-115	-1491	-29827	8095	"	6476	1131	"	848	-22503
Trade in €1,000											
Exports	43	44	25	112	303939	80%	243151	14720	75%	11040	254303
Imports	40802	1319	183	42304	5737	"	4590	2341	"	1756	48650
Balance	-40759	-1274	-158	-42192	297202	"	237762	12380	"	9285	204855

Source : Eurostat

**In conclusion**, the tariff aspects of the WA EPA Agreement are very unfair and would shove WA in increased underdevelopment and dependence vis-à-vis the EU:

- WA could not increase its tariffs or change the classification of products within its 5 bands of applied duties;
- WA could not join the WTO to get bound duties allowing it to increase its applied duties;
- WA could not increase its export taxes, hence its budget revenues;
- WA could not use quantitative restrictions on imports while the EU is using implicit ones;
- the EPA safeguards are too low and do not allow to apply those decided by ECOWAS. And since they are only temporary they could not offset the EU structural dumping, particularly on cereals which, except rice, are not placed in band D of products excluded from liberalization and for which EU subsidies to WA were of €173.8 M in 2013. And about 50% of concentrated milk taxed at 5% remains liberalized and corresponded to EU subsidies of around €25 M to WA in 2013. Even EU subsidies to its net exports of cotton (with the one included in yarns, fabrics, garments and linen) to WA are about 10 times its cotton aid to WA.
- The EU duties on its basic foodstuffs are much higher than those of WA.

It is clear that these tariff issues only justify largely not to ratify the WA EPA.

But ECOWAS should urgently submit an application to WTO to become a Member, then turns its bound duties into variable levies in order to stabilize farm prices at a profitable level to increase production at the same rate as the WA population<sup>12</sup>.

This brief analysis was limited to the provisions of the initialled EPA on tariff protection and

<sup>11</sup> <http://news.aouaga.com/h/17652.html>

<sup>12</sup> J. Berthelot, *Réguler les prix agricoles*, l'Harmattan 2013 (voir le dernier chapitre).

safeguard measures but, pending further analysis of these texts, readers are referred to other previous analyzes of the good reasons not to ratify the EPA ([http://www.solidarite.asso.fr/Articles de 2014.68](http://www.solidarite.asso.fr/Articles%20de%202014.68))

- *The European Commission lies when claiming that the competitiveness of ACP countries would improve if they sign regional EPAs*, September 7, 2014
- *Losses of tariff revenues linked to the West Africa's Economic Partnership Agreement*, September 7, 2014
- *GSP duties Ivory Coast, Ghana and Nigeria would have to pay on their exports to the EU if the regional EPA is not ratified*, August 16, 2014
- *Why ECOWAS should not sign the EPA*, July 12, 2014
- *The EU subsidies to its exports of cereals meats and dairy products to ACP countries and West Africa in 2013*, July 9, 2014
- *The EU dumping cereals, dairy and meats in 2012, total and to ACP countries*, March 5, 2014
- *Call to civil society and elected representatives in Europe and Africa*, August 4, Readers are

Finally readers are invited to sign the Call against the ratification of the EPA (same address), a Call soon to be supported by a coordination of civil society organizations from the EU and Sub-Saharan Africa. Meanwhile signatures should be sent to Jean Gadrey ([jean.gadrey@univ-lille1.fr](mailto:jean.gadrey@univ-lille1.fr)) who maintains the list of signatures.