The foly to implement the EU-West Africa Economic Partnership Agreement (EPA), based on 2015 trade data

Jacques Berthelot (jacques.berthelot4@wanadoo.fr), SOL[1], 22 April 2016

Contents

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

[1] Solidarité has changed its name, but agricultural policy papers are still at http://www.solidarite.asso.fr/Articles-de-2016

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. And this food deficit with the EU without these 3 products is largely due to its huge domestic subsidies which benefit as well its exported products, particularly to cereals and animal products (dairy, meats and eggs) through the subsidies to feedstuffs. On the other hand the higher competitiveness of several other DCs with which the EU has passed recent free trade agreements 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, €59.2 bn in 2045 and €77.6 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.

*

*   *

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] 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*

[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.

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].

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]. 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

[3] http://www.agrimoney.com/news/african-dairy-markets-to-see-diverging-prospects--9173.html

[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/

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].

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

[5] http://leadership.ng/business/499210/made-nigeria-cars-not-feasible-2017-jalal

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]. 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*

[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

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]. 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].

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]), 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

[7] http://documents.worldbank.org/curated/en/2014/06/19732830/implementing-ecowas-common-external-tariff-challenges-opportunities-nigeria
[8] http://www.nants.org/wp-content/uploads/2015/04/The-Current-Status-challenges-and-benefits-of-Implementing-the-ETLS-English.pdf
[9] http://documents.worldbank.org/curated/en/2014/06/19732830/implementing-ecowas-common-external-tariff-challenges-opportunities-nigeria

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 – <u>The trade diversion would foster a higher share of imports from the EU</u>

Considering that the percentage of 33.6% of additional revenue losses due to trade diversion estimated by Fontagné et al. for 2002-04[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].

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

[10] http://lionel.fontagne.free.fr/papers/fontalabmita_JAE.pdf

[11] http://twnafrica.org/ECOWAS%20WA%20&%20EU%20EPA%20draft%20text%20as%20at%20Feb%202014.pdf

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].

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].

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	

[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
[13] http://esa.un.org/unpd/wpp/Download/Standard/Population/

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 – <u>Increased duties losses due to the reduction in the value added tax (VAT)</u>

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]. 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

[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.

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 – <u>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</u>

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], 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

[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

recently concluded or still negociated EU FTAs with other DCs[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

[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

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 – <u>Comparing the GSP duties to pay to the EU with the WA losses of import duties</u>

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, €59.2 bn in 2045 and €77.6 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	3659620	1580895
T+30	113071	66867	8585	188523	272034	398854	1437581	2118834	3711952	1606190
Sub-total	3392130	2006010	257550	5655690	4704662	7300307	25480220	37606740	64853098	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	84224418	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	64853098	28580129
T+ 35	3957485	2340345	300475	6598305	6122612	9354595	32969000	48631188	84224418	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	59197408	28580129
T+ 35 (2050)	2165127	7014250	32668525	42032883	77626113	37004886

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

6.1 – <u>The EPA will not bring additional funds to WA</u>

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 11^{th} 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: 11^{th} European Development Fund National Indicative Programmes (NIP), Regional Indicative Programme (RIP), intra-ACP programme, and relevant EU thematic budget lines*"[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 – <u>The EU Commission has refused to publish recent EPA reports showing its detrimental impacts</u>

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

[17] https://ec.europa.eu/europeaid/sites/devco/files/epa-brochure_en.pdf

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].

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].

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*".

---

[18] www.dti.gov.uk/files/file9845.pdf

[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

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] 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

20 http://www.lifixew.com/declaration-de-la-societe-civile-de-lafrique-de-louest-sur-laccord-de-partenariat-economique-ape/

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.

Moreover, by preventing the ACP countries, especially those of WA, to achieve their food sovereignty and protect their infant industries, the EU is shooting itself in the foot because it would lose in the medium to long term large markets for its high value-added industrial products and services, even more so given their population explosion.