



GSP+ duties Nigeria could have paid to EU28-UK in 2015 without EPA and GSP paid

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Table 1, summarizing the detailed table 2, shows that Nigeria's exports to the EU28-UK have reached €16.449 billion in 2015, in EU CIF value, on which it should have paid €8.040 million of GSP duties – at an average rate of 0.49% –, as it did not sign an interim EPA in 2007 as Ghana and Ivory Coast did, allowing them to benefit duty free-quota free exports to the EU. Clearly the actual GSP duties were larger as they were based on EU28 imports and not yet on E28-UK imports.

96.8% of Nigeria's exports to the EU28-UK were non-agricultural or fish products of HS chapters 25 to 97 but they accounted for only 43.1% of the GSP duties whereas agricultural and fish exports accounting for 3.2% of total exports paid 56.9% of GSP duties.

However, if Nigeria requested to the EU Commission to benefit from the GSP+ regime, it would have paid only €1.873 million of GSP+ to the EU28-UK, 4.3 times less than for standard GSP, at an average rate of 0.11%. However here the GSP+ duties on agricultural and fish products would represent only 2.8% of total GSP+ duties. Let us remember that Nigeria did apply twice for GSP+, the first time in 2007, but did not receive any answer from DG Trade, despite it complied with all the conditions (on the 27 international conventions and economic vulnerability). The truth is that agreeing on Nigeria request is a too heavy pill to swallow for the EU Commission which is even less prepared to agree now than its only objective is that Nigeria sign the regional EPA.

Table 1 – GSP+ duties Nigeria could have paid to EU28-UK in 2015 without EPA and GSP paid

Euros	UE28-UK imports		GSP		GSP+	
Chapters of the Harmonized System	Euros	Tonnes	Euros	Rate	Euros	Rate
Sub-total 01-24	531224653	1907668	4573526	0,86%	52420	0,01%
Sub-total 25-97	15917363623	417604957	3466252	0,22%	1820488	0,11%
Total 01-97	16448588276	419512625	8039778	0,49%	1872908	0,11%
01-24/01-97	3,23%	0,45%	56,89%		2,80%	
25-97/01-97	96,77%	99,55%	43,11%		97,20%	

Table 2 (in annex) allows to identify the specific HS chapters paying the highest GSP and GSP duties:

- For the GSP duties, raw hides and skins (chapter 41) takes the lead with €2.615 million, followed by cocoa (chapter 18) with €2.473 million and fish (chapter 3) with €2 million. These 3 chapters accounted for 88.2% of all GSP duties.
- For the GSP+ duties, raw hides and skins are the only significant chapter, with €1.782 million, accounting for 95.1% of total GSP+ duties.

Now that it seems likely that Ghana and Ivory Coast would implement their interim EPAs, Nigeria should avoid importing from these two Ecowas countries, directly or indirectly, products they would import duty free in T5 when they would begin to open their markets to EU exports. The more so as Ghana and Ivory Coast have accounted for 91.4% of all Nigeria's imports from Ecowas in 2014 (last year available on ITC TradeMap), even if imports from Ecowas have accounted for only 12.3% of imports from the EU28.

Indeed some claim that the other Member States of ECOWAS should not tax their imports from Ghana (and Ivory Coast) for their domestic products but only for liberalized imports from the EU. However, this restriction does not hold as their domestic products will benefit from lower production costs due to their duty free imports of inputs and equipment from the EU. Since Ghana imports of liberalized products of groups A taxed at 5% (for commodities, capital goods and specific inputs) and B taxed at 10% (on inputs and intermediate goods) have represented in 2015 93% of all imports of liberalized goods and 70.2% of all imports (including excluded

products) from the EU28-UK, this implies that the bulk of imports are not finished products. The petroleum products alone (in fact the whole HS chapter 27) accounted for 26.2% of Ghana total imports from the EU28-UK in 2015, which were taxed at 9.90% on average and this alone would reduce significantly the cost of production and especially the transport cost of all domestic products. Likewise Ivory Coast's imports of groups A and B from the EU28-UK have accounted for 88.5% of all liberalized products and 60% of all products.

In her statement to the INTA committee on 13 October Ms Hannah Tetteh, Ghana's Minister of Foreign Affairs, acknowledged that Ecowas trade liberalization scheme (TLS) does not permit to export imported products duty free on the regional market. However Ghana could still export duty free to the other Ecowas Member States imported products from the EU that it would processed enough to be considered as original products. This could be particularly harmful for processed products from milk powder and cereals imported from the EU from T5 on when they would be fully liberalized, the CET and iEPA rate falling from 5% to zero, because these two products are highly subsidized by the EU.

Therefore Ecowas lax rules of origin allowing the free movements of products on the regional market should be reassessed and changed in the context of the interim EPAs. And Nigeria should join Ecowas LDCs – which would suffer even more from Ghana and Ivory Coast dumping as the share of their total imports coming from these two countries is much higher than that of Nigeria – to challenge the Ecowas TLS rules of origin. By signing the regional EPA, LDCs (except the Gambia and Mauritania) accepted reluctantly the correlative losses of tariff revenues without questioning the free movement of goods within ECOWAS. It is likely that they would now challenge their previous stance after the implementation of Ghana's and Ivory Coast's interim EPAs to which they were not associated and which are contradicting the provisions of the regional EPA.

Table 2 – GSP+ duties Nigeria could have paid to EU28-UK in 2015 without EPA and GSP paid

Euros Chapters of the Harmonized System	UE28-UK imports		GSP		GSP+	
	Euros	Tonnes	Euros	Rate	Euros	Rate
01- Live animals	7936	1	0	0	0	0
02- Meats	242	0	0	0	0	0
03- Fish	47554909	39404	1998886	4,20%	0	0
04- Dairy produce	5982	18	2176	36,38%	2176	36,38%
05- Products of animal origin	646647	10580	0	0	0	0
06- Live trees and other plants	23691	43	237	1%	0	0
07- Vegetables	407615	5912	8512	2,09%	1396	0,34%
08- Fruits	1450271	6057	486	0,04%	0	0
09- Coffee, tea, spices	7120468	32018	723	0,01%	0	0
10 - Cereals	2619	18	93	3,55%	93	3,55%
11- Milling products	97915	2040	28208	28,81%	26226	26,78%
12- Oilseeds	45915919	310007	7	#0%	5	#0%
13- Lac, gums, resins	1863264	8935	0	0	0	0
14- Vegetable plaiting materials	153	0	0	0	0	0
15- Animal and vegetable fats and oils	13319	98	711	5,34%	242	1,82%
16- Preparations of meats and fish	200	0	8	4%	0	0
17- Sugars and sugar confectionery	1498	4	116	7,74%	66	4,41%
18- Cocoa and cocoa preparations	425346364	1486763	2473106	0,58%	168	#0%
19- Preparations of cereals	99897	930	25053	25,08%	22048	22,07%
20- Preparations of vegetables, fruit	17304	145	1753	10,13%	0	0
21- Miscellaneous edible preparations	324256	1633	23443	7,23%	0	0
22- Beverages	313330	3008	8940	2,85%	0	0
23- Residues, oilseeds meals	7641	53	0	0	0	0
24- Tobacco	3213	1	1068	33,24%	0	0
Sub-total 01-24	531224653	1907668	4573526	0,86%	52420	0,01%
25- Salt, sulphur, earths, cement	15787	256	0	0	0	0
26- Ores, slag and ash	19676895	149651	0	0	0	0
27- Mineral fuels, mineral oils	15542065420	415036740	0	0	0	0
28- Inorganic chemicals	582	0	0	0	0	0
29- Organic chemicals	249181	170	0	0	0	0
30- Pharmaceutical products	16630	4	0	0	0	0

31- Fertilizers	9699695	355350	624401	6,44%	0	0
32- Tanning or dyeing extracts	5215	4	5	0,10%	0	0
33- Essential oils	55495	109	0	0	0	0
34- Soap and washing preparations	153063	341	0	0	0	0
35- Albuminoid substances	1747	0	0	0	0	0
36- Explosives; pyrotechnic products	0	0	0	0	0	0
37- Photographic or cinematographic goods	257	0	0	0	0	0
38- Miscellaneous chemical products	16436	12	0	0	0	0
39- Plastics	490016	5682	0	0	0	0
40- Rubber	37622987	273109	35	0	0	0
41- Raw hides and skins	154739825	62253	2615633	1,69%	1781796	1,15%
42- Articles of leather	66673	3	734	1,10%	0	0
43- Furskins and artificial fur	47445	4	0	0	0	0
44- Wood and articles of wood	31384614	1387237	0	0	0	0
45- Cork and articles of cork	0	0	0	0	0	0
46- Manufactures of straw	17082	13	3	#0%	0	0
47- Pulp of wood	124	0	0	0	0	0
48- Paper and paperboard	5939	15	0	0	0	0
49- Printed books, newspapers	100951	64	0	0	0	0
50- Silk	0	0	0	0	0	0
51- Wool	20	0	0	0	0	0
52- Cotton	3501290	18685	112346	3,21%	0	0
53- Other vegetable textile fibres	0	0	0	0	0	0
54- Man-made filaments	909	2	49	5,39%	0	0
55- Man-made staple fibres	114067	1512	3792	3,32%	0	0
56- Wadding, felt and nonwovens	732	0	47	6,42%	0	0
57- Carpets and floor coverings	613	0	23	3,75%	0	0
58- Special woven fabrics	99124	9	4603	4,64%	0	0
59- Covered textile fabrics	1008	1	51	5,02%	0	0
60- Knitted or crocheted fabrics	432	0	27	6,25%	0	0
61- Apparel knitted or crocheted	222365	127	21300	9,58%	0	0
62- Apparel not knitted or crocheted	52441	11	4973	9,48%	0	0
63- Other made up textile articles	20421	14	1173	5,74%	0	0
64- Footwear	47703	59	5346	11,21%	0	0
65- Headgear	16780	13	0	0	0	0
66- Umbrellas	53	0	1	1,20%	0	0
67- Prepared feathers and down	124111	594	0	0	0	0
68- Articles of stone, plaster, cement	4023	6	0	0	0	0
69- Ceramic products	1451	1	15	1,03%	0	0
70- Glass and glassware	14955	13	59	0,39%	0	0
71- Natural or cultured pearls	14794133	4380	0	0	0	0
72- Iron and steel	3873959	35338	0	0	0	0
73- Articles of iron or steel	599067	2930	0	0	0	0
74- Copper and articles thereof	36169002	84501	0	0	0	0
75- Nickel and articles thereof	125412	143	0	0	0	0
76- Aluminium and articles thereof	1024859	5194	45796	4,47%	38692	3,78%
78- Lead and articles thereof	9976777	90943	4072	#0%	0	0
79- Zinc and articles thereof	33	0	0	0	0	0
80- Tin and articles thereof	156	0	0	0	0	0
81- Other base metals	213	0	0	0	0	0
82- Tools, implements, cutlery	268601	59	0	0	0	0
83- Miscellaneous articles of metal	11004	13	0	0	0	0
84- Nuclear reactors, boilers, machinery	18335523	9005	0	0	0	0
85- Electrical machinery and equipment	17757729	79046	0	0	0	0
86- Railway or tramway locomotives	6943	81	0	0	0	0
87- Other vehicles	299672	203	17004	5,67%	0	0
88- Aircraft	9590397	595	0	0	0	0
89- Ships	113628	3	0	0	0	0
90- Optical, photographic, cinematographic	3545206	235	4760	0,13%	0	0
91- Clocks and watches	817	0	0	0	0	0
92- Musical instruments	8141	5	0	0	0	0
93- Arms and ammunition	0	0	0	0	0	0
94- Furniture; bedding	39749	80	0	0	0	0
95- Toys, games and sports requisites	3023	0	4	0,13%	0	0
96- Miscellaneous manufactured articles	30178	117	0	0	0	0
97- Works of art	134844	22	0	0	0	0
Sub-total 25-97	15917363623	417604957	3466252	0,22%	1820488	0,11%
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Source: Eurostat and TARIC (http://ec.europa.eu/taxation_customs/dds2/taric/taric_consultation.jsp?Lang=fr)