



## **UK and EU28 total and agricultural trade with the WA, EAC and SADC EPAs in 2015**

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According to EU statements the UK should remain an EU member in the 2 years that come before its formal detachment. So it will be bound by the free trade agreements (FTAs) it has signed, including the EPAs, when they will be implemented, even provisionally, pending ratification.

The attached excel table presents the total exports and imports value and for large groups of agricultural food products, comparing those of the UK and the EU28 in 2015 with the 3 EPA of West Africa (WA), Eastern Africa (EAC) and Southern African (SADC) for which I subtracted trade in Angola because it has not signed the SADC EPA. The data also exist in the table for trade in volume but I don't have time to show (you can get them).

For all trade from the share of UK is significantly higher for the English-speaking countries of the EAC and SADC than for WA where there are many francophone countries. A priori as sterling risk of dropping sustainably with the euro, this should improve the competitiveness of its exports to the EPAs countries but curb its imports from these countries and, in the future all depends on the new FTAs that the UK would establish with these countries.

It appears that for trade in all goods from the UK share was 8.5% of EU28 exports to WA, 11.5% to SADC and 18.1% to EAC while that for imports was of 9.4% from WA, 17% from EAC and 22.6% from SADC.

EU28 and UK total trade with the 3 EPAS of WA, EAC and SADC in 2015

Euros million	ECOWAS	West Africa	EAC	SADC
EU28 imports	26877,2	27353,3	2614,4	23728,3
UK imports	2566,6	2573	443,2	5362,8
UK/EU28 imports	9,5%	9,4%	17%	22,6%
EU28 exports	28295,7	29031,7	4061,3	27173,3
UK exports	2440,4	2464,4	733,9	3128,8
UK/EU28 exports	8,6%	8,5%	18,1%	11,5%
EU28 balance	1418,4	1678,4	1446,9	3445,1
UK balance	-126,3	-108,6	290,7	-2234
UK/EU28 balance	-8,9%	-6,5%	20,1%	-64,8%

For all agricultural products the UK share was of 5.6% of EU28 exports to WA, 18% to SADC and 7.7% to EAC while that for imports was of 8.6% from WA, 19.2% from EAC and 27.3% from SADC.

For trade in cereals and preparations, the share of the UK was 5.3% of EU28 exports to WA, 40% to SADC and 5.3% to EAC while that for imports it was of 65% from WA, 85.1% from EAC and 35.7% from SADC.

For poultry trade, eggs and preparations, the UK share was of 2.8% of EU28 exports to WA, 11% to SADC and 3.2% to EAC while that for imports was of zero for those coming from WA and EAC and of 74% from SADC.

For trade in beef and preparations the UK share was of 5.6% of EU28 exports to WA, 37% to SADC and 7.7% to EAC while that for imports was zero from WA and EAC and 53.8% from SADC (mainly Namibia and Botswana).

For trade in pigmeat and preparations the UK share was of 8.4% of EU28 exports to WA, 3.1% to SADC and 1.1% to EAC while that for imports was zero from the 3 EPAs.

But the UK accounted for 14.8% of the EU28 imports in value from WA for the 4 most important products exported by Ivory Coast (IC) and Ghana (canned tuna, bananas, processed cocoa and pineapple) of which 28.9% for canned tuna, 22.7% for bananas, 16.5% for pineapples and 10.3% for cocoa products (of which 23.8% for cocoa butter). We don't know what the UK import policy would be after Brexit, if it will maintain the GSP duties if the EPA is not ratified – in which case IC, Ghana and Nigeria should pay 20.6 million euros for their exports of canned tuna to the UK, 8.8 million on bananas and pineapples exports and 7.3 million on exports of processed cocoa products, representing for the four products a total of 36.7 million euros or 19.5% of the total 188.5 million euros of GSP duties that the 3 DCs (Nigeria, Ghana and IC) should pay to the EU on the basis of their exports in 2015 – or if it will maintain duty free imports if the EPA is ratified which would be curious since the UK would leave the EU28. Unless UK negotiates an FTA of the EPA type with WA, or even request a WTO waiver for non-reciprocal preferential trade, which would be a good lesson to the EU but does not appear consistent with the UK free-trade traditions.

The UK is the 3rd contributor to the 11th EDF (European Development Fund, from 2014 to 2020, which is not funded by the EU Budget but by the Member States), at 4.478 billion euros or 14.7% of the total 30.506 billion euros) after Germany (6.278 billion euros) and France (5.534 billion euros). There may be a change in the funds available for the EPADF (PAPED) both for the part financed by the 11th EDF and for the rest funded from the Community budget and the EIB (European investment Bank) as these budgets will be reduced of the UK contribution. We know that the UK has passed a bill in 2015 that enshrines in law its commitment to spend 0.7% of its gross national income (GNI) on aid every year, making it the first G7 country to meet the UN's 45-year-old aid spending target. After the Brexit this commitment may face political oppositions from the Leave camp which used xenophobia arguments and it is likely that the aid would rather become an "aid for trade" directed at countries more likely to generate larger UK exports, in which case its aid could be directed more to the countries of the EAC and SADC EPAs rather than to the WA EPA countries.

This is an additional reason not to sign the WA EPA but not a reason to sign and ratify the EAC and SADC EPAs given that it is likely that the UK external assistance would not increase with its xenophobia campaign for the Brexit, not to mention the risks of a lower economic growth.

### **UK and EU28 trade with Nigeria, the 5 WA anglophone countries and WA in 2015**

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The share of UK trade (exports and imports) with Nigeria is larger than that with the 5 WA (West Africa: ECOWAS + Mauritania) anglophone countries, which is larger than that with the whole WA. UK imports from Nigeria accounted for 87.4% of UK imports from the 5 WA anglophone countries and 76.8% of UK imports from WA. Nigeria accounted also for 73.4% of UK exports to the 5 WA anglophone countries and 57.4% of UK exports to WA.

On the other hand the EU28 imports from Nigeria accounted for 85.8% of EU imports from the 5 WA anglophone countries and 67.1% of EU imports from WA. And Nigeria accounted for 71.3% of the EU exports to the 5 WA anglophone countries and 36.8% of EU exports to WA.

If the English pound would be depreciated to the euro on a long term basis this could change the amount and share of UK trade with Nigeria.

#### UK total trade with Nigeria, the 5 WA English speaking countries and WA in 2015

€ 1000	Nigeria			5 WA anglophone countries			West Africa		
	Imports	Exports	Balance	Imports	Exports	Balance	Imports	Exports	Balance
UK	1975292	1413570	-561722	2260338	1925027	-335311	2572995	2464368	-108627
EU28	18364055	10678611	-7685444	21415049	14986173	-6428876	27353270	29031690	1678420
UK/EU28	10,8%	13,2%	7,3%	10,6%	12,8%	5,2%	9,4%	8,5%	-6,5%

As for the UK bilateral ODA (overseas development assistance) in 2015, Nigeria received £237 (€172) million or 5.9% of total, almost the same as Sierra Leone which received £238 million<sup>1</sup>. This bilateral ODA does not include the UK multilateral ODA, of which that to the EDF for all ACPs which is supposed to be of €640 per year from 2014 to 2020.

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<sup>1</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/482322/SID2015c.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/482322/SID2015c.pdf)