

**The foly to implement the EU-West Africa Economic**

**Partnership Agreement (EPA), based on 2015 trade data**

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Contents

Summary

I – Trade balance of West Africa with the EU in 2015

II – Duties losses of WA on EU exports if EPA were fully implemented in 2015

2.1 – Duties losses of Ivory Coast, Ghana & Nigeria on imports from EU if EPA had been fully implemented already in 2015

2.2 – Duties losses of the whole West Africa, of which of the 13 LDCs, on imports from the EU if EPA had been fully implemented already in 2015

III – Other duties losses on imports from the EU if EPA were fully implemented in 2015

3.1 – Higher duty losses based on estimated CIF import values

3.2 – The trade diversion would foster a higher share of imports from the EU

3.3 – Increased duties losses due to the large population increase expected in WA

3.4 – Increased duties losses due to the reduction in the value added tax (VAT)

IV – The false argument of the GSP duties that the exporters of Ivory Coast, Ghana and Nigeria would have had to pay to the EU in 2015 without the EPA

V – Comparing the GSP duties to pay to the EU with the WA losses of import duties

VI – The EU empty promises to grant additional aids to implement the WA EPA

VI – Implementing immediately an anti-EPA duty to mutualize the GSP duties that exporters of IC, Ghana and Nigeria would have to pay to the EU

Conclusion

**Summary**

The present note aims at bringing up to date data on the expected gains and losses of the West Africa (WA)-EU Economic Partnership Agreement (EPA) for the West Africa' Members. It does not cover all the main issues at stake but concentrates on the financial aspects, comparing the losses of import duties of all WA States with the GSP (Generalized System of Preferences) duties that the exporters of the 3 WA developing countries (DCs) – Ivory Coast (IC), Ghana and Nigeria – would have to pay to the EU is the EPA is not implemented.

The comparison is based on the EU-WA trade data of Eurostat for 2015, which allows to assess, on the one hand, the losses of WA import duties that they would have incurred if the EPA had been implemented at the end of the liberalization process already in 2015, based on the WA tariffs offer to the EU and, on the other hand, the GSP duties based on the EU TARIC data base per tariff line for GSP countries.

If the assesment of the GSP duties to be paid to the EU does not present methodological difficulties, assessing the losses of imports duties for WA poses more problems. First because Eurostat provides only the EU exports at FOB values, which is however the best alternative in the absence of WA imports data for 2015 and their lack of reliability. We could use partially the ITC TradeMap data base or UN Comtrade data but there are not available for 2015 and in any case their data are only at the 6 digits level of the Harmonised System (HS) of trade classification, whereas tariffs vary most often at the 8 digits level given by Eurostat.

Therefore we have estimated the import duties losses due to four factors:

- the gap between the EU FOB values and the WA CIF values, corresponding to the costs of freight and insurances;

- the trade diversion which will foster more imports from the EU as imports from third countries would remain taxed;

- the large population increase which would induce much larger imports, the more so as the EPA would reduce the competitiveness of WA enterprises;

- the reduction in the revenues from the value added tax (VAT) on imports since the VAT is based on the CIF value plus the import duties.

Before making these estimates, we begin by a short analysis of the EU-WA trade balance of all the HS chapters (from 01 to 97).

As is was impossible to make the calculations for all the 16 WA States, we have focused especially on the 3 DCs separately and on the 13 LDCs (least developed countries) taken together, assimilating Cape Verde to an LDC as its EU trade statute of GSP+ provides it with about the same DFQF (dutyfree-quota free) market access to the EU as for the LDCs.

The total GSP duties to pay on DCs exports to the EU in 2015 would have been of €188.5 million (M), of which €113 M, or 60% of the total, for IC, €67 M or 35.5% of the total for Ghana and only €8.6 M or 4.5% of the total for Nigeria. And 97.3% of GSP duties concern agricultural and fish products, of which 99.9% for IC, 97.9% for Ghana and 59% for Nigeria. And 91.7% of the GSP duties concern 3 products: processed cocoa, processed tunas and fruits (bananas, pineapples).

WA should not expect that the EU would increase its imports of food products in the medium to long term given that the UN expects that its population would decrease after 2030, a population that will be aging, with a lower food consumption per capita. The IPCC assessment of 2014 on climate change in WA underlines that banana and plantain production could decline. And the explosion of WA population would recommand to devote more agricultural resources to basic food staples in order to reduce the WA global food deficit which rose ten times from 2000 to 2011. And, without the large surplus over the EU in trade of the 3 products, the 3 DCs and WA would have faced an increased food deficit with the EU from 2010 to 2015. This is true for all countries, even for Ivory Coast. On the other hand the higher competitiveness of several other DCs with which the EU has passed recent Free trade agreements (FTAs) leads to conclude that WA could at best expect to maintain its exports to the EU at the 2015 level.

Despite that the GSP duties would have to be paid to the EU immediately at year T whereas the liberalisation and correlative losses of import duties would only begin at T+5, the cumulative losses of import duties largely exceed those of the GSP, with a net loss of €26.2 bn for WA, of which of 13.9 bn for the 3 DCs and €13.6 bn for the 13 LDCs. Further on the net losses of all WA countries would explode, at €42 bn in 2040, €62.2 bn in 2045 and €80.6 bn in 2050. The main losers are clearly the 13 LDCs and Nigeria: the LDCs because they would be forced to liberalize, negating the EU EBA (Everything But Arms) provisions that they are not obliged to liberalize their imports from the EU. But also Nigeria as its GSP duties are very low.

The so-called EPADP (EPA Development Programme or PAPED) does not bring a single additional euro but is only a new packaging of the traditional EDF (European Development Fund), EIB (European Investment Bank), and EU cooperation funds for the EPA. Furthermore, as the Cotonou Agreement expires in 2020 and as the EU is facing many fiscal constraints, there is no certainty that the EDF will be renewed and, even if it takes other forms, it is unlikely that it would increase even though the WA population will continue its fast expansion.

The DG Trade Commissioner and her Head of the EPA Bureau have kept repeating that the WA EPA, as other EPAs of the ACP countries, are "win-win" deals. If this were true why is it that the EU Commission did not publish three recent assessments of the WA EPA that it financed because they conclude to its negative impacts, particularly for Nigeria ? However several strong political statements were made in the United Kingdom and in France from 2005 to 2008 to abandon the EPAs negotiations. In vain.

The paper concludes with the practical way to put in place the proposition of the WA civil society's Declaration of 14 January 2014 in Dakar that a Regional Solidarity Fund (RSF) reimburse to the exporters of IC, Ghana and Nigeria the GSP duties which would tax their exports to the EU if the regional EPA is not finalized. This would be done through an anti-EPA duty to mutualize and reimburse the GSP duties to these exporters, each WA country contributing to the RSF on the basis of 0.24% of its total extra-WA imports. The management of the RSF would be ensured by ECOWAS through a specific agency to which each WA State would send its contribution and the Agency would make advanced payments to the exporters based on their previsional invoices. Thus the exporters of the 3 DCs would not be refrained from exporting to the EU and would not have any reason to continue to plea for the EPA.

The methodology of the paper is not sophisticated as it is not based on complex general equilibrium or even partial equilibrium models allowing to assess the impacts of the EPA on macroeconomic variables (GDP, employment, total government revenues, income distribution, impacts on the rest of the world, etc) even if their results are debatable as based on many oversimplifications and guesswork. Rather the methodology has necessitated a huge amount of very time consuming calculations, tariff line (TL) by TL, relying on the TARIC data base for GSP countries and on the WA tariff offer to the EU and all excel tables are available on request.

It is only in a second period that the distribution over time of the losses of import duties has been assessed, based on the calculations already made for 2012 by the South Centre, given the calendar of tariff dismantling over five year periods, beginning at T+5 and then at T+10, T+15 and T+20 (T being the year of entry into force of the EPA, that we assume here to have occurred in 2015). 40% of liberalization would occur already at T+5. It appears that, as the dismantling of duties would begin only in T+5 and would be totally finalized only in T+20, the WA governments do not care of the detrimental impacts of the EPA in the medium and long run. They prefer to lend a benevolent hear to the plea of the large exporters – particularly of cocoa, tropical fruits (bananas and pineapples) and processed tuna – who would have to pay immediately the GSP duties to the EU if the EPA is not implemented. Not to speak of the EU pressures and false promises on the additional EU funds to implement the EPA.

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**I – Trade balance of West Africa with the EU in 2015**

Table presents the trade balance for each of the 97 chapters of products of the Harmonised System (HS) of trade classification of products between WA and EU in 2015, particularly for the 3 DCs – Ivory Coast, Ghana and Nigeria – and for the 13 LDCs considered together. We assimilate Cape Verde to an LDC as its statute of GSP+ gives it about the same preferential DFQF (duty free-quota free) access to the EU market as for the LDCs. The chapters 01 to 24 correspond to the bulk of agricultural products plus fish (class 3) and preparations (part of chapter 16). According to the definition of agricultural products in Annex 1 of the WTO Agreement on agriculture (AoA), there are also some agricultural products outside chapters 01 to 24, particularly raw cotton (codes 5201 to 5203) which explains the WA surplus of €26.4 million (M) for agricultural products outside chapters 01-24.

The gap between WA total exports of €27.393 bn to the EU in 2015 and total imports of €28.616 bn implies a trade deficit of €1.223 billion (bn), explained by a surplus of €8.254 bn for the 3 DCs and a deficit of 9.478 bn for the 13 LDCs. The surplus of the 3 DCs comes from €7.825 bn of Nigeria and €1.055 bn of Ivory Coast (IC) despite a deficit of €625 M of Ghana. Nigeria's surplus is due to that of €13.464 bn in mineral fuels (chapter 27) without which Nigeria would have had a deficit of €4.867 bn. With the collapse of oil prices it is likely that Nigeria trade with the EU would be in deficit in 2016. The trade surplus of Ivory Coast (IC) is due to its agricultural and fish trade surplus of €2.232 bn despite a deficit of €1.177 bn for non-agricultural products. The IC agricultural surplus comes essentially from €2.360 bn in cocoa (chapter 18), much ahead of fruits (€251 M, chapter 08) and processed fish (€122 M, chapter 16). Ghana trade deficit is due to a €1.689 bn deficit in non agricultural products despite a surplus of €1.057 bn in agricultural products and fish, itself due also essentially to cocoa (€1.041 bn), ahead of processed fish (€167 M) and fruits (€104 M).

As for the 13 LDCs, they are in deficit for both non agricultural products (€8.380 bn) and agricultural and fish products (€1.097 bn), despite a €377 M surplus in fish.

We can also observe that WA has a surplus on only 9 chapters of non agricultural products over 71 and on only 10 chapters of agricultural products over 25 (including outside chapters 01-24).

Table 1 – Trade balance in euros of West Africa with the EU in 2015

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| HS chapters | Ivory Coast | Ghana | Nigeria | 3 DCs | West Africa | 13LDCs |
| 01 | -2432832 | -3485711 | -362705 | -6281248 | -13735737 | -7454489 |
| 02 | -53220664 | -84111116 | -1324461 | -138656241 | -399847348 | -261191107 |
| 03 | -60165639 | -31664857 | -214411641 | -306242137 | 70281847 | 376523984 |
| 04 | -58927024 | -38717121 | -198664816 | -296308961 | -503795748 | -207486787 |
| 05 | -800028 | -2056109 | 163834 | -2692303 | -5225566 | -2533263 |
| 06 | 1096737 | 1230530 | -345538 | 1981729 | 1397928 | -583801 |
| 07 | -30466688 | 17416837 | 4305341 | -17355192 | -98028098 | -80672906 |
| 08 | 250576055 | 104462725 | -2042791 | 352995989 | 402427641 | 49431652 |
| 09 | 20111892 | -763564 | 1847132 | 21195460 | 30705774 | 9510314 |
| 10 | -122864863 | -18608933 | -93750610 | -235224406 | -544867904 | -309643498 |
| 11 | -27817081 | -10286937 | -62328904 | -100432922 | -149420046 | -48987124 |
| 12 | 10515041 | 37192417 | 43694069 | 91401527 | 107861599 | 16460072 |
| 13 | -1887354 | -754775 | -7257868 | -9899997 | -7443104 | 2456893 |
| 14 | 593930 | 1731425 | 276802 | 2602157 | 2613038 | 10881 |
| 15 | 9854609 | 6025305 | -17437100 | -1557186 | 16037474 | 17594660 |
| 16 | 122054054 | 166594714 | -3292306 | 285356462 | 294936971 | 9580509 |
| 17 | -1310819 | -3063560 | -6647555 | -11021934 | -44829249 | -33807315 |
| 18 | 2359997552 | 1041346341 | 358386349 | 3759730242 | 3837217914 | 77487672 |
| 19 | -40094137 | -28731319 | -258424811 | -327250267 | -602025243 | -274774976 |
| 20 | -10123222 | -4713383 | -53243778 | -68080383 | -111819170 | -43738787 |
| 21 | -9265160 | -10245563 | -51341547 | -70852270 | -226407362 | -155555092 |
| 22 | -53443704 | -59975814 | -134741438 | -248160956 | -426978689 | -178817733 |
| 23 | -10436395 | -14581117 | -40697125 | -65714637 | -66959917 | -1245280 |
| 24 | -71768730 | -90387 | -26495883 | -98355000 | -176552184 | -78197184 |
| 01-24 | 2219775530 | 1064150028 | -772748032 | 2511177526 | 1385544821 | -1125632705 |
| 25 | -43348968 | -64281094 | -19448304 | -127078366 | -216128532 | -89050166 |
| 26 | 12848228 | 13450206 | 18772433 | 45070867 | 878621580 | 833550713 |
| 27 | 383060782 | 70265609 | 13464434143 | 13917760534 | 9692217056 | -4225543478 |
| 28 | -14277898 | -22552546 | -27150022 | -63980466 | 398819450 | 462799916 |
| 29 | -43031551 | -10550974 | -83584932 | -137167457 | -169499090 | -32331633 |
| 30 | -157630582 | -107799118 | -530319909 | -795749609 | -1406866808 | -611117199 |
| 31 | -5396194 | -38925011 | 2326826 | -41994379 | -88749822 | -46755443 |
| 32 | -19142660 | -19742760 | -78824618 | -117710038 | -150380559 | -32670521 |
| 33 | -45206415 | -45300794 | -250535787 | -341042996 | -426738943 | -85695947 |
| 34 | -18893187 | -10942087 | -44818880 | -74654154 | -106004415 | -31350261 |
| 35 | -5907521 | -4603561 | -32229984 | -42741066 | -56245198 | -13504132 |
| 36 | -1872057 | -7633567 | -998120 | -10503744 | -23959975 | -13456231 |
| 37 | -1652825 | -1750365 | -12655002 | -16058192 | -23396205 | -7338013 |
| 38 | -35738561 | -55811131 | -114892846 | -206442538 | -304787025 | -98344487 |
| 39 | -85741890 | -63922066 | -192348020 | -342011976 | -518958636 | -176946660 |
| 40 | 254597491 | -2018878 | 52679 | 252631292 | 221405057 | -31226235 |
| 41 | 4016092 | -6552104 | 151572421 | 149036409 | 160809781 | 11773372 |
| 42 | -3059453 | -1227438 | -4933514 | -9220405 | -14483511 | -5263106 |
| 43 | -926 | 0 | -12591 | -13517 | -26445 | -12928 |
| 44 | 92254665 | 26141839 | 13171808 | 131568312 | 116272467 | -15295845 |
| 45 | -26122 | 919 | -56095 | -82370 | -243994 | -161624 |
| 46 | -32376 | 525136 | -8593 | 484167 | 887620 | 403453 |
| 47 | -219456 | -141143 | -2517802 | -2878401 | -3162127 | -283726 |
| 48 | -60723130 | -34332382 | -103053208 | -198108720 | -290685964 | -92577244 |
| 49 | -11818937 | -28456885 | -69966055 | -110241877 | -151330893 | -41089016 |
| 50 | -5099 | 0 | -56708 | -61807 | -89418 | -27611 |
| 51 | -25143 | -9757 | -144442 | -179342 | -322447 | -143105 |
| 52 | -3915075 | -5660720 | -41217373 | -50793168 | -263991132 | -213197964 |
| 53 | 394776 | 39448 | -125976 | 308248 | -88150 | -396398 |
| 54 | -792560 | -200099 | -1697556 | -2690215 | -5129662 | -2439447 |
| 55 | -463753 | -351571 | -6554611 | -7369935 | -8903319 | -1533384 |
| 56 | -4544582 | -3146399 | -9103224 | -16794205 | -24869693 | -8075488 |
| 57 | -1063960 | -466840 | -3207835 | -4738635 | -7667683 | -2929048 |
| 58 | -291689 | -845693 | -22409210 | -23546592 | -29037748 | -5491156 |
| 59 | -1140091 | -1318804 | -4424716 | -6883611 | -12278060 | -5394449 |
| 60 | -88348 | -33059 | -103955 | -225362 | -2746061 | -2520699 |
| 61 | -5963961 | -1027702 | -6275348 | -13267011 | -20540858 | -7273847 |
| 62 | -6287788 | -2294784 | -10591029 | -19173601 | -38260030 | -19086429 |
| 63 | -27756284 | -90465090 | -22336491 | -140557865 | -362406568 | -221848703 |
| 64 | -7481792 | -5372483 | -22750651 | -35604926 | -46349561 | -10744635 |
| 65 | -648308 | -415245 | -933299 | -1996852 | -3682531 | -1685679 |
| 66 | -108195 | -33628 | -158411 | -300234 | -477627 | -177393 |
| 67 | -74370 | 54070 | -320846 | -341146 | 10265301 | 10606447 |
| 68 | -13035550 | -9868761 | -22129489 | -45033800 | -68343154 | -23309354 |
| 69 | -14239026 | -21481732 | -72364706 | -108085464 | -162637738 | -54552274 |
| 70 | -15854007 | -3492143 | -9403157 | -28749307 | -55056292 | -26306985 |
| 71 | -6134783 | 4843228 | -7230748 | -8522303 | 205791200 | 214313503 |
| 72 | -25879843 | -11699337 | -43142484 | -80721664 | -138025931 | -57304267 |
| 73 | -197531506 | -156631925 | -310459413 | -664622844 | -844614809 | -179991965 |
| 74 | -5347848 | 13259093 | 1362542 | 9273787 | 13387256 | 4113469 |
| 75 | -308824 | -2484760 | -1895399 | -4688983 | -5025926 | -336943 |
| 76 | -15738208 | 39124933 | -49648103 | -26261378 | -60064961 | -33803583 |
| 78 | 64036 | 9920673 | 9687630 | 19672339 | 20043744 | 371405 |
| 79 | -167900 | -44780 | -13789856 | -14002536 | -16143354 | -2140818 |
| 80 | -55703 | -4924 | -62176 | -122803 | -149892 | -27089 |
| 81 | -145155 | -5006 | -856664 | -1006825 | -1035621 | -28796 |
| 82 | -10158203 | -11432220 | -32513370 | -54103793 | -89052273 | -34948480 |
| 83 | -13610509 | -86042049 | -21455933 | -121108491 | -147782228 | -26673737 |
| 84 | -465937369 | -448025299 | -1403271342 | -2317234010 | -3454775660 | -1137541650 |
| 85 | -190135768 | -176301169 | -525748540 | -892185477 | -1462553318 | -570367841 |
| 86 | -7154027 | -1659829 | -7529746 | -16343602 | -41209135 | -24865533 |
| 87 | -187760444 | -175515852 | -361982766 | -725259062 | -1645559559 | -920300497 |
| 88 | -16801914 | -3245697 | -115047202 | -135094813 | -208625736 | -73530923 |
| 89 | -14007321 | -24597132 | -64545133 | -103149586 | -403849827 | -300700241 |
| 90 | -34927104 | -48618288 | -167137009 | -250682401 | -375332794 | -124650393 |
| 91 | -1501257 | -1455615 | -9590297 | -12547169 | -13809067 | -1261898 |
| 92 | 119617 | -160104 | -1554521 | -1595008 | -1530527 | 64481 |
| 93 | -3888310 | -6808131 | -1941053 | -12637494 | -22108171 | -9470677 |
| 94 | -48211618 | -34886275 | -81050010 | -164147903 | -269340218 | -105192315 |
| 95 | -4160689 | -1295185 | -7507978 | -12963852 | -22685093 | -9721241 |
| 96 | -5693982 | -3006630 | -10847435 | -19548047 | -37815319 | -18267272 |
| 97 | 467678 | -50872 | -161594 | 255212 | -1445275 | -1700487 |
| 25-97 | -1164935210 | -1689374339 | 8597748395 | 5743437774 | -2608540056 | -8351977830 |
| Ag outside 01-24 | 11892867 | -7639423 | -5700501 | -1447057 | 26357769 | 27804826 |
| Non agri products | -1176828077 | -1681734916 | 8603448896 | 5744884831 | -2634897825 | -8379782656 |
| Ag products 01-24 | 2219775530 | 1064150028 | -772748032 | 2511177526 | 1385544821 | -1125632705 |
| Total ag products | 2231668397 | 1056510605 | -778448533 | 2509730469 | 1411902590 | -1097827879 |
| TOTAL | 1054840320 | -625224311 | 7825000363 | 8254615300 | -1222995235 | -9477610535 |
| Agri product/total |  |  |  | 30,40% |  | 11,58% |
| Non ag prod/total |  |  |  | 69,60% |  | 88,42% |

**II – Duties losses of WA on EU exports if EPA were fully implemented in 2015**

We will first assess the import duties losses of the three non LDCs (i.e. DCs) – Ivory Coast (IC), Ghana and Nigeria – before the losses of the whole WA, of which of LDCs.

**2.1 – Duties losses of Ivory Coast, Ghana & Nigeria on imports from EU if EPA had been fully implemented already in 2015**

Table 2 presents the losses of import duties of the 3 DCs as if the EPA had been already fully implemented in 2015. However, as these duties are based on the EU FOB values and not on the DCs CIF values, we have to estimate the gap between the FOB and CIF values, corresponding to the costs of freight and insurances.

Besides, we will add the duties losses due to three factors:

- the trade diversion which would foster more imports from the EU because imports from third countries would remain taxed;

- the large population increase up to 2035 – at the end of the liberalization process if the EPA would be signed in 2015 – which would induce much larger imports, the more so as the EPA would reduce the competitiveness of WA enterprises.

- the reduction in the revenues from the value added tax (VAT) on imports since the VAT is based on the CIF value plus the import duties.

However, before adding these factors, we can already draw some conclusions of the trade data of table 2 based on the EU FOB exports to the 3 DCs.

Table 2 – Duties losses of Ivory Coast, Ghana & Nigeria on EU exports if EPA were fully implemented in 2015

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| euros | Ivory Coast | | Ghana | | Nigeria | | The 3 DCs | |
|  | EU exports | Duties loss | EU exports | Duties loss | EU exports | Duties loss | EU exports | Duties loss |
| 01 | 2432832 | 135610 | 3572299 | 321434 | 370641 | 30854 | 6375772 | 487898 |
| 02 | 53220704 | 45960 | 84111116 | 151078 | 1324746 | 3511 | 138656566 | 200549 |
| 03 | 64293788 | 4025330 | 49382534 | 2748242 | 262120155 | 98866 | 375796477 | 6872438 |
| 04 | 58929496 | 1453826 | 38717356 | 1490585 | 198670610 | 3734973 | 296317462 | 6679384 |
| 05 | 800028 | 40001 | 2056109 | 102806 | 525293 | 26265 | 3381430 | 169072 |
| 06 | 503564 | 32753 | 561796 | 106412 | 369229 | 68986 | 1434589 | 208151 |
| 07 | 31842088 | 14752 | 2889720 | 8810 | 5061689 | 4014 | 39793497 | 27576 |
| 08 | 3701595 | 218354 | 1235729 | 139517 | 3855997 | 357087 | 8793321 | 714958 |
| 09 | 1256898 | 220551 | 927350 | 147895 | 5873716 | 1159240 | 8057964 | 1527686 |
| 10 | 122885476 | 6143684 | 18612837 | 929261 | 93753225 | 4676376 | 235251538 | 11749321 |
| 11 | 28395907 | 1206090 | 11354996 | 697287 | 62683309 | 3329341 | 102434212 | 5232718 |
| 12 | 3384794 | 169240 | 1910222 | 95848 | 2216693 | 110835 | 7511709 | 375923 |
| 13 | 1887604 | 94380 | 768256 | 38413 | 9126112 | 456306 | 11781972 | 589099 |
| 14 | 110564 | 5528 | 14628 | 731 | 17460 | 873 | 142652 | 7132 |
| 15 | 6435430 | 8237 | 26974415 | 59003 | 17515561 | 246710 | 50925406 | 313950 |
| 16 | 3834633 | 3223 | 4031477 | 6520 | 3292524 | 736 | 11158634 | 10479 |
| 17 | 1315859 | 24827 | 3064825 | 36562 | 6648988 | 248781 | 11029672 | 310170 |
| 18 | 3261204 | 1 | 3934468 | 0 | 4171769 | 22 | 11367441 | 23 |
| 19 | 42173634 | 548159 | 30856756 | 158382 | 259075902 | 1626381 | 332106292 | 2332922 |
| 20 | 10348369 | 121905 | 11158645 | 226139 | 53339986 | 881551 | 74847000 | 1229595 |
| 21 | 21324085 | 227093 | 11312981 | 265056 | 52414301 | 1180589 | 85051367 | 1672738 |
| 22 | 53490352 | 211432 | 60459720 | 16087 | 141383010 | 17856 | 255333082 | 245375 |
| 23 | 18072397 | 590882 | 14833068 | 654383 | 40707782 | 2139923 | 73613247 | 3385188 |
| 24 | 71768922 | 3576065 | 90387 | 99 | 26499062 | 910329 | 98358371 | 4486493 |
| 01-24 | 605670223 | 19117883 | 382831690 | 9400550 | 1251017760 | 21310405 | 2239519673 | 48828838 |
| 25 | 43420743 | 3806162 | 64288899 | 5162421 | 19472126 | 1139405 | 127181768 | 10107988 |
| 26 | 993206 | 49660 | 14782 | 739 | 904331 | 15440 | 1912319 | 65839 |
| 27 | 37702081 | 3720413 | 689038853 | 69918745 | 4014968545 | 400514445 | 4741709479 | 474153603 |
| 28 | 14277906 | 710112 | 22553142 | 1121152 | 27156753 | 1353104 | 63987801 | 3184368 |
| 29 | 43423469 | 2171173 | 10553786 | 527689 | 83833331 | 4191667 | 137810586 | 6890529 |
| 30 | 157665607 | 0 | 108016654 | 0 | 530342342 | 0 | 796024603 | 0 |
| 31 | 5396194 | 39664 | 38960065 | 941101 | 7372870 | 211951 | 51729129 | 1192716 |
| 32 | 20149366 | 876150 | 19742850 | 443072 | 78912224 | 2314129 | 118804440 | 3633351 |
| 33 | 47775682 | 3251783 | 47840142 | 1780317 | 250618140 | 19963322 | 346233964 | 24995422 |
| 34 | 18994970 | 617977 | 11006676 | 476677 | 44993488 | 892936 | 74995134 | 1987590 |
| 35 | 5907521 | 343247 | 4603622 | 221754 | 32231825 | 2469456 | 42742968 | 3034457 |
| 36 | 1872057 | 37117 | 7633567 | 321611 | 998120 | 30434 | 10503744 | 389162 |
| 37 | 1653347 | 312144 | 1750754 | 338953 | 12655274 | 2390730 | 16059375 | 3041827 |
| 38 | 35913162 | 3379632 | 56619151 | 6799475 | 114919709 | 11225706 | 207452022 | 21404813 |
| 39 | 85880038 | 2445319 | 63980735 | 1991015 | 192856757 | 7010573 | 342717530 | 11446907 |
| 40 | 18754905 | 2180899 | 24124821 | 2826553 | 39912996 | 4535802 | 82792722 | 9543254 |
| 41 | 79283 | 7928 | 6552104 | 355921 | 3354328 | 291514 | 9985715 | 655363 |
| 42 | 3068782 | 787 | 1283637 | 70924 | 5007342 | 214925 | 9359761 | 286636 |
| 43 | 926 | 93 | 0 | 0 | 60036 | 6157 | 60962 | 6250 |
| 44 | 1921311 | 131361 | 4300987 | 232160 | 20163293 | 1285156 | 26385591 | 1648677 |
| 45 | 26122 | 3250 | 153 | 23 | 56095 | 5519 | 82370 | 8792 |
| 46 | 32555 | 6511 | 1306 | 261 | 25673 | 5135 | 59534 | 11907 |
| 47 | 219456 | 10973 | 141143 | 7057 | 2517834 | 125892 | 2878433 | 143922 |
| 48 | 60758163 | 2737661 | 34351710 | 1446405 | 103062492 | 4838324 | 198172365 | 9022390 |
| 49 | 11855686 | 1611 | 28501389 | 53 | 70191144 | 563007 | 110548219 | 564671 |
| 50 | 5099 | 1020 | 0 | 0 | 56708 | 6314 | 61807 | 7334 |
| 51 | 36821 | 7364 | 9757 | 1951 | 144462 | 28892 | 191040 | 38207 |
| 52 | 16502975 | 648 | 5674440 | 565 | 44722194 | 171 | 66899609 | 1384 |
| 53 | 12064 | 603 | 38580 | 1929 | 125976 | 6299 | 176620 | 8831 |
| 54 | 800036 | 15573 | 201189 | 534 | 1698469 | 56815 | 2699694 | 72922 |
| 55 | 463753 | 2422 | 351571 | 10274 | 6668679 | 320056 | 7484003 | 332752 |
| 56 | 9076507 | 119718 | 3146427 | 1202 | 9173181 | 0 | 21396115 | 120920 |
| 57 | 1067457 | 0 | 471595 | 0 | 3208465 | 0 | 4747517 | 0 |
| 58 | 291813 | 43040 | 845693 | 20993 | 22508334 | 359057 | 23645840 | 423090 |
| 59 | 1140164 | 94890 | 1319194 | 168861 | 4458906 | 366650 | 6918264 | 630401 |
| 60 | 88625 | 576 | 33149 | 5868 | 105933 | 4552 | 227707 | 10996 |
| 61 | 6020958 | 746397 | 1046852 | 94539 | 6552813 | 179727 | 13620623 | 1020663 |
| 62 | 6357233 | 103486 | 2403029 | 42456 | 10662567 | 779780 | 19422829 | 925722 |
| 63 | 27769677 | 27806 | 90489845 | 19920 | 22358900 | 71901 | 140618422 | 119627 |
| 64 | 7516767 | 120679 | 5376677 | 140109 | 22799589 | 1015946 | 35693033 | 1276734 |
| 65 | 683970 | 20423 | 418506 | 3056 | 950079 | 83245 | 2052555 | 106724 |
| 66 | 108195 | 21590 | 34322 | 6719 | 158464 | 29670 | 300981 | 57979 |
| 67 | 98678 | 19736 | 4430 | 886 | 753837 | 150767 | 856945 | 171389 |
| 68 | 13038240 | 2324375 | 9872021 | 1667459 | 22135208 | 3520139 | 45045469 | 7511973 |
| 69 | 14241729 | 366387 | 21572354 | 567364 | 72420658 | 3155110 | 108234741 | 4088861 |
| 70 | 15859995 | 1134451 | 3524314 | 546788 | 9455334 | 1464691 | 28839643 | 3145930 |
| 71 | 6974580 | 1381650 | 1088393 | 192736 | 22520243 | 4479758 | 30583216 | 6054144 |
| 72 | 26094348 | 983299 | 12467705 | 563741 | 47168320 | 2617010 | 85730373 | 4164050 |
| 73 | 198890669 | 8612523 | 158763176 | 12685850 | 311353071 | 30823137 | 669006916 | 52121510 |
| 74 | 17445542 | 957117 | 9986945 | 670494 | 35281855 | 2297846 | 62714342 | 3925457 |
| 75 | 308824 | 23162 | 2510257 | 2743 | 2046761 | 120042 | 4865842 | 145947 |
| 76 | 15803064 | 1071869 | 7284880 | 326616 | 51243900 | 4294049 | 74331844 | 5692534 |
| 78 | 43507 | 2831 | 9004 | 493 | 289147 | 14477 | 341658 | 17801 |
| 79 | 168168 | 12993 | 44780 | 8822 | 13789864 | 718392 | 14002812 | 740207 |
| 80 | 55703 | 7926 | 5006 | 299 | 62288 | 4816 | 122997 | 13041 |
| 81 | 145155 | 10383 | 38609 | 2597 | 856844 | 131940 | 1040608 | 144920 |
| 82 | 10410572 | 1043030 | 11826588 | 1080573 | 32873862 | 1445185 | 55111022 | 3568788 |
| 83 | 13657317 | 1379745 | 86227626 | 1045701 | 21722738 | 2338579 | 121607681 | 4764025 |
| 84 | 475954571 | 28711798 | 460942680 | 27010575 | 1431018165 | 78959647 | 2367915416 | 134682020 |
| 85 | 194987079 | 19406444 | 179998961 | 40750548 | 548128851 | 44487452 | 923114891 | 104644444 |
| 86 | 7277395 | 363870 | 1660011 | 83001 | 7731888 | 386594 | 16669294 | 833465 |
| 87 | 188134767 | 10172140 | 178031546 | 10727608 | 363222784 | 18324603 | 729389097 | 39224351 |
| 88 | 16988667 | 849433 | 3650429 | 182522 | 127008597 | 6350430 | 147647693 | 7382385 |
| 89 | 14031408 | 1400108 | 25079609 | 1407138 | 65263217 | 4554547 | 104374234 | 7361793 |
| 90 | 35780910 | 2238939 | 50977840 | 3105596 | 174023482 | 10511371 | 260782232 | 15855906 |
| 91 | 1511007 | 302201 | 1457090 | 291418 | 9594426 | 1918885 | 12562523 | 2512504 |
| 92 | 117172 | 5859 | 424074 | 21204 | 1562648 | 78132 | 2103894 | 105195 |
| 93 | 3888310 | 777639 | 6808131 | 1359584 | 1941053 | 65380 | 12637494 | 2202603 |
| 94 | 48323377 | 4377163 | 34957013 | 1686755 | 81150409 | 4542798 | 164430799 | 10606716 |
| 95 | 4162697 | 829229 | 1315828 | 263166 | 7520481 | 1503979 | 12999006 | 2596374 |
| 96 | 5716402 | 801402 | 3291683 | 575362 | 10884930 | 1971569 | 19893015 | 3348333 |
| 97 | 63923 | 12785 | 75765 | 15153 | 864461 | 172892 | 1004149 | 200830 |
| 25-97 | 2025858428 | 117748349 | 2631618502 | 202345846 | 9286830109 | 700308021 | 13944307039 | 1020402216 |
| " agri product | 1931167 | 136112 | 7642833 | 434036 | 7230383 | 466496 | 16804783 | 1036643 |
| Tot non agri | 2023927261 | 117612237 | 2623975669 | 201911810 | 9279599726 | 699841525 | 13927502256 | 1019365573 |
| 01-24 | 605670223 | 19117883 | 382831690 | 9400550 | 1251017760 | 21310405 | 2239519673 | 48828838 |
| Tot agri prod | 607601390 | 19253995 | 390474523 | 9834586 | 1258248143 | 21776901 | 2256324456 | 49865481 |
| Total | 2631528651 | 136866232 | 3014450192 | 211746396 | 10537847869 | 721618426 | 16183826712 | 1070231054 |
| Agri pro/total | 23,09 | 14,07 | 12,95 | 4,64 | 11,94 | 3,02 | 13,94 | 4,66 |
| Non agr/total | 76,91 | 85,93 | 87,05 | 95,36 | 88,06 | 96,98 | 86,06 | 95,34 |

The 3 DCs would lose €1.069 billion (bn) of duties, of which €136.9 million (M) for IC (12.8% of the 3), €211.7 M for Ghana (19.8%) and €721.6 M (67.5%) for Nigeria. The losses would be incurred overwhelmingly (for 95.3%) on non agricultural and fish products, including for IC (85.9%) and Ghana (95.4%), this share rising at 97% for Nigeria. Nevertheless the losses of duties on agricultural products and fish (€49.9 M) are not negligible, which contradicts totally the statements that all agricultural products would be excluded from liberalization, made by Ms Sandra Galina, Head of the EPA Bureau of the EU Trade Commission on several occasions, including on 14 July 2015 during the hearing of the INTA and DROI Commissions of the EU Parliament (to which J. Berthelot was one of the four invited speakers), and by Mr Yaya Sow, Ambassador of ECOWAS to the EU, at the meeting of the DEVE Commission of the EU Parliament on 23 June 2015: "*All products of agriculture and livestock remain protected and will not be liberalized*". Furthermore Ms Sandra Gallina said also the 23 June 2015 that what might hurt WA agricultural products are not the EU dairy products which are excluded from liberalization in the EPA or EU chicken but those of Brazil. She should review the texts of the EPA as the duties on many tariff lines of milk powder, which are the bulk of dairy imports, would fall from 5% to 0%[[2]](#footnote-2) and, according to UNCTAD data, 57.4% of ECOWAS imports of poultry meat (code 0207) came from the EU in 2014 against 21.1% from the USA and 14.3% from Brazil.

Among agricultural products and fish the main losses would be on cereals (€11.7 M or 23.6% of the agricultural total, including products outside chapters 01 to 24), followed by fish and preparations (€7.2 M or 13.8% of total) and dairy (€6.8 M or 13.4% of total). The loss of import duties on the EU exports of agricultural products outside chapters 01-24 are low: €1.404 M for WA, of which €1.037 M for the 3 DCs, 66% of these losses for WA are due to 3 products: hides and skins of bovine animals (HS code 4101), essential oils (code 3301) and caseins and caseinates (code 3501).

It was all the more absurd to liberalize the imports of cereals (except rice) and milk powder – which were already hardly taxed, at 5% ad valorem – that the EU exports are highly subsidized. The cereals subsidies to WA have reached €238 M for 3.6 M tonnes (Mt) in 2015 (of which to 2.7 Mt of raw cereals and 0.9 Mt to processed cereals other than for feed) after €198 Mt to 3 Mt in 2014. We have not yet calculated the subsidies to the dairy exports of 2015 but they were of €63.7 M in 2014. A recent Raboband study on Sub-Saharan Africa (SSA) dairy markets writes: "*The sub-Saharan African dairy market will be "a game of two halves" in coming years, with West Africa seeing the most growth in commodity milk import demand… Protectionism and local challenges mean the East African dairy story will be one of local production, while imported milk powder will continue to dominate the West African market… Dairy consumption is seeing long term growth in West Africa, where the market remains heavily reliant on imports… The gap in Nigeria, Africa's most populous country, was seen at 1.4bn litres a year, with only 25% of demand met by local supply… In Ghana, local supply meets only 27% of demand… But in East Africa, the industry is much more able to meet local demand, thanks to a better suited climate. Across the region, Rabobank calculates that up to 97% of demand is met by informal marketing of domestically produced raw milk. There is a strong consumer preference for raw liquid milk, which is usually boiled before consumption. In addition to strong local supply, import barriers are high. The East African Community imposes import tariffs of 60%, while red tape and delays further disincentivise import*"[[3]](#footnote-3).

And if most meats are excluded from liberalization in the EPA and if most of their tariff lines (TL) in the ECOWAS CET (common external tariff) are at 35%, it is not sure that this tariff level would be enough to prevent imports from the EU given the high level of EU subsidies in 2014: at €161.6 M, of which at €75.2 M for bovine meat, €68.7 M for poultry and eggs and €17.7 M for pig meat.

Let us add that the dire prospects on the impact of climate change on SSA in general and particularly on WA augurs will for the possibility to reduce the food deficit in the face of the booming population. According to the IPCC report of 2014, "*Africa’s food production systems are among the world’s most vulnerable because of extensive reliance on rainfed crop production, high intra- and inter-seasonal climate variability, recurrent droughts and floods that affect both crops and livestock, and persistent poverty that limits the capacity to adapt (Boko et al., 2007)… thus increasing the likelihood of diminished yield potential of major crops in Africa… with a tendency toward reduced growing season length… for annual crops and increases in the frequency and prevalence of failed seasons… Transition zones, where livestock keeping is projected to replace mixed crop-livestock systems by 2050, include the West African Sahel and coastal and mid-altitude areas in eastern and southeastern Africa, areas that currently support 35 million people and are chronically food insecure… Simulations that combine all regions south of the Sahara suggest consistently negative effects of climate change on major cereal crops in Africa, ranging from 2% for sorghum to 35% for wheat by 2050 under an A2 scenario (Nelson et al., 2009)… In West Africa, temperature increases above 2°C (relative to a 1961–1990 baseline) are estimated to counteract positive effects on millet and sorghum yields of increased precipitation (for B1, A1B, and A2 scenarios; Figure 22-5), with negative effects stronger in the savannah than in the Sahel, and with modern cereal varieties compared with traditional ones (Sultan et al., 2013)*".

The huge losses of import duties on other raw materials and industrial products (€1.019 bn) are a real threat to the industrialization of WA as President Muhammadu Buhari told the EU Parliament on 3 February 2016: "*Giving due consideration to the mismatch of the two regions (Europe-ECOWAS) in terms of technology and manufacturing experience, the Manufacturers Association of Nigeria and Associated Trade Unions raised concerns over the negative impact of the agreement on Nigeria’s industrialisation programme*"[[4]](#footnote-4). Indeed Nigeria has a surplus over the EU on only 8 of the 71 chapters of non agricultural products.

The most important losses of duties would be in classes 27 (Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes) for €474 M, 84 (Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof) for €134.7 M, 85 (Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles) for 104.6 M, 29 (Organic chemicals) for €68.9 M, 73 (Articles of iron or steel) for €52.1 M, and 87 (Vehicles other than railway or tramway rolling stock, and parts and accessories thereof) for €39.2 M. The huge €474 M of lost duties from the €4.015 bn of imported fuels from the EU in 2015 (FOB EU) can be explained by the fact that Nigeria did not build refineries so that if had to import for €5.7 bn of refined fuels in 2014 (after €6.8 bn in 2013). Despite that Nigeria's exports of €70.3 bn of mineral fuels accounted for 90.9% of all its exports in 2014.

Let us just quote the interview of Kingsley Alu, the director-general of National Automotive Design and Development Council of Nigeria, on 8 February 2016: "*The assembly and component manufacturing plants in the 1970s and 1980s peaked at over 120,000 cars, commercial vehicles, and tractors, per annum… Over 80 per cent of the automotive component manufacturers that set up manufacturing facilities in the 70s and 80s still exist although most have retooled for the production of other items*" but now "*About 50,000 new and 150,000 used vehicles are imported into the country yearly... But the constraint is the inauspicious import duty which made the vehicles to be cheap… South Africa’s  import duty is very high to protect their indigenous companies. Even some countries, like India, had raised their duty as high as 300 per cent before reducing it to 91 when the industry became stabilised*"[[5]](#footnote-5).

**2.2 – Duties losses of the whole West Africa, of which of the 13 LDCs, on imports from the EU if EPA had been fully implemented already in 2015**

Table 3 presents the losses of import duties of the whole WA (the 15 Member States of ECOWAS plus Mauritania) on EU exports if the EPA were fully implemented in 2015. Total duties losses of WA would be of €1.847 bn, of which €1.069 bn as already seen for the 3 DCs and €777.8 M or 42.1% of the total for the 13 LDCs.

Let us repeat, what we have already argued, that the EU is contradicting its Everything But Arms (EBA) Decision of 2001 by not deducting from the liberalization requirement of the EPA the share of its exports to LDCs within WA. As this share was of 43.46% in 2015 and as the South Centre has calculated that the 75% of tariff lines (TL) to liberalize corresponded to 82% of the EU exports to WA, complying with the EBA should he allowed tWA to liberalize only 38.54% of its imports from the EU. Which implies that the €777.8 M of import duties losses for the 13 LDCs should be discarded.

Table 3 – Duties losses of West Africa on EU exports from EU if the EPA were fully implemented in 2015

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| euros | The 3 DCs | | West Africa | | The 13 LDCs | | Share of the 13 LDCs on WA | |
|  | EU exports | Duties loss | EU exports | Duties loss | EU exports | Duties loss | EU exports | Duties loss |
| 01 | 6375772 | 487898 | 14064206 | 1234260 | 7688434 | 746362 | 54,67 | 60,47 |
| 02 | 138656566 | 200549 | 400099384 | 450150 | 261442818 | 249601 | 65,34 | 55,45 |
| 03 | 375796477 | 6872438 | 408819809 | 7693381 | 33023332 | 820943 | 80,78 | 10,67 |
| 04 | 296317462 | 6679384 | 503811453 | 9824162 | 207493991 | 3144778 | 41,19 | 32,01 |
| 05 | 3381430 | 169072 | 5977471 | 298874 | 2596041 | 129802 | 43,43 | 43,43 |
| 06 | 1434589 | 208151 | 2176513 | 280207 | 741924 | 72056 | 34,09 | 25,72 |
| 07 | 39793497 | 27576 | 183366862 | 344817 | 143573365 | 317241 | 78,30 | 92 |
| 08 | 8793321 | 714958 | 28788475 | 1671544 | 19995154 | 956586 | 69,46 | 57,23 |
| 09 | 8057964 | 1527686 | 14495587 | 2578500 | 6437623 | 1050814 | 44,41 | 40,75 |
| 10 | 235251538 | 11749321 | 545147093 | 27235387 | 309895555 | 15486066 | 56,85 | 56,86 |
| 11 | 102434212 | 5232718 | 152585578 | 7272965 | 50151366 | 2040247 | 32,87 | 28,05 |
| 12 | 7511709 | 375923 | 26269562 | 1325267 | 18757853 | 949344 | 71,41 | 71,63 |
| 13 | 11781972 | 589099 | 14911836 | 745592 | 3129864 | 156493 | 20,99 | 20,99 |
| 14 | 142652 | 7132 | 257090 | 12855 | 114438 | 5723 | 44,51 | 44,52 |
| 15 | 50925406 | 313950 | 103555680 | 1367127 | 52630274 | 1053177 | 50,82 | 77,04 |
| 16 | 11158634 | 10479 | 32104313 | 93395 | 20945679 | 82916 | 65,24 | 88,78 |
| 17 | 11029672 | 310170 | 44869718 | 431121 | 33840046 | 120951 | 75,42 | 28,06 |
| 18 | 11367441 | 23 | 22557724 | 497 | 11190283 | 474 | 49,61 | 95,37 |
| 19 | 332106292 | 2332922 | 607580675 | 4489498 | 275474383 | 2156576 | 45,34 | 48,04 |
| 20 | 74847000 | 1229595 | 123254240 | 1944083 | 48407240 | 714488 | 39,27 | 36,76 |
| 21 | 85051367 | 1672738 | 241414164 | 2555504 | 156362797 | 882766 | 64,77 | 34,54 |
| 22 | 255333082 | 245375 | 437625625 | 263841 | 182292543 | 18466 | 41,65 | 69,99 |
| 23 | 73613247 | 3385188 | 101095620 | 4576707 | 27482373 | 1191519 | 27,18 | 26,03 |
| 24 | 98358371 | 4486493 | 176559015 | 6776572 | 78200644 | 2290079 | 44,29 | 33,79 |
| 01-24 | 2239519673 | 48828838 | 4191387693 | 83466306 | 1951868020 | 34637468 | 46,57 | 41,50 |
| 25 | 127181768 | 10107988 | 255759949 | 29248658 | 128578181 | 19140670 | 50,27 | 65,44 |
| 26 | 1912319 | 65839 | 2454297 | 122715 | 541978 | 56876 | 22,08 | 46,35 |
| 27 | 4741709479 | 474153603 | 9031925152 | 901550453 | 4290215673 | 427396850 | 47,50 | 47,41 |
| 28 | 63987801 | 3184368 | 92308062 | 4569872 | 28320261 | 1385504 | 30,68 | 30,32 |
| 29 | 137810586 | 6890529 | 170241099 | 8512055 | 32430513 | 1621526 | 19,05 | 19,05 |
| 30 | 796024603 | 0 | 1408418701 | 0 | 612394098 | 0 | 43,48 |  |
| 31 | 51729129 | 1192716 | 98785994 | 2209966 | 47056865 | 1017250 | 47,64 | 46,03 |
| 32 | 118804440 | 3633351 | 151534246 | 3968245 | 32729806 | 334894 | 21,60 | 84,39 |
| 33 | 346233964 | 24995422 | 432569602 | 28863454 | 86335638 | 3868032 | 19,96 | 13,40 |
| 34 | 74995134 | 1987590 | 106437202 | 2635068 | 31442068 | 647478 | 29,54 | 24,57 |
| 35 | 42742968 | 3034457 | 56247100 | 3597469 | 13504132 | 563012 | 56,16 | 39,04 |
| 36 | 10503744 | 389162 | 23960259 | 763684 | 13456515 | 374522 | 43,84 | 50,96 |
| 37 | 16059375 | 3041827 | 23402070 | 4420814 | 7342695 | 1378987 | 31,38 | 31,19 |
| 38 | 207452022 | 21404813 | 305934549 | 31523618 | 98482527 | 10118805 | 32,19 | 32,10 |
| 39 | 342717530 | 11446907 | 520549152 | 17208167 | 177831622 | 5761260 | 34,16 | 33,48 |
| 40 | 82792722 | 9543254 | 152888242 | 18057969 | 70095520 | 8514715 | 45,85 | 47,15 |
| 41 | 9985715 | 655363 | 15364829 | 1039878 | 5379114 | 384515 | 35,01 | 36,98 |
| 42 | 9359761 | 286636 | 14746827 | 536371 | 5387066 | 249735 | 36,53 | 46,56 |
| 43 | 60962 | 6250 | 74290 | 7641 | 13328 | 1391 | 17,94 | 18,20 |
| 44 | 26385591 | 1648677 | 47828590 | 3027208 | 21442999 | 1378531 | 44,83 | 45,54 |
| 45 | 82370 | 8792 | 245218 | 30297 | 162848 | 21505 | 66,41 | 70,98 |
| 46 | 59534 | 11907 | 110783 | 22157 | 51249 | 10250 | 46,26 | 46,26 |
| 47 | 2878433 | 143922 | 3212606 | 160630 | 334173 | 16708 | 10,40 | 10,40 |
| 48 | 198172365 | 9022390 | 290774124 | 12306283 | 92601759 | 3283893 | 31,85 | 26,68 |
| 49 | 110548219 | 564671 | 151839710 | 565832 | 41291491 | 1161 | 27,19 | 2,05 |
| 50 | 61807 | 7334 | 94667 | 11863 | 32860 | 4529 | 34,71 | 38,18 |
| 51 | 191040 | 38207 | 334156 | 65261 | 143116 | 27054 | 42,83 | 41,46 |
| 52 | 66899609 | 1384 | 317311872 | 46942 | 250412263 | 45558 | 78,92 | 97,05 |
| 53 | 176620 | 8831 | 594434 | 29722 | 417814 | 20891 | 70,29 | 70,29 |
| 54 | 2699694 | 72922 | 5165281 | 1098021 | 2465587 | 1025099 | 47,73 | 93,36 |
| 55 | 7484003 | 332752 | 9076507 | 341695 | 1592504 | 8943 | 17,55 | 2,62 |
| 56 | 21396115 | 120920 | 25068000 | 209773 | 3671885 | 88853 | 14,65 | 42,36 |
| 57 | 4747517 | 0 | 7724499 | 0 | 2976982 | 0 | 38,54 |  |
| 58 | 23645840 | 423090 | 29140978 | 707490 | 5495138 | 284400 | 18,86 | 40,20 |
| 59 | 6918264 | 630401 | 12313238 | 1185940 | 5394974 | 555539 | 43,81 | 46,84 |
| 60 | 227707 | 10996 | 2753229 | 162842 | 2525522 | 151846 | 91,73 | 93,25 |
| 61 | 13620623 | 1020663 | 23292273 | 1913484 | 9671650 | 892821 | 41,52 | 46,66 |
| 62 | 19422829 | 925722 | 41631884 | 1212538 | 22209055 | 286816 | 53,35 | 23,65 |
| 63 | 140618422 | 119627 | 362654901 | 157973 | 222036479 | 38346 | 61,23 | 24,27 |
| 64 | 35693033 | 1276734 | 49904731 | 1602668 | 14211698 | 325934 | 28,48 | 20,34 |
| 65 | 2052555 | 106724 | 3744030 | 165809 | 1691475 | 59085 | 45,18 | 35,63 |
| 66 | 300981 | 57979 | 547126 | 106727 | 246145 | 48748 | 44,99 | 45,68 |
| 67 | 856945 | 171389 | 1088835 | 217767 | 231890 | 46378 | 21,30 | 21,30 |
| 68 | 45045469 | 7511973 | 68390293 | 11738796 | 23344824 | 4226823 | 34,13 | 36,01 |
| 69 | 108234741 | 4088861 | 163047599 | 6583240 | 54812858 | 2494379 | 33,62 | 37,89 |
| 70 | 28839643 | 3145930 | 55241840 | 8090224 | 26402197 | 4944294 | 47,79 | 61,11 |
| 71 | 30583216 | 6054144 | 42103582 | 8205424 | 11520366 | 2151280 | 27,36 | 26,22 |
| 72 | 85730373 | 4164050 | 143682796 | 4610917 | 57952423 | 446867 | 40,33 | 9,69 |
| 73 | 669006916 | 52121510 | 856442732 | 67915001 | 187435816 | 15793491 | 21,89 | 23,25 |
| 74 | 62714342 | 3925457 | 81690011 | 4978668 | 18975669 | 1053211 | 23,23 | 21,15 |
| 75 | 4865842 | 145947 | 5210253 | 151883 | 344411 | 5936 | 6,61 | 3,91 |
| 76 | 74331844 | 5692534 | 108357690 | 8735156 | 34025846 | 3042622 | 31,40 | 34,83 |
| 78 | 341658 | 17801 | 407737 | 21393 | 66079 | 3592 | 16,21 | 16,79 |
| 79 | 14002812 | 740207 | 16143630 | 858100 | 2140818 | 117893 | 13,26 | 13,74 |
| 80 | 122997 | 13041 | 150086 | 18458 | 27089 | 5417 | 18,05 | 29,35 |
| 81 | 1040608 | 144920 | 1101776 | 150768 | 61168 | 5848 | 5,56 | 3,88 |
| 82 | 55111022 | 3568788 | 92002216 | 6520674 | 36891194 | 2951886 | 40,10 | 45,27 |
| 83 | 121607681 | 4764025 | 148705050 | 7021744 | 27097369 | 2257719 | 18,22 | 32,15 |
| 84 | 2367915416 | 134682020 | 3521338460 | 218918590 | 1153423044 | 84236570 | 32,76 | 38,48 |
| 85 | 923114891 | 104644444 | 1503155203 | 125315208 | 580040312 | 20670764 | 38,59 | 16,50 |
| 86 | 16669294 | 833465 | 41625556 | 2081278 | 24956262 | 1247813 | 59,95 | 59,95 |
| 87 | 729389097 | 39224351 | 1651269933 | 88727841 | 921880836 | 49503490 | 55,83 | 55,79 |
| 88 | 147647693 | 7382385 | 230968902 | 11548445 | 83321209 | 4166060 | 36,07 | 36,07 |
| 89 | 104374234 | 7361793 | 687544654 | 37131014 | 583170420 | 29769221 | 84,82 | 80,17 |
| 90 | 260782232 | 15855906 | 391382281 | 23541028 | 130600049 | 7685122 | 33,37 | 32,65 |
| 91 | 12562523 | 2512504 | 13833966 | 2766793 | 1271443 | 254289 | 9,19 | 9,19 |
| 92 | 2103894 | 105195 | 2494975 | 124749 | 391081 | 19554 | 15,67 | 15,67 |
| 93 | 12637494 | 2202603 | 22108171 | 3670912 | 9470677 | 1468309 | 42,84 | 40,00 |
| 94 | 164430799 | 10606716 | 270372437 | 19041840 | 105941638 | 8435124 | 39,18 | 44,30 |
| 95 | 12999006 | 2596374 | 22975615 | 4538622 | 9976609 | 1942248 | 43,42 | 42,79 |
| 96 | 19893015 | 3348333 | 38241849 | 5649606 | 18348834 | 2301273 | 47,98 | 40,73 |
| 97 | 1004149 | 200830 | 3735133 | 747027 | 2730984 | 546197 | 73,12 | 73,12 |
| 25-97 | 13944307039 | 1020402216 | 24433777720 | 1763588418 | 10489470681 | 743186202 | 42,93 | 42,14 |
| "- agri produ | 16804783 | 1036643 | 23571684 | 1404341 | 6766901 | 367698 | 28,71 | 26,18 |
| Tot non agri | 13927502256 | 1019365573 | 24410206036 | 1762183332 | 10482703780 | 742817759 | 42,94 | 42,15 |
| 01-24 | 2239519673 | 48828838 | 4191387693 | 83466306 | 1951868020 | 34637468 | 46,57 | 41,50 |
| Tot agri prod | 2256324456 | 50865482 | 4214959377 | 84870647 | 1958634921 | 34005166 | 46,47 | 41,25 |
| Total | 16183826712 | 1070231054 | 28625165413 | 1847054724 | 12441338701 | 776823670 | 43,46 | 42,11 |
| Agri/total | 13,94% | 4,41% | 14,72% | 4,59% | 15,74% | 4,89% |  |  |
| Non ag/total | 86,06% | 95,59% | 85,28% | 95,41% | 84,26% | 95,11% |  |  |

The share of duties losses of LDCs for agricultural and fish products would be of €35 M or 41.25% of total WA losses for these products and of €680.9 M or 42.15% of total WA losses for non agricultural products. For agricultural products the largest share would be on cereals (€15.5 M of 22.6% of agricultural duties losses, a share identical to that of the value of EU cereals export to WA), and, as LDCs have received 56.9% of EU cereals exports to WA, this implies that they would also suffer 56.9% of the EU subsidies to its cereals exports to WA in 2015, at least €101.6 M to the raw cereals (we have no time to calculate the processed cereals exported to LDCs). The EU dairy products exported to WA LDCs rank second, with a loss of €3.145 M, here also a product largely subsidized by the EU.

**III – Other losses of duties for WA on imports from the EU if EPA were fully implemented in 2015**

Let us add now the four components of duties losses due to:

- the gap between the EU FOB value and the WA CIF value;

- the trade diversion which would foster more imports from the EU;

- the reduction in the revenues from the value added tax (VAT) levied on imports;

- the large increase of the population up to 2035.

At this level it is not necessary to make the calculations for each of the 97 HS classes. We assume that the rate of increase in import duties would be the same as the rate of increased imports.

**3.1 – Higher duty losses based on estimated CIF import values**

Parrallel to the negotiation and adoption of the WTO Trade Facilitation Ageement (TFA) in Bali in December 2013, several studies and seminars have shown that the SSA in general and WA in particular are facing larger trade costs than most DCs and that the import costs are even larger than the export costs[[6]](#footnote-6). This is particularly verified for the inland countries given the lack and poor conditions of rail transports in West Africa, not to speak of many other impediments including sometimes the cumulative effect of import duties already paid at the sea border.

Indeed "*The CET model currently under negotiation foresees a system where tariffs on products imported from outside the region are collected in the country of final consumption. Unlike more advanced forms of customs unions where tariffs are collected at the first point of entry and then redistributed within the region, this model would still require the operation of transit and rules of origin verification systems… A lot remains to be done in this area throughout the ECOWAS region, including in the areas of border management, coordination between different agencies active at the border, removal of roadblocks and nuisance fees and taxes, and more effective implementation of the ECOWAS Trade Liberalization Scheme including a reform of the rules of origin… In the longer run, additional trade facilitation benefits could be realized if the CET was charged at the border where a good first enters the ECOWAS customs union, and tariff revenues were then distributed across member countries based on a previously agreed formula. This would eliminate the need for any certification and verification of rules of origin, as any product, once it has entered the customs union and paid the applicable CET rate, could circulate freely within its borders… In addition, such an arrangement would also render the operation of bonded transit regimes redundant and thus reduce the number of procedures and rigidities that firms engaging in transit trade have to comply with*"[[7]](#footnote-7). And the President of NANTS (National Association of Nigerian Traders), Ken Ukaoha, adds: "*Practical experiences from the private sector engaged in cross border operations have rather continued to show that the implementation of the ETLS* [ECOWAS Trade Liberalisation Scheme] *despite its enviable goals has remained shoddy and has led to the unattainable realisation of the noble objectives of the founding fathers. The result is that West African intra-regional trade has remained abysmally poor revolving around 10-12 percent… Extortions, intimidation and harassment perpetuated by the police, gendarmerie, customs and immigration officers on duties at the various borders have remained serious contributors to the hindrances to the implementation of the ETLS in West Africa. Such corrupt practices and other forms of indiscipline among these law enforcement agencies have sometimes provided excuses for some unscrupulous traders who engage in smuggling of goods under the pretext of ETLS goods. This is often the case with goods coming into Nigeria from neighbouring West African countries. Added to this is that there is need for proper control in check of substandard goods which is statutorily enforced by the Nigerian Customs and the Standards Organisation of Nigeria (SON). Another side to this is the attitude of some traders who engage in improper identification of their goods/products thereby making it difficult for the Customs to determine the validity or otherwise of such goods being promoted under the ETLS*"[[8]](#footnote-8).

As the CIF values of ECOWAS imports are not available per product even for 2013 or 2014 and even for Nigeria ("*The availability of detailed and reliable trade statistics for Nigeria remains a major challenge for any trade related analysis*"[[9]](#footnote-9)), Ghana and Ivory Coast, we have to rely on data for 2013 and 2014 of some specific products at the 6 digits level of the Harmonised System (HS) published by the ITC Trade Map. And we have to chose bulk products, little differentiated because mechanical or chemical products for example are too differentiated from one country to the other and from one year to the other at the 8 digits level, and products with significant volumes of imports so that the CIF prices are not inflated. We have chosen wheat (code 1001), wheat flour (code 1101), refined sugar (code 170199), and cement clinkers (code 252310). If the EU FOB prices are little differentiated according to the country of destination, the WA CIF prices are higher for inland countries such as Burkina Faso and the farthest coastal countries like Nigeria, Ghana and Benin or the lowest for Senegal.

For cement clinkers, the ratio CIF/FOB is very high although the export volumes are huge: from 1.59 for Benin in 2013 (325,831 t) and 1.60 in 2014 (368,864 t) to 1.78 for Burkina Faso in 2013 (69,300 t, no data for 2014) and 1.80 for Nigeria in 2014 (213,544 t, no data for 2013) and 1.97 for Ghana in 2013 (987,710 t, no data for 2014). For refined sugar the ratio goes from 1.12 in Ghana in 2013 (2,145 t, no data for 2014) to 1.13 for Senegal in 2014 (9,567 t) and 1.27 in 2013 (18,800 t), and 1.26 for Nigeria in 2014 (13,485 t, no data for 2013). For wheat flour, the ratio goes from 1.22 for Benin in 2013 (24,307 t) and 1.24 in 2014 (28,292 t) to 1.74 in Burkina Faso in 2013 (1,863 t) and 1.66 in 2014 (1,127 t), the volumes of the other countries being too low. For wheat in 2014 the ratio goes from 1.15 for Ivory Coast (512,031 t) to 1.40 for Nigeria (310,221 t), 1.41 for Ghana (81,868 t) and 1.44 for Burkina Faso (85,351 t).

Therefore we have to guess to apply a common ratio of CIF to FOB prices, avoiding the two risks of overestimating and underestimating this ratio. For conservative reasons we propose to apply a ratio of 1.20, which is done on table 4.

Table 4 – WA duties losses on imports from EU at CIF prices if the EPA were fully implemented in 2015

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Euros | Ivory Coast | Ghana | Nigeria | 3 DCs | West Africa | LDCs | LDCs/WA |
| Import duties losses based on EU FOB export values | | | | | | | |
| Agricultural products | 19253995 | 9834586 | 21776901 | 50865482 | 84870647 | 35005166 | 41,25% |
| Non agricultural produc | 117612237 | 201911810 | 699841525 | 1019365572 | 1762183332 | 680912577 | 42,15% |
| Total | 136866232 | 211746396 | 721618426 | 1070231054 | 1847054724 | 777823670 | 42,11% |
| Import duties losses based on estimated WA CIF values (CIF/FOB ratio of 1.2) | | | | | | | |
| Agricultural products | 23104794 | 11801503 | 26132281 | 61038578 | 101844776 | 42006198,8 | 41,25% |
| Non agricultural produc | 141134684 | 242294172 | 839809830 | 1223238686 | 2114619998 | 817095092 | 42,15% |
| Total | 164239478 | 254095675 | 865942111 | 1284277264 | 2216465669 | 933388404 | 42,11% |

Thus the real losses of import duties would be rather of €2.216 bn for WA, of which €1.284 bn for the 3 DCs – of which €164 M for IC, €254 M for Ghana and €866 M for Nigeria –, and €933 M for the 13 LDCs.

But we still must take into account the trade diversion, the expected population increase, and the losses of VAT revenues.

**3.2 – The trade diversion would foster a higher share of imports from the EU**

Considering that the percentage of 33.6% of additional revenue losses due to trade diversion estimated by Fontagné et al. for 2002-04[[10]](#footnote-10) continues to apply, table 5 shows that total revenue losses would be of €2.961 bn for WA, of which €1.813 bn for the 3 DCs – of which of 219.4 M for IC, €339.5 M for Ghana and €1.157 bn for Nigeria – and €1.148 bn for the 13 LDCs. Let us add that the trade diversion will not only affect imports outside WA but also the other WA countries, thus undermining the regional integration process which is yet presented as one of the primary objective in article 1 of the EPA text: "*to foster regional integration, economic cooperation and good economic governance in the West Africa region*"[[11]](#footnote-11).

Table 5 – WA duties losses on imports from EU at CIF prices with trade diversion

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Euros | Ivory Coast | Ghana | Nigeria | 3 DCs | West Africa | LDCs | LDCs/WA |
| Agricultural products | 30868005 | 15766808 | 34912728 | 815475419 | 136064621 | 54517080 | 41,25% |
| Non agricultural produc | 188555938 | 323705014 | 1121985933 | 16342246885 | 2825132318 | 1190885433 | 42,15% |
| Total | 219423943 | 339471822 | 1156898661 | 1715794426 | 2961196939 | 1245402513 | 42,11% |

This estimate of a further drop of 33.6% of duties due to trade diversion appears to be a minimum since a World Bank's study of 2007 on the WA EPA covering the year 2004 showed larger losses in duties related to the trade diversion than losses on direct imports from the EU for Nigeria ($367 M against $315 M) and Ghana ($80 million against $70.6 M), although the estimate was based on a total liberalization of WA imports from the EU, as most studies in this period did because they did not know the rate of opening finally decided[[12]](#footnote-12).

**3.3 – Increased duties losses due to the large population increase expected in WA**

Table 6 shows the population projections of the UN data base revision made in July of 2015[[13]](#footnote-13).

Table 6 – UN population projections for West Africa and EU28 from 2015 to 2035

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1000 inhabit | 2015 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 |
| West Africa | 353224 | 402 831 | 457 071 | 516 290 | 580 558 | 649 499 | 722 233 | 797 877 |
| Ivory Coast | 22 702 | 25 566 | 28 717 | 32 143 | 35 857 | 39 882 | 44 204 | 48 797 |
| Ghana | 27 410 | 30 530 | 33 678 | 36 865 | 40 123 | 43 454 | 46 799 | 50 071 |
| Nigeria | 182 202 | 206 831 | 233 558 | 262 599 | 293 965 | 327 406 | 362 396 | 398 508 |
| 3 DCs | 232 313 | 262 927 | 295 953 | 331 607 | 369 946 | 410 742 | 453 399 | 497 375 |
| 13 LDCs | 120 911 | 139 904 | 161 118 | 184 683 | 210 612 | 238 757 | 268 834 | 300 502 |
| LDCS/WA | 34.2% | 34.7% | 35.3% | 35.8% | 36.3% | 36.8% | 37.2% | 37.7% |
| EU28 | 509 196 | 512 165 | 513 700 | 513 927 | 513 102 | 511 347 | 508 713 | 505 117 |

To be more in line with the fact that the EPA could at best be signed and provisionally implemented in 2016 we should have modified these projections from 2016 to 2036 but, for lack of time, we will make do with these projections from 2015 to 2035 and beyond to 2050.

Incidentally the population of WA will exceed that of the EU28 already in 2030, by 67.5 M (+ 13%) in 2035 and 292.8 M (+58%) in 2050. We could anticipate that WA imports from the EU would rise in the same proportion but several factors are unknown. This would imply all things being equal, including the relative competitiveness of EU products, the level of world prices, the exchange rate of the euro and of the non CFA currencies of WA, the current rules of international trade – including the impact of the trade facilitation agreement (TFA) and of the other free-trade agreements (FTAs) negotiated by the EU and by ECOWAS –, the development level of WA and particularly its capacity to reduce its food deficit and to industrialize to be less dependent on imports from the EU. And above all the possible revision of the EPA in a context where the Cotonou agreement will expire in 2020. Now "the rendezvous clause" after six months of implementation of the EPA could, beyond trade in goods, liberalize services and public procurement, which would also result in additional imports of goods and would have an impact equivalent to additional reduction in WA import duties. Thus, for conservative reasons, we assume that the rise in WA imports and the correlative rise in duties losses taken from table 4 would increase by only 2/3 of the growth rates of the population (table 7).

Table 7 – Growth rates (GR) of population projections and of import duties losses: 2015-35

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1000 inhabitants | 2015 | GR | 2020 | GR | 2025 | GR | 2030 | GR | 2035 | Gr | 2050 |
| West Africa | 353 224 | 2,66 | 402 831 | 2,51 | 457 071 | 2,47 | 516 290 | 2,37 | 580 558 | 2,14 | 797 877 |
| GR of duties losses |  | 1,77 |  | 1,67 |  | 1,65 |  | 1,58 |  | 1.43 |  |
| Ivory Coast | 22 702 | 2,40 | 25 566 | 2,35 | 28 717 | 2,28 | 32 143 | 2,21 | 35 857 | 2,08 | 48 797 |
| GR of duties losses |  | 1,60 |  | 1,57 |  | 1,52 |  | 1,47 |  | 1,39 |  |
| Ghana | 27 410 | 2,18 | 30 530 | 1,98 | 33 678 | 1,82 | 36 865 | 1,71 | 40 123 | 1,49 | 50 071 |
| GR of duties losses |  | 1,45 |  | 1,32 |  | 1,21 |  | 1,14 |  | 0,99 |  |
| Nigeria | 182 202 | 2,57 | 206 831 | 2,46 | 233 558 | 2,37 | 262 599 | 2,28 | 293 965 | 2,05 | 398 508 |
| GR of duties losses |  | 1,71 |  | 1,64 |  | 1,58 |  | 1,52 |  | 1,37 |  |
| 3 DCs | 232 313 | 2,51 | 262 927 | 2,39 | 295 953 | 2,30 | 331 607 | 2,21 | 369 946 | 1,99 | 497 375 |
| GR of duties losses |  | 1,67 |  | 1,59 |  | 1,53 |  | 1,47 |  | 1,33 |  |
| 13 LDCs | 120 911 | 2,96 | 139 904 | 2,86 | 161 118 | 2,77 | 184 683 | 2,66 | 210 612 | 2,40 | 300 502 |
| GR of duties losses |  | 1,97 |  | 1,91 |  | 1,85 |  | 1,77 |  | 1,60 |  |

At this stage, given that our assessment of imports liberalisation and correlative duties losses are based at T+20 it is time to consider the schedule of liberalisation and to distribute these losses over time.

Let us remind first the modalities of liberalisation according to the EPA Agreement.

- Classification of products into the various liberalisation groups:

(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;

(c) group C covers mainly final consumption goods.

(d) group D covers products exluded from liberalization.

- Tariff dismantling schedule:

(a) For group A, immediate liberalisation of 73 tariff lines (TLs) at entry into force of the EPA because they are already duty-free and on 1 January T+5 for the other TLs (at 5% duty);

(b) For Group B, liberalisation between 1 January T+5 and 1 January T+15, over 10 years, products at 0 duty would be liberalized at T+5;

(c) For Group C, liberalisation between 1 January T+5 and 1 January T+20, i.e. over 15 years.

We will rely on the South Centre assessment of the distribution of import duties losses at T+5, T+15, and T+20 that it made for 2012. However we will cut in two the period T+5 to T+15 – between T+5 to T+10 and T+10 to T+15 – conform to the EPA tariff dismantling for products of groups B and C. Table 8 distributes the evolution of additional import duties losses taking into account successively their increases from EU FOB value to WA CIF value (table 4), then adding the trade diversion (table 5) and then the population increase (table 7). Finally the annual losses at the end of the liberalisation process in T+20 would be of €3.220 bn for WA, of which €1.856 bn for the 3 DCs – of which €237 M for IC, €361 M for Ghana and €1.255 bn for Nigeria – and €1.370 bn for the 13 LDCs.

But it is useful to pursue the assessment of duties losses up to 2050 to compare with the GSP duties that the 3 DCs would have to pay to the EU if the EPA is not implemented. In 2050 total WA duties losses would be of €3.985 bn, of which €2.392 bn for the 3 DCs – of which €291 M for IC, €419 M for Ghana and €1.255 bn for Nigeria – and €1.370 bn for the 13 LDCs.

Table 8 – Distribution over time of additional annual import duties losses

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Euros | Ivory Coast | Ghana | Nigeria | 3 DCs | WA | 13 LDCs |
| Rate of distribution of the import duties losses according to the South Centre study of 2012 | | | | | | |
| T+5 (2020) | 0,41754 | 0,41564 | 0,37324 | 0,38648 | 0,39848 | 0,41520 |
| T+10 (2025 | 0,16896 | 0,21235 | 0,25236 | 0,23577 | 0,23696 | 0,23862 |
| T+15 (2030) | 0,16895 | 0,21234 | 0,25234 | 0,23576 | 0,23696 | 0,23862 |
| T+20 (2035) | 0,24454 | 0,15666 | 0,12205 | 0,14199 | 0,12760 | 0,10756 |
| Total | 1 | 1 | 1 | 1 | 1 | 1 |
| Distribution of annual duties losses based on the EU FOB value of table 3 | | | | | | |
| T+5 (2020) | 57147127 | 88010272 | 269336861 | 413622898 | 736014366 | 322952388 |
| T+10 (2025) | 23124919 | 44964347 | 182107626 | 252328376 | 437678087 | 185604284 |
| T+15 (2030) | 23123550 | 44962230 | 182093194 | 252317673 | 437678087 | 185604284 |
| T+20 (2035) | 33469268 | 33172190 | 88073529 | 151962107 | 235684183 | 83662714 |
| Total | 136866232 | 211746396 | 721618426 | 1070231054 | 1847054724 | 777823670 |
| Distribution of annual duties losses based on the WA CIF value of table 3 | | | | | | |
| T+5 (2020) | 68576552 | 105612326 | 323204233 | 496347478 | 883217239 | 387542866 |
| T+10 (2025) | 27749903 | 53957216 | 218529151 | 302794051 | 525213704 | 222725141 |
| T+15 (2030) | 27748260 | 53954676 | 218511833 | 302781208 | 525213704 | 222725141 |
| T+20 (2035) | 40163122 | 39806628 | 105688235 | 182354528 | 282821020 | 100395257 |
| Total | 164239478 | 254095675 | 865942111 | 1284277265 | 2216465669 | 933388404 |
| Distribution of annual duties losses taking into account the trade diversion (TD) of table 4 | | | | | | |
| T+5 (2020) | 91618274 | 141098068 | 431800856 | 663120230 | 1179978232 | 517757268 |
| T+10 (2025) | 37073870 | 72086841 | 291954946 | 404532852 | 701685509 | 297560788 |
| T+15 (2030) | 37071675 | 72083447 | 291931809 | 404515693 | 701685509 | 297560788 |
| T+20 (2035) | 53657930 | 53181655 | 141199482 | 243625650 | 377848882 | 134128063 |
| Total | 219423943 | 339471822 | 1156898661 | 1715794426 | 2961198134 | 1247006908 |
| Distribution of annual duties losses taking into account the population increase of table 6 | | | | | | |
| 2/3 of population growth rate between T à T+5 (2015-20), T+5 à T+15 (2020-30) et T+15 à T+20 (2030-35) | | | | | | |
| T to T+5 | 1,60 | 1,45 | 1,71 | 1,67 | 1,77 | 1,97 |
| T+5 to T+10 | 1,57 | 1,32 | 1,64 | 1,59 | 1,67 | 1,91 |
| T+10 to T+15 | 1,52 | 1,21 | 1,58 | 1,53 | 1,65 | 1,85 |
| T+15 to T+20 | 1,47 | 1,14 | 1,52 | 1,47 | 1,58 | 1,77 |
| T+20 to T+35 | 1,39 | 0,99 | 1,37 | 1,33 | 1,43 | 1,60 |
| Annual duties losses taking into account the population increase | | | | | | |
| T+5 | 99186057 | 151628672 | 470004228 | 720371288 | 1288169500 | 570805701 |
| T+5 to T+10 | 40076997 | 76971846 | 316693400 | 437732302 | 762266135 | 327084309 |
| T+10 to T+15 | 39976085 | 76551318 | 315734808 | 436422670 | 761516600 | 326122580 |
| T+15 to T+20 | 57719455 | 56282918 | 152261864 | 262066382 | 408657225 | 146426107 |
| Total T to T+20 | 236958594 | 361434754 | 1254694300 | 1856592642 | 3220609460 | 1370438697 |
| Impact populat° | 17534651 | 21962932 | 97795639 | 140798216 | 259411326 | 123431789 |
| " in % | + 8% | + 6,5% | + 8,5 | + 8,2% | + 8,8% | + 9,9% |
| T+35 (2050) | 291473675 | 418991786 | 1538790946 | 2263535850 | 3985005500 | 1738862420 |

**3.4 – Increased duties losses due to the reduction in the value added tax (VAT)**

The loss of import duties would be increased by the reduction in the value added tax (VAT) on imports since it is calculated on the CIF value plus import duties.

The CIF value of WA imports from the EU is derived from the previous assumptions on a 1.2 ratio between CIF and FOB price – going from €28.616 bn to €34.339 bn –, on additional 33.6% imports due to trade diversion – from €34.336 bn to €45.877 bn –, on additional 13.2% imports linked to a 2/3 impact of the population increase between 2015 and 2035 – from €45.877 to €51.933 bn – and to the reduction of the VAT as a consequence of the reduction in import duties. According to the leaked report of ETIQA on the WA EPA, the average import duty rate will drop from 10.2% to 4% at the end of the liberalization process[[14]](#footnote-14). In other words, if there were no EPA, the import duties might have been of €5.297 bn (10.2% of €51.933 bn) in 2035 but they would fall to €2.077 bn (4% of €51.933 bn) if the EPA is implemented. This amount is not far from the €2.216 bn estimated in table 3 above where we estimated the CIF value of 2015 imports, even this amount does not take into account the diversion effect nor the population effect that most EPA assessments have ignored.

The VAT is fixed at 18% in WAEMU countries, 15% in Ghana and 5% only in Nigeria. But Nigeria should not be viewed as a country with a low rate of taxation of imports in WA because, even if Nigeria claims to comply with the ECOWAS CET (Common External Tariff) it adds additional levies above the CET for many products and maintains also several import bans. So that, forgetting these additional levies, we could at least use an average VAT of 16% for WA, a rate also retained by Fontagné et al. in their report on the EPA.

Total imports of €51.933 bn in 2015 would generate €8.309 bn of direct VAT on imports but, without the EPA, the addition of import duties of €5.297 bn would generate a total VAT on imports of 9.157 bn [16% of (51.933+5297)]. With the EPA the total VAT on imports would fall to €8.642 bn [16% of (51.933+2077), implying additional duties losses of €515 M (9157-8642), of which €283 M for the 3 DCs – of which €36.1 M for IC, €44.6 M for Ghana, €202.4 M for Nigeria – and €231.9 M for the 13 LDCs.

Finally the total duties losses for WA would reach €3.736 bn in 2035 (3221+515), of which €2.245 bn for the 3 DCs – of which €273.1 M for IC, €406 M for Ghana and €1.457 bn for Nigeria – and €1.493 bn for the 13 LDCs.

If we extend the calculations up to 2050 and based on the same 2/3 of the rate of population increase, the losses of VAT would be of €637 M in 2050, of which €344 for the 3 DCs – of which €44.4 M for IC, €51.7 for Ghana and €248.2 for Nigeria – and €294 for the 13 LDCs. So that total annual duties losses in 2050 would be of €4.622 bn for WA in 2050, of which €2.736 bn for the 3 DCs – of which €335.9 M for IC, €470.7 for Ghana and €1.787 bn for Nigeria – and €1.895 bn for the 13 LDCs.

**IV – The false argument of the GSP duties that the exporters of Ivory Coast, Ghana and Nigeria would have had to pay to the EU in 2015 without the EPA**

Table 9 shows the GSP duties that the exporters of IC, Ghana and Nigeria would have had to pay in 2015 on their actual exports to the EU if the EPA were not implemented. In fact Nigerian exporters have had to pay them already because, contrary to IC and Ghana which concluded individual interim EPAs with the EU in 2007 and 2008, Nigeria refused to do it.

As we have already made the same calculations for 2014[[15]](#footnote-15), to save time we did not check all the HS chapters for which either the GSP is nil – mostly because they concern raw materials that the EU imports duty free – or for which the DCs exports to the EU were insignificant. At most we could find somme additional GSP duties which should not exceed few ten thousands euros (we could make a complementary check in the future). The total GSP duties to pay on DCs exports to the EU in 2015 would have been of €188.5 M (after €164 M in 2014 and €164.5 M in 2013), of which €113.1 M, or 60% of the total, for IC (after €105 M in 2014), €66.9 M or 35.5% of the total for Ghana (after €53 M in 2014) and only €8.6 M or 4.5% of the total for Nigeria (after €6 M in 2014). And the bulk of GSP duties concern agricultural and fish products of HS chapters 01-24: €183.4 M or 97.3% of the total, of which 99.9% for IC, 97.9% for Ghana and 59% for Nigeria.

The bulk (91.7% for €172.8 M) of the GSP duties concern 3 agricultural chapters: €71.4 M on cocoa preparations (chapter 18: paste, butter and chocolate), followed by processed fish (chapter 16: essentially tunas) for €60.8 M and tropical fruits for €40.6 M (chapter 08: essentially bananas and pineapples). Curiously 51.7% of non agricultural exports of Nigeria, for €2.618 M over €5.064 M, concern processed agricultural products: tanned skins and leather products of codes 4105, 4106, 4107, 4112, 4113 and 4114, whereas only raw hides and skins of codes 4101, 4102 and 4103 are considered agricultural products outside chapters 01-24. The other agricultural exports outside chapters 01-24 are duty-free: essential oils and raw cotton.

We have no time to update the in-depth analysis already made in April 2015 of the likely loss of competitiveness of the 3 DCs in bananas, cocoa preparations and processed tuna given the other recently concluded or still negociated EU FTAs with other DCs[[16]](#footnote-16), particularly with the Andean countries (Colombia, Peru, Ecuador). In these FTAs the ad valorem duty will be eliminated on cocoa products and only specific duties will remain (particularly on the included sugar and dairy), which applies to chocolate but not to cocoa paste and cocoa butter which have only ad valorem duties. Besides the same elimination of ad valorem duties will benefit to Andean exports of pineapple, subject otherwise to a GSP duty of 2.30%. As for bananas, the SPG duty on Andean exports will fall to €75 per tonne as of January 2020 (against €111 in 2015) and the quota will disappear. The reduction of WA competitiveness could only increase if the FTAs with Canada (CETA), the USA (TAFTA) are eventually implemented and if the on-going negotiations with India, the Philippines and Mercosur are finalized.

Table 9 – GSP duties that Ivory Coast, Ghana and Nigeria would have had to pay to EU in 2015 without EPA

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Euros | Ivory Coast | | | Ghana | | | Nigeria | | |
| HS chapters | Exports | GSP duties | GSP rate | Exports | GSP duties | GSP rate | Exports | GSP duties | GSP rate |
| 01 | 0 | 0 | 0 | 86588 | 0 |  | 7936 | 0 |  |
| 02 | 40 |  | 0 |  |  |  | 285 |  |  |
| 03 | 4128149 | 465473 | 11,28 | 17717677 | 1232361 | 6,96 | 47708514 | 1999047 | 4,19 |
| 04 | 2472 |  |  | 235 |  |  | 5794 |  |  |
| 05 | 0 | 0 | 0 | 0 | 0 |  | 689127 | 0 | 0 |
| 06 | 1600301 | 79040 | 4,94 | 1792326 | 8841 | 0,49 | 23691 | 237 | 1,00 |
| 07 | 1375400 | 102696 | 7,47 | 20306557 | 1012566 | 4,99 | 756348 | 9377 | 1,24 |
| 08 | 254277650 | 32773020 | 12,89 | 105698454 | 7818292 | 7,40 | 1813206 | 7630 | 0,42 |
| 09 | 21368790 | 748 | 0,0035 | 163786 | 155 | 0,09 | 7720848 | 744 | #0 |
| 10 | 20613 |  |  | 3904 |  |  | 2615 |  |  |
| 11 | 578826 | 114112 | 19,71 | 1068059 | 215509 | 20,18 | 354405 | 43739 | 12,34 |
| 12 | 13899835 | 5 | 0 | 39102639 | 37 | #0 | 45910762 | 5 | #0 |
| 13 | 250 | 0 | 0 | 13481 | 0 |  | 1668244 | 0 |  |
| 14 | 704494 | 0 | 0 | 1746053 | 0 |  | 294262 | 0 |  |
| 15 | 16290039 | 509036 | 3,12 | 32999720 | 1383772 | 4,19 | 78461 | 2347 | 2,99 |
| 16 | 125888687 | 25807796 | 20,50 | 170626191 | 34978369 | 20,50 | 49 | 5 |  |
| 17 | 5040 |  |  | 1265 |  |  | 1433 |  |  |
| 18 | 2363258756 | 50791432 | 2,15 | 1045280809 | 17835040 | 1,71 | 362558118 | 2766262 | 0,76 |
| 19 | 2079497 | 494952 | 23,80 | 2125437 | 218615 | 10,29 | 651091 | 102060 | 15,68 |
| 20 | 225147 | 27369 | 12,16 | 6445262 | 625871 | 9,71 | 96208 | 14868 | 15,45 |
| 21 | 12058925 | 487058 | 4,04 | 1067418 | 91418 | 8,56 | 1072754 | 53331 | 4,97 |
| 22 | 46648 | 1327 | 2,84 | 483906 | 24371 | 5,04 | 6641572 | 64404 | 0,97 |
| 23 | 7636002 | 1286106 | 16,84 | 251951 | 0 |  | 10657 | 0 |  |
| 24 | 192 |  |  |  |  |  | 2457 |  |  |
| Ss-tot01-24 | 2825445753 | 112940170 | 4,00 | 1446981718 | 65445217 | 4,52 | 478068837 | 5064056 | 1,06 |
| 25 | 71775 |  | 0 | 7805 |  | 0 | 23822 |  | 0 |
| 26 | 13841434 |  | 0 | 13464988 |  | 0 | 19676764 |  | 0 |
| 27 | 420762863 |  | 0 | 759304462 |  | 0 | 17479402688 |  | 0 |
| 28 | 8 |  |  | 596 |  |  | 6731 |  |  |
| 29 | 391918 |  | 0 | 2812 |  | 0 | 248399 |  | 0 |
| 30 | 35025 |  | 0 | 217536 |  | 0 | 22433 |  | 0 |
| 31 | 0 |  | 0 | 35054 | 6 | 0,02 | 9699696 | 624401 | 6,44 |
| 32 | 1006706 |  | 0 | 90 |  | 0 | 87606 |  | 0 |
| 33 | 2569267 |  | 0 | 2539348 |  | 0 | 82353 |  | 0 |
| 34 | 101783 |  | 0 | 64589 |  | 0 | 174608 |  | 0 |
| 35 | 0 |  | 0 | 61 |  | 0 | 1841 |  | 0 |
| 36 | 0 |  | 0 |  |  | 0 |  |  | 0 |
| 37 | 522 |  | 0 | 389 |  | 0 | 272 |  | 0 |
| 38 | 174601 |  | 0 | 808020 |  | 0 | 26863 |  | 0 |
| 39 | 138148 |  |  | 58669 |  |  | 508737 |  |  |
| 40 | 273352396 |  | 0 | 22105943 | 82 | #0 | 39965675 | 35 | #0 |
| 41 | 4095375 | 81790 | 2,00 |  |  |  | 154926749 | 2618450 | 1,69 |
| 42 | 9329 |  | 0 | 56199 |  | 0 | 73828 |  | 0 |
| 43 | 0 |  | 0 |  |  | 0 | 47445 |  | 0 |
| 44 | 94175976 | 9826 | 0,01 | 30442826 | 6618 | 0,02 | 33335101 |  | 0 |
| 45 | 0 |  | 0 | 1072 |  | 0 |  |  | 0 |
| 46 | 179 |  | 0 | 526442 |  | 0 | 17080 |  | 0 |
| 47 | 0 |  | 0 |  |  | 0 | 32 |  | 0 |
| 48 | 35033 |  | 0 | 19328 |  | 0 | 9284 |  | 0 |
| 49 | 36749 |  | 0 | 44504 |  | 0 | 225089 |  | 0 |
| 50 | 0 |  | 0 |  |  | 0 |  |  | 0 |
| 51 | 11678 |  | 0 |  |  | 0 | 20 |  | 0 |
| 52 | 12587900 | 3379 | 0,03 | 13720 | 878 | 6,40 | 3504821 | 112564 | 3,21 |
| 53 | 406840 |  | 0 | 78028 |  | 0 |  |  | 0 |
| 54 | 7476 |  |  | 1090 |  |  | 913 |  |  |
| 55 | 0 |  | 0 |  |  | 0 | 114068 | 3789 | 3,32 |
| 56 | 45 |  |  | 28 |  |  | 69957 |  |  |
| 57 | 3497 |  |  | 4755 |  |  | 630 |  |  |
| 58 | 124 |  |  |  |  |  | 99124 |  |  |
| 59 | 73 |  |  | 390 |  |  | 34190 |  |  |
| 60 | 277 |  | 0 | 90 |  | 0 |  |  | 0 |
| 61 | 56997 | 5472 | 9,60 | 19150 | 1777 | 9,28 | 277465 | 26651 | 9,61 |
| 62 | 69445 | 6645 | 9,57 | 108245 | 10264 | 9,48 | 71538 | 6807 | 9,52 |
| 63 | 13393 | 1156 | 8,63 | 24755 | 958 | 3,87 | 22409 | 1777 | 7,93 |
| 64 | 34975 | 3930 | 11,24 | 4194 | 274 | 6,53 | 48938 | 5380 | 10,99 |
| 65 | 35662 | 0 | 0 | 3261 | 0 | 0 | 16780 | 0 | 0 |
| 66 | 0 |  |  | 694 |  |  | 53 |  |  |
| 67 | 24308 |  | 0 | 58500 |  | 0 | 432991 |  | 0 |
| 68 | 2690 |  | 0 | 3260 |  | 0 | 5719 |  | 0 |
| 69 | 2703 |  |  | 90622 |  |  | 55952 |  |  |
| 70 | 5988 |  |  | 32171 |  |  | 52177 |  |  |
| 71 | 839797 |  | 0 | 5931621 |  | 0 | 15289495 |  | 0 |
| 72 | 214505 |  | 0 | 768368 |  | 0 | 4025836 |  | 0 |
| 73 | 1359163 |  | 0 | 2131251 |  | 0 | 893658 |  | 0 |
| 74 | 12097664 |  | 0 | 23233871 |  | 0 | 36640847 |  | 0 |
| 75 | 0 |  | 0 | 25497 |  | 0 | 150102 |  | 0 |
| 76 | 64856 | 9066 | 13,98 | 46409813 | 1382173 | 2,98 | 1595797 | 52957 | 3,32 |
| 78 | 107543 |  | 0 | 9929677 |  | 0 | 9676777 |  | 0 |
| 79 | 268 |  |  |  |  |  | 8 |  |  |
| 80 | 0 |  | 0 | 82 |  | 0 | 112 |  | 0 |
| 81 | 0 |  | 0 |  |  | 0 | 180 |  | 0 |
| 82 | 252369 |  | 0 | 394368 |  | 0 | 360492 |  | 0 |
| 83 | 46808 |  | 0 | 185577 |  | 0 | 266805 |  | 0 |
| 84 | 10017202 |  | 0 | 12917381 |  | 0 | 27746823 |  | 0 |
| 85 | 4851311 | 0 | 0 | 3697792 | 0 | 0 | 22380311 | 0 | 0 |
| 86 | 123368 |  | 0 | 182 |  | 0 | 202142 |  | 0 |
| 87 | 374323 | 9618 | 2,57 | 2515694 | 19011 | 0,76 | 1240018 | 67744 | 5,46 |
| 88 | 186753 |  | 0 | 404732 |  | 0 | 11961395 |  | 0 |
| 89 | 24087 |  | 0 | 482477 |  | 0 | 718084 |  | 0 |
| 90 | 853806 |  | 0 | 2359552 |  | 0 | 6886473 |  | 0 |
| 91 | 9750 |  | 0 | 1475 |  | 0 | 4129 |  | 0 |
| 92 | 236789 |  | 0 | 263970 |  | 0 | 8127 |  | 0 |
| 93 | 0 |  | 0 |  |  | 0 |  |  | 0 |
| 94 | 111759 |  | 0 | 70738 |  | 0 | 100399 |  | 0 |
| 95 | 2008 |  | 0 | 20643 |  | 0 | 12503 |  | 0 |
| 96 | 22420 |  | 0 | 285053 |  | 0 | 37495 |  | 0 |
| 97 | 531601 |  | 0 | 24893 |  | 0 | 702867 |  | 0 |
| 99 | 1455762 |  | 0 | 4353937 |  | 0 | 9870155 |  | 0 |
| Ss-t 25-99 | 857847070 | 130882 | 0,02 | 946552330 | 1422041 | 0,15 | 17894141871 | 3520555 | 0,02 |
| Total | 3684414632 | 113071052 | 3,07 | 2394159264 | 66867258 | 2,79 | 18373878640 | 8584611 | 0,05 |
| 01-24/total | 76,69 | 99,88 |  | 60,43 | 97,87 |  | 2,60 | 58,99 |  |

We have also noticed that the IPCC assessment of 2014 on climate change in West Africa underlines that "*Banana and plantain production could decline in West Africa*". On the other hand the explosion of WA population would recommand to devote more agricultural resources to basic food staples in order to reduce the WA global food deficit (partly because rice is not exported by the EU and because Nigeria imports the bulk of its wheat from the USA). Indeed, despite a food trade surplus with the EU, the WA global food deficit (excluding fish) rose ten times from 2000 (-$372 M) to 2011 (-$3.324 bn) and 4.6 times without cocoa+coffee+tea+spices (from -2.320 bn to -$10.691 bn). Furthermore WA should not expect that the EU would increase its imports of food products given that its population will at best stabilize (the UN expects its decrease after 2030) and that in any case it will be aging so that its food consumption per capita would decrease. Therefore WA should at best expects to maintain its exports to the EU at the 2015 level.

Table 10 shows that, without the large surplus over the EU in trade of bananas (code 0803), pineapples (code 080430), cocoa (chapter 18) and processed tuna (code 160414) or BPCT, the 3 DCs and WA would have faced an increased food deficit with the EU from 2010 to 2015. This is true for all countries, even for IC, its net food deficit without BPCT having risen by 87% from 2010 to 2015 and exceeds that of Ghana. But that of Nigeria, which has already been multiplied by 2.25 with the EU even with BPCT, is 3 times larger than that of IC without BPCT, at €1.088 bn while that of the 13 LDCs has reached €1.322 bn without BPCT.

Table 10 – WA growing net food deficit with the EU without the surplus in BPCT: 2010-15

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Euros | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2015/10 |
| West Africa | | | | | | | |
| Food trade | 1973160836 | 2256420559 | 1182590030 | 692251755 | 1306141588 | 1551155348 | 78.6% |
| BPCT | 4052980498 | 4503947969 | 3917106019 | 3666354904 | 4203122625 | 4390490625 | 108.3% |
| Food-BPCT | -2079819662 | -2247527410 | -2734515989 | -2974103149 | -2896981037 | -2839335277 | 136.5% |
| Ivory Coast | | | | | | | |
| Food trade | 1907168844 | 1881706677 | 1727768787 | 1774642457 | 2057173702 | 2289901748 | 120.1% |
| BPCT | 2106947912 | 2137689565 | 2051394825 | 2110639196 | 2380818799 | 2662800519 | 126.4% |
| Food-BPCT | -199779068 | -255982888 | -323626038 | -335996739 | -323645097 | -372898771 | 186.7% |
| Ghana | | | | | | | |
| Food trade | 1029058718 | 1267275927 | 1094978401 | 764972649 | 1106432565 | 1027933783 | 99.9% |
| BPCT | 1215587338 | 1497063902 | 1403634881 | 1118397777 | 1299877472 | 1273986166 | 104;8% |
| Food-BPCT | -186528620 | -229787975 | -308656480 | -353425128 | -193444907 | -246052383 | 131.9% |
| Nigeria | | | | | | | |
| Food trade | -324944968 | -416139747 | -724184778 | -713237663 | -844672018 | -729724773 | 224.6% |
| BPCT | 511956723 | 555734403 | 355648908 | 381966551 | 434629109 | 358362703 | 70% |
| Food-BPCT | -836901691 | -971874150 | -1079833686 | -1095204214 | -1279301127 | -1088087476 | 130% |
| The 3 DCs | | | | | | | |
| Food trade | 2611282594 | 2732842857 | 2098562410 | 1826377443 | 2318934249 | 2588110758 | 99.1% |
| BPCT | 3834491973 | 4190487870 | 3810678614 | 3611003524 | 4115325380 | 4295149388 | 112% |
| Food-BPCT | -1223209379 | -1457645013 | -1712282518 | -1784626081 | -1796391131 | -1707038630 | 139.6% |
| The 13 LDCs | | | | | | | |
| Food trade | -638121758 | -476422298 | -915972380 | -1134125688 | -1012792661 | -1036955410 | 162.5% |
| BPCT | 218488525 | 313460099 | 106427405 | 55351380 | 87797245 | 95341237 | 43.6% |
| Food-BPCT | -856610283 | -789882397 | -1022233471 | -1189477068 | -1100589906 | -1132296647 | 132.2% |

**V – Comparing the GSP duties to pay to the EU with the WA losses of import duties**

Tables 11 to 13 compare the cumulative GSP duties that the exporters of the 3 DCs would have to pay each year from T to T+20 with the cumulative losses of import duties for all WA countries, which will only begin at T+5. We cannot stop at T+20 because it is only at T+20 (in 2035) that the last rise in duties will be completed for Group C products which will then be completely liberalised so that the cumulative loss of duties will be much higher after T+20.

Tables 11 to 13 show that, at the end of the liberalization period in T+20 (2035), despite that the exporters of the 3DCs to the EU would have to pay the GSP duties as soon as T, during 20 years, whereas the losses of import duties would only begin at T+5, nevertheless the cumulative losses of import duties largely exceed those of the GSP, with a net loss of €26.2 bn for WA, of which of 13.9 bn for the 3 DCs and €13.6 bn for the 13 LDCs. However, among the 3 DCs if the net cumulative loss of Ghana would be of €2.1 bn and that of Nigeria of €11.7 bn, nevertheless it appears that it is only in 2036 that IC would have a net cumulative loss of import duties given that the GSP duties to pay to the EU would be a little larger. In fact, as we forgot to include the loss of VAT on imports in tables 8 and 10 – which were of €515 M in T+19, of which €283 M for the 3 DCs – of which €36.1 M for IC, €44.6 M for Ghana, €202.4 M for Nigeria – and €231.9 M for the 13 LDCs – we have minimize the total duties losses so that the net excess of cumulative GSP duties for IC would fall at €79.2 M.

However further on the net losses of all WA countries would explode, at €42 bn in 2040, €62.2 bn in 2045 and €80.6 bn in 2050, when even IC would have a net loss of import duties of €2.2 bn. The main losers are the 13 LDCs and Nigeria: the LDCs because they were forced to liberalize, negating the EU EBA (Everything But Arms) provisions that they are not obliged to liberalize while receving a DFQF access to the EU. But also Nigeria with very low GSP duties.

Table 11 – Comparison of the cumulative GSP duties with the WA duties losses: T to T+35

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| € 1000 | SPG duties to the EU by | | | | WA duties losses on imports from the EU | | | | | |
|  | IC | Ghana | Nigeria | 3 DCs | IC | Ghana | Nigeria | 3 DCs | WA | 13 LDCs |
| T (2015) | Implementation of the EPA | | | | | | | | | |
| T+1 | 113071 | 66867 | 8585 | 188523 |  |  |  |  |  |  |
| T+2 | 113071 | 66867 | 8585 | 188523 |  |  |  |  |  |  |
| T+3 | 113071 | 66867 | 8585 | 188523 |  |  |  |  |  |  |
| T+4 | 113071 | 66867 | 8585 | 188523 |  |  |  |  |  |  |
| T+5 | 113071 | 66867 | 8585 | 188523 |  |  |  |  |  |  |
| T+6 | 113071 | 66867 | 8585 | 188523 | 99186 | 151629 | 470004 | 720371 | 1288170 | 570806 |
| T+7 | 113071 | 66867 | 8585 | 188523 | 99186 | 151629 | 470004 | 720371 | 1288170 | 570806 |
| T+8 | 113071 | 66867 | 8585 | 188523 | 99186 | 151629 | 470004 | 720371 | 1288170 | 570806 |
| T+9 | 113071 | 66867 | 8585 | 188523 | 99186 | 151629 | 470004 | 720371 | 1288170 | 570806 |
| T+10 | 113071 | 66867 | 8585 | 188523 | 99186 | 151629 | 470004 | 720371 | 128870 | 570806 |
| T+11 | 113071 | 66867 | 8585 | 188523 | 139263 | 228601 | 786697 | 1158103 | 2050436 | 897890 |
| T+12 | 113071 | 66867 | 8585 | 188523 | 139263 | 228601 | 786697 | 1158103 | 2050436 | 897890 |
| T+13 | 113071 | 66867 | 8585 | 188523 | 139263 | 228601 | 786697 | 1158103 | 2050436 | 897890 |
| T+14 | 113071 | 66867 | 8585 | 188523 | 139263 | 228601 | 786697 | 1158103 | 2050436 | 897890 |
| T+15 | 113071 | 66867 | 8585 | 188523 | 139263 | 228601 | 786697 | 1158103 | 2050436 | 897890 |
| T+16 | 113071 | 66867 | 8585 | 188523 | 179239 | 305152 | 1102432 | 1594526 | 2811953 | 1224013 |
| T+17 | 113071 | 66867 | 8585 | 188523 | 179239 | 305152 | 1102432 | 1594526 | 2811953 | 1224013 |
| T+18 | 113071 | 66867 | 8585 | 188523 | 179239 | 305152 | 1102432 | 1594526 | 2811953 | 1224013 |
| T+19 | 113071 | 66867 | 8585 | 188523 | 179239 | 305152 | 1102432 | 1594526 | 2811953 | 1224013 |
| T+20 | 113071 | 66867 | 8585 | 188523 | 236958 | 361435 | 1254694 | 1856592 | 3220610 | 1370439 |
| Sub-total | 2261420 | 1337340 | 171700 | 3770460 | 2146159 | 3483193 | 11947927 | 17627066 | 30002152 | 13609971 |
| T+21 | 113071 | 66867 | 8585 | 188523 | 240252 | 365013 | 1271883 | 1881285 | 3266665 | 1392366 |
| T+22 | 113071 | 66867 | 8585 | 188523 | 243591 | 368627 | 1289308 | 1906306 | 3313378 | 1414644 |
| T+23 | 113071 | 66867 | 8585 | 188523 | 246977 | 372276 | 1306972 | 1931660 | 3360759 | 1437278 |
| T+24 | 113071 | 66867 | 8585 | 188523 | 250410 | 375962 | 1324877 | 1957351 | 3408818 | 1460275 |
| T+25 | 113071 | 66867 | 8585 | 188523 | 253891 | 379684 | 1343028 | 1983383 | 3457564 | 1483639 |
| Sub-total | 2826775 | 1671675 | 214625 | 4713075 | 3381280 | 5344755 | 18483995 | 27287051 | 46809336 | 20798173 |
| T+26 | 113071 | 66867 | 8585 | 188523 | 257420 | 383443 | 1361427 | 2009762 | 3507007 | 1507377 |
| T+27 | 113071 | 66867 | 8585 | 188523 | 260998 | 387239 | 1380079 | 2036492 | 3557158 | 1531495 |
| T+28 | 113071 | 66867 | 8585 | 188523 | 264626 | 391072 | 1398986 | 2063578 | 3608025 | 1555999 |
| T+29 | 113071 | 66867 | 8585 | 188523 | 268304 | 394944 | 1418152 | 2091023 | 6659620 | 1580895 |
| T+30 | 113071 | 66867 | 8585 | 188523 | 272034 | 398854 | 1437581 | 2118834 | 3711952 | 1606190 |
| Sub-total | 3392130 | 2006010 | 257550 | 5655690 | 4704662 | 7300307 | 25480220 | 37606740 | 67853098 | 28580129 |
| T+31 | 113071 | 66867 | 8585 | 188523 | 275815 | 402803 | 1457276 | 2147014 | 3765033 | 1631889 |
| T+32 | 113071 | 66867 | 8585 | 188523 | 279649 | 406790 | 1477240 | 2175570 | 3818873 | 1657999 |
| T+33 | 113071 | 66867 | 8585 | 188523 | 283536 | 410818 | 1497479 | 2204505 | 3873483 | 1684527 |
| T+34 | 113071 | 66867 | 8585 | 188523 | 287477 | 414885 | 1517994 | 2233825 | 3928874 | 1711479 |
| T+35 | 113071 | 66867 | 8585 | 188523 | 291473 | 418992 | 1538791 | 2263534 | 3985057 | 1738863 |
| TOTAL | 3957485 | 2340345 | 300475 | 6598305 | 6122612 | 9354595 | 32969000 | 48631188 | 87224418 | 37004886 |

Table 12 – Summary of table 10 on the WA net duties losses from T+20 to T+35

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| € 1000 | SPG duties to the EU | | | | WA duties losses on imports from the EU | | | | | |
|  | IC | Ghana | Nigeria | 3 DCs | IC | Ghana | Nigeria | 3 DCs | WA | 13 LDCs |
| T+20 | 2261420 | 1337340 | 171700 | 3770460 | 2146159 | 3483193 | 11947927 | 17627066 | 30002152 | 13609971 |
| T+25 | 2826775 | 1671675 | 214625 | 4713075 | 3381280 | 5344755 | 18483995 | 27287051 | 46809336 | 20798173 |
| T+30 | 3392130 | 2006010 | 257550 | 5655690 | 4704662 | 7300307 | 25480220 | 37606740 | 67853098 | 28580129 |
| T+ 35 | 3957485 | 2340345 | 300475 | 6598305 | 6122612 | 9354595 | 32969000 | 48631188 | 87224418 | 37004886 |

Table 13 – Net losses of WA import duties after deduction on the SPG duties to pay to the EU

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| € 1000 | Ivory Coast | Ghana | Nigeria | 3 DCs | WA | 13 LDCs |
| T+20 (2035) | -115261 | 2145853 | 11776227 | 13856606 | 26231692 | 13609971 |
| T+25 (2040) | 554505 | 3673080 | 18269370 | 22573976 | 42096261 | 20798173 |
| T+30 (2045) | 1312532 | 5294297 | 25222670 | 31951050 | 62197408 | 28580129 |
| T+ 35 (2050) | 2165127 | 7014250 | 32668525 | 42032883 | 80626113 | 37004886 |

**VI – The EU empty promises to grant additional aids to implement the WA EPA and its refusal to publish reports showing its negative impacts**

**6.1 – The EPA will not bring additional funds to WA**

Based on the EU Commission's speeches and documents, the so-called EPADP (EPA Development Programme or PAPED) does not bring a single additional euro but is only a new packaging of the traditional EDF (European Development Fund), EIB (European Investment Bank), and EU cooperation funds for the EPA.

Indeed Jean-Pierre Halkin, Head of Unit DEVCO/C1, EuropeAid, at the European Commission, confirmed on June 23, 2015 in a European Parliament debate, that there is no additional fund for the EPA but only a retargeting of the €6.5 billion from the EU budget, the 11th EDF and EIB loans. Furthermore the European Commission DG DEVCO's brochure "*EU-West Africa trade and development: a partnership that counts*" of July 3, 2015 writes unambiguously: "*The EPA Development Programme (PAPED) will also be an instrument for partially ensuring the development dimension of the EPA. It will help them reap the benefits of the EPA and at the same time address adaptation and adjustment needs in the economic, social and taxation fields… From 2014-2020, €6.5 billion will be delivered to support PAPED… The funds are drawn from the existing EU financial instruments: 11th European Development Fund National Indica­tive Programmes (NIP), Regional Indicative Programme (RIP), intra-ACP programme, and relevant EU thematic budget lines*"[[17]](#footnote-17). Therefore there should not be any doubt any longer that no additional fund will be available for the West Africa EPA beyond the traditional funds which would have been granted anyway as in the past! And even this funding is much lower than in the past EDF alone which was of around €4 per person per year. Now these €6.5 billion over 7 years (encompassing EU Budget and EIB loans apart from the EDF) makes €928.6 million per year which, for a WA average population of 373.315 M at mid-term (June 30, 2017), makes a ridiculous €2.5 per person per year, just few small candies!

Furthermore, as the Cotonou Agreement expires in 2020 and as the EU is facing many fiscal constraints, there is no certainty that the EDF will be renewed, and even it takes other forms, it is unlikely that the EU financial assitance would increase despite the expected sharp rise in the WA population.

Besides, not only WA could not expect specific EU additional aids for the EPA but it is prevented to increase its export taxes which, for some countries, particularly IC, contribute more to government revenues than import duties: "*No new duty, export tax or charges with corresponding effect shall be introduced, nor shall those already in effect be increased as far as trade between the Parties is concerned, from the date of entry into force of this Agreement*" (article 13.1).

**6.2 – The EU Commission has refused to publish recent EPA reports showing its detrimental impacts**

In her speech of 5 November 2015 to the EU-Nigeria Business Forum, the EU Trade Commissioner Cecilia Malmström stated: "*My message today is that signing and implementing that agreement is a clear win for the companies, the workers, the consumers and the government of Nigeria*". The Head of the EPA Bureau, Sandra Galina, has also kept repeating the same "win-win" mantra. If this were true why is it that the EU Commission did not take into account and did not publish three assessments of the EPA financed by the Commission because they conclude to its negative impacts, particularly for Nigeria ?

First the EU Commission refused to render public two reports of April 2008 and April 2012 made by the French Consultancy firm ETIQA, which have been recently leaked:

- The 2008 report, based on 2004 trade data, concluded that:

* The trade diversion in favour of imports from the EU reduces the regional integration process, one of the main EPA objectives: at the end of the liberalization process Nigeria's imports would be reduced by 8.7% from Mali, by 5.7% from Niger, by 5% from Ghana and by 4% from IC.
* The losses in customs duties would be of €3.182 bn the last year of the liberalization period (-29.2%) for ECOWAS, of which €1.898 bn for Nigeria (-28.3%).
* Nigeria's investments would be reduced by 12% and GDP by 1.8% at the end of the liberalization period.

- The April 2012 report discloses the results of the market access offer simulation proposed by the ECOWAS and communicated to ETIQA in February 2012 and compared the results with a Business as usual situation with EU GSP tariffs for DCs and DFQF EBA for LDCs.

* Average ECOWAS tariffs applied on products originating from the EU will drop from an average of 10.7% to 5%, a decline by half in 30 years.
* The most significant decrease are shown by IC (64%) and Nigeria (55%).
* By the end of the liberation process in 2040, the imports from the EU zone increase by 12%, the same for Nigeria.
* Trade liberalization barely contributes to an improvement in performance of exports from the countries in this zone. For the whole ECOWAS, there is no significant improvement of exports. The only countries benefitting are IC and Ghana because the suppression of the GSP but Nigeria’s situation would deteriorate in the long term.
* There is a decline in intra regional exchanges, reflecting trade diversion in favor of the EU and to the detriment of regional partners. For products equal in quality and characteristics, the decline in the prices of European imports due to the tariff reductions pushed African importers away from regional producers because they became less competitive than before the tariff cuts.
* For the whole ECOWAS, the loss of total fiscal revenue (not only of import duties) would be of 8% at the end of the tariff reduction process, of which of 14.8% for Nigeria.
* The impact on real GDP is a direct reflection of the change in investments, with a drop at 2.8% below the BAU (business as usual) level in 2040 for Nigeria.

- A third report on the EPA impact on Nigeria was published on April 23, 2014, and prepared by Adeola Adenikinju and Abiodun Bankole of the University of Ibadan: *CGE modelling of impact of European Union-West Africa Economic Partnership Agreement on Nigeria*. It took into account the last data on the ECOWAS CET (Common external tariff) and the EPA text, with the following conclusions for Nigeria:

* Customs duties would fall from 10% at the start of liberalization to 35% at the end (2035).
* Total budget revenues would fall by 0.5% at the start and by 5% at the end;
* GDP would fall by 2% ($8.3 bn), which is considerable.
* Unemployment would rise by 15%, with reductions in wages and consumption.
* The interest rate would increase to 25% in 2035, with a negative impact on both public and private investment.
* Trade diversion mentioned in a 2011 study is confirmed, with in particular imports from the rest of ECOWAS falling by 3% to 4%, which would reduce regional integration that the EPA claims to promote.

All these negative impacts could not take into account the huge drop in Nigeria oil revenues which, as the EU Commissioner Cecilia Malmström acknowledges, "*are not likely to recover fully overnight*", knowing that they account for 75% of its budget and 95% of foreign exchange earnings. In 2014 they accounted for 96.6% of its total exports to the EU!

**6.3 – Several EU political statements have stressed the detrimental impact of the EPAs**

In parallel with a March 2005 report on EPAs of the Commission of international development of the House of Commons, the UK Minister of trade and industry (DTI) and the Minister of international development (DFID) have published the same month a statement entitled "Economic Partnership Agreements: making EPAs deliver for development", underlining that "*In its work on EPAs with ACP regional groups, the EU should take a non-mercantilist approach and not pursue any offensive interests. Developing countries can benefit from liberalisation in the long run, provided they have the economic capacity and infrastructure they need to trade competitively. However, without the capacity or the right conditions, trade liberalisation can be harmful… We will not force trade liberalisation on developing countries either through trade negotiations or aid conditionality… The EU should propose within the WTO that Article XXIV of the General Agreement on Tariffs and Trade, should be reviewed as suggested by the Commission for Africa, in order to reduce the requirements for reciprocity and increase the focus on development priorities*"[[18]](#footnote-18).

The French National Assembly is even more straightforward: "*These negotiations are heading straight for failure…If the Commission persists, Europe will commit a political, tactical, economic and geostrategic mistake… Can we really assume the responsibility of leading Africa, which in a few years will be home to the greatest number of persons living on less than one dollar a day, to more chaos, on the grounds that OMC rules are being complied with? Do we believe this chaos will be limited to Africa, which would already be unbearable?… And if we were to persist down this path we would contribute to the splitting, if not the end, of the EU-ACP partnership… It is therefore absolutely necessary for politicians to give a new negotiating mandate to the Commission, following a Franco-British initiative*"[[19]](#footnote-19).

The 15 June 2008 Christiane Taubira, the former French Minister of Justice, published her report on the EPAs, a report ordered by the President Sarkozy. The report criticises "*the tactics -- pressure, paternalism and threats -- employed by the Commission to impose its point of view and its interests*". It contains "*strong criticisms of efforts made by the Commission to persuade African countries to scrap most of the taxes they levy on imports from Europe...noting that many ACP countries depend on customs duties for almost 40 percent of their revenues, (it) argues that the EPAs could render many of the national institutions in Africa powerless*". It argues that the EU should "*recognise the right of poor countries to feed themselves by allowing them to exclude agricultural goods from trade liberalisation*", and that the EU should now state if it has decided to "*abandon development as if it was a dangerous mirage and invite the ACP countries to throw themselves into the big bazaar of free trade*".

**VII – Implementing immediately an anti-EPA duty to mutualize the GSP duties that exporters of IC, Ghana and Nigeria would have to pay to the EU**

The WA civil society has proposed in its Declaration of 14 January 2014 in Dakar[[20]](#footnote-20) that a Regional Solidarity Fund (RSF) reimburse to the exporters of IC, Ghana and Nigeria the GSP duties which would tax their exports to the EU if the regional EPA is not implemented.

We have already presented in 2015 how to implement this RSF on the basis of total extra-WA imports of each Member State in 2013 and we limit ourselves to update it. Total WA imports were of €86.802 bn in 2014 (of which €84.062 bn for ECOWAS and €2.740 bn for Mauritania), of which €8.278 bn of intra-WA imports (of which €8.251 for ECOWAS and €26 M for Mauritania). The RSF would be financed by national contributions proportional to the share of each Member State in total extra-WA imports, and the total RSF would be modified each year to reimburse 100% of the GSP duties that the DCs exporters would have to pay to the EU.

Table 14 – WA total imports in 2014 of which intra-WA and extra-WA per Member State

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| € 1000 | Benin | BF | CI | Guinea-B | Mali | Niger | Senegal | Togo | WAEMU |
| Total | 2705349 | 2689565 | 8409016 | 302510 | 2394372 | 1618278 | 4932610 | 1490131 | 24541831 |
| Intra-Ecowas | 320774 | 1369045 | 1993342 | 75250 | 898788 | 279522 | 556116 | 157549 | 5650386 |
| Extra-Ecowas | 2384575 | 1320520 | 6415674 | 227260 | 1495584 | 1338756 | 4376494 | 1332582 | 18891445 |
| Intra/total: % | 11,86 | 50,90 | 23,70 | 24,88 | 37,54 | 17,27 | 11,27 | 10,57 | 23,02 |
| Extra-Ec/WA % | 3,04 | 1,68 | 8,17 | 0,29 | 1,90 | 1,70 | 5,57 | 1,70 | 24,06 |
|  | CapeVerde | Gambia | Ghana | Guinea | Liberia | Nigeria | Sierra Leone | ECOWAS | Mauritania |
| Total | 578330 | 291294 | 11430258 | 1887693 | 8779152 | 35006482 | 1547377 | 84062417 | 2739715 |
| Intra-Ecowas | 3854 | 75832 | 1533527 | 56933 | 94481 | 220258 | 618953 | 8251223 | 26838 |
| Extra-Ecowas | 574476 | 215462 | 9896731 | 1830760 | 8684671 | 34786224 | 928424 | 75811194 | 2712877 |
| % total | 0,67 | 26,03 | 13,16 | 3,02 | 1,08 | 0,63 | 40 | 9,82 | 0,98 |
| Extra-Ec/WA: % | 0,73 | 0,27 | 12,60 | 2,33 | 11,06 | 44,30 | 1,18 | 96,55 | 3,45 |

Source: http://www.trademap.org/Country\_SelProductCountry\_TS.aspx

Given the €188.523 bn of GSP duties that the 3 DCs would have had to pay in 2015, table 15 presents the contribution of each Member State. This contribution would represent on average 0.24% of the total extra-WA imports. This contribution should be compared to WA losses of import duties in T+20 if the EPA is implemented. As we did not calculate the loss of import duties of each LDC (which could be done), we continue to consider them globally (table 15). It appears clearly that all WA countries would benefit of the RSF, not only the LDCs but also the 3 DCs. Despite that Nigeria would be by far the largest contributor, with 2/3 of the total, the percentage of its contribution over its duties losses is about the same as for the other two DCs.

Table 14 – Contribution of each WA Member State to the RSF for 2015

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| € 1000 | Benin | BF | CI | Guinea-B | Mali | Niger | Senegal | Togo | WAEMU |
| Share of WA: % | 3,04 | 1,68 | 8,17 | 0,29 | 1,90 | 1,70 | 5,57 | 1,70 | 24,06 |
| Contribution | 5725 | 3170 | 15403 | 546 | 3591 | 3214 | 10507 | 3199 | 45355 |
|  | CapeVerde | Gambia | Ghana | Guinea | Liberia | Nigeria | Sierra Leone | ECOWAS | Mauritania |
| Share of WA: % | 0,73 | 0,27 | 12,60 | 2,33 | 11,06 | 44,30 | 1,18 | 96,55 | 3,45 |
| Contribution | 1379 | 517 | 23760 | 4395 | 20850 | 83516 | 2229 | 182010 | 6513 |

Table 15 – Comparing the contribution to the RSF with the import duties losses in 2015

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| € 1000 | Ivory Coast | Ghana | Nigeria | 3 DCs | WA | 13 LDCs |
| RSF contribution | 15403 | 23760 | 83516 | 122679 | 188523 | 65844 |
| Duties losses | 236959 | 361435 | 1254694 | 1856593 | 3220609 | 1370439 |
| RSF/duties losses | 6,50% | 6,57% | 6,65% | 6,61% | 5,85% | 4,80% |
| GSP duties to EU | 113071 | 66867 | 8585 | 188523 | 188523 | 0 |

IC, which is fighting the most in favour of the EPA, would be the big winner which would only pay an anti-EPA fee of €15.4 M instead of €113.1 M of GSP duties in 2015, an annual saving of €97.7 M. Ghana would save €43.1 M (it would have paid €66.9 M in GSP duties against a fee of €23.8 M). If Nigeria seems the big loser of €74.9 M (€83.5 M of anti-EPA fee against €8.6 M in GSP duties). In fact Nigeria is the biggest winner because, having made 36.8% of WA imports from the EU in 2015, it would lose €11.947 bn in import duties over the 2020-2035 implementation period of the EPA, which would ruin its ambitious development projects, including through intensifying intra-WA trade.

However, to bring IC to join the camp of those opposed to the EPA, the more so as we have viewed that in 2035 its cumulative GSP payments would still exceed its import duties losses by €79 M (table 13), we suggest to make an exception for its contribution to the RSF. IC should be exempted to contribute to the RSF the first 10 years, its contributions being compensated by a slight increase of the other WA Members (table 17). The benefit to the wole WA justifies the cost.

Table 17 – Contribution of each WA Member after exempting IC the first 10 years

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| € 1000 | Benin | BF | CI | Guinea-B | Mali | Niger | Senegal | Togo | WAEMU |
| Share of WA: % | 3,04 | 1,68 | 8,17 | 0,29 | 1,90 | 1,70 | 5,57 | 1,70 | 24,06 |
| Contribution | 6232 | 3450 |  | 591 | 3908 | 3526 | 11435 | 3561 | 32553 |
|  | CapeVerde | Gambia | Ghana | Guinea | Liberia | Nigeria | Sierra Leone | ECOWAS | Mauritania |
| Share of WA: % | 0,73 | 0,27 | 12,60 | 2,33 | 11,06 | 44,30 | 1,18 | 96,55 | 3,45 |
| Contribution | 1491 | 558 | 25861 | 4784 | 22553 | 90903 | 2411 | 181479 | 7044 |

The management of the RSF would be ensured by ECOWAS through a specific agency to which each WA State should send their contribution in advance on a monthly basis and the Agency would make advanced payments based on the exporters previsional invoices and close their accounts at short notice.

**Conclusion**

The Heads of State of WA should renounce to the formal signature and ratification of the regional EPA, and instead implement immediately an anti-EPA fee to safeguard some chance to promote their medium to long term development. They should resist the pressures made by major European corporations to impose the EPA, among which: the Compagnie Fruitière, which owns and exports most bananas and pineapples from Ivory Coast and Ghana (and Cameroon); the Mimran Group, owner of the Great Mills of Abidjan and Dakar, which got that the 5% duty of the ECOWAS' common external tariff on cereals (excluding rice) be eliminated from 2020; the Bolloré group, which rules most of the port infrastructures in the Gulf of Guinea and is involved in the export of 65% of cocoa from Ivory Coast.

The EPA, by reducing drastically the fiscal revenues of West Africa's States, would reduce their budgets to education, health, small farmers and environment protection. All the more that West Africa is already facing a triple challenge: demographic, on climate change and food deficit.

And it is eventually the EU which, through the EPAs, would violate the human rights in ACP countries, and particularly in West Africa. The number of illegal immigrants to the EU and boat people drowned in the Mediterranean would explode, likely more and for a longer period that the present exodus of Syrians, Irakis, Afghans and Libyans.

1. Solidarité has changed its name, but agricultural policy papers are still at http://www.solidarite.asso.fr/Articles-de-2016 [↑](#footnote-ref-1)
2. It is however difficult to reconcile the tariff lines (TLs) of dairy between the WA EPA offer and the Eurostat TLs. For example the EPA TL 04022129 which would be excluded does not exist in Eurostat. [↑](#footnote-ref-2)
3. http://www.agrimoney.com/news/african-dairy-markets-to-see-diverging-prospects--9173.html [↑](#footnote-ref-3)
4. <http://www.nta.ng/2016/02/03/president-buhari-assures-eu-of-nigerias-commitment-to-protection-of-human-rights-calls-for-mutually-beneficial-economic-relations-with-europe/> [↑](#footnote-ref-4)
5. http://leadership.ng/business/499210/made-nigeria-cars-not-feasible-2017-jalal [↑](#footnote-ref-5)
6. <http://unctad.org/en/pages/MeetingDetails.aspx?meetingid=589>; <http://www.uneca.org/publications/trade-facilitation-african-perspective>; <http://unctad.org/meetings/en/Presentation/aldc2014_13_bfaso_fr.pdf>; http://unctad.org/en/PublicationChapters/rmt2014ch3\_en.pdf [↑](#footnote-ref-6)
7. http://documents.worldbank.org/curated/en/2014/06/19732830/implementing-ecowas-common-external-tariff-challenges-opportunities-nigeria [↑](#footnote-ref-7)
8. http://www.nants.org/wp-content/uploads/2015/04/The-Current-Status-challenges-and-benefits-of-Implementing-the-ETLS-English.pdf [↑](#footnote-ref-8)
9. http://documents.worldbank.org/curated/en/2014/06/19732830/implementing-ecowas-common-external-tariff-challenges-opportunities-nigeria [↑](#footnote-ref-9)
10. http://lionel.fontagne.free.fr/papers/fontalabmita\_JAE.pdf [↑](#footnote-ref-10)
11. http://twnafrica.org/ECOWAS%20WA%20&%20EU%20EPA%20draft%20text%20as%20at%20Feb%202014.pdf [↑](#footnote-ref-11)
12. Lynge Nielsen (World Bank) and Simplice G. Zouhon-Bi (IMF), *ECOWAS, Fiscal Revenue Implications of the Prospective Economic Partnership Agreement with the EU*, World Bank, Africa Region Working Paper Series, No. 103 April 2007, http://www.worldbank.org/afr/wps/wp103.pdf [↑](#footnote-ref-12)
13. http://esa.un.org/unpd/wpp/Download/Standard/Population/ [↑](#footnote-ref-13)
14. ITAQA*, Scénario et Résultats du modèle d’équilibre général pour l’étude des accords de Partenariat Économique (APE) entre l’Union Européenne et les Pays de l’Afrique de l’Ouest*, avril 2008, rapport commandé par l'UE et la CEDEAO. The report was leaked because the EU Commission refused to circulate it as its assessment was too much negative. [↑](#footnote-ref-14)
15. *The false argument of the GSP duties that the exporters of Ivory Coast, Ghana and Nigeria would have had to pay to the EU in 2014 without the EPA*, Solidarité, April 12, 2015, http://www.solidarite.asso.fr/Papers-2015?debut\_documents\_joints=20#pagination\_documents\_joints [↑](#footnote-ref-15)
16. *The false argument of the GSP duties that the exporters of Ivory Coast, Ghana and Nigeria would have to pay to the EU without the EPA*, Solidarité, April 12, 2015, http://www.solidarite.asso.fr/Papers-2015?debut\_documents\_joints=20#pagination\_documents\_joints [↑](#footnote-ref-16)
17. https://ec.europa.eu/europeaid/sites/devco/files/epa-brochure\_en.pdf [↑](#footnote-ref-17)
18. www.dti.gov.uk/files/file9845.pdf [↑](#footnote-ref-18)
19. Jean-Claude Lefort, *Rapport d'information sur la négociation des accords de partenariat économique avec les pays d'Afrique, des Caraïbes et du Pacifique*, Assemblée Nationale, 5 juillet 2006

    <http://www.assemblee-nationale.fr/12/europe/rap-info/i3251.asp#TopOfPage> [↑](#footnote-ref-19)
20. http://www.lifixew.com/declaration-de-la-societe-civile-de-lafrique-de-louest-sur-laccord-de-partenariat-economique-ape/ [↑](#footnote-ref-20)