



West Africa's losses of customs revenues on imports from EU28-UK with the EPA¹

Jacques Berthelot (jacques.berthelot4@wanadoo.fr), December 31, 2016

Outline

- I – WA losses of import duties (ID) on EU28-UK FOB exports in 2015 and up to 2035
- II – WA losses of import duties (ID) on EU28-UK FOB exports of agricultural and fish products
- III – WA losses of ID and VAT on EU28-UK FOB exports from 2015 to 2050
- IV – Distribution of the liberalized imports and cumulative losses of customs revenues (ID + VAT) among the WA Members
- Annex 1 – Evolution from T to T20 of EU28-UK FOB exports to WA and corresponding import duties losses with the EPA according to ID groups and rates

I – WA losses of import duties (ID) on EU28-UK FOB exports in 2015 and up to 2035

Table 1 shows the West African (WA) tariff losses on exports from the EU28 minus the United Kingdom (EU28-UK) in FOB values from T (2015) to T20 (2035) if the regional Economic Partnership Agreement (EPA) is implemented. The details of exports of the EU28-UK and the corresponding import duties (ID) in FONB value DDs by group and rate is in Annex 1.

Table 1 – Summary of the EU-28-UK FOB exports to West Africa and import duties: 2015-35

Euros	Group	EU exports and ID in T (2015)		Losses of import duties in FOB value			
		Exports	ID	T5 (2020)	T10 (2025)	T15 (2030)	T20 (2035)
Total	D	6191643171	1090483848	1090483848	1090483848	1090483848	1090483848
TOTAL	A+B+C	19856890096	1706172427	1367829695	679724397,7	65614228,4	
TOTAL	A+B+C+D	26048533267	2796656274	2458313544	1770208246	1156098077	1090483848
ABC/ABCD		76,23%	61,01%	55,64%	38,40%	5,68%	0,00%

In a first time the analysis is limited to the FOB value of the UE28-UK exports to WA and the corresponding ID in EU FOB value, before adding four components – taken in more details in the studies on Nigeria, Ghana and Ivory Coast –: the gap between CAF WA and FOB EU; the higher imports and ID linked to the increase in population (assuming that imports rise at a rate 2/3 of that of population growth); the higher imports and ID linked to trade-diversion in favour of the EU; the impact of VAT on imports which increase VAT revenues with the EPA for many years due to the increase in imports with trade diversion.

The percentage of EU exports of liberalized products in relation to all EU28-UK exports at FOB values was of 73.8% in T (2015) for WA, 78.5% for the 3 DCs – of which 82.1% for Nigeria, 75.1% for Ghana and 67.7% for Ivory Coast – so that it was of 73.8% for the 13 LDCs (to which we assimilate Cape Verde benefiting from the GSP+). So it would be Nigeria which would suffer the most from the EPA and Ivory Coast the least.

¹ This is a revised version of December 31, 2016, having better considered the impact of trade diversion which does not play without EPA.

Table 2 – WA losses of ID on the EU28-UK FOB exports in 2015 and up to 2035

	EU FOB exports and WA ID in T (2015)			Losses of ID on liberalized products from T5 to T20			
	Exports	ID on EU FOB	ID rate	T5 (2020)	T10 (2025)	T15 (2030)	T20 (2035)
West Africa							
Excluded products	6191,6	1090,5	17,61%	1090,5	1090,5	1090,5	1090,5
Liberalized products	19856,6	1706,2	8,59%	1367,8	679,7	65,6	0
All products	26048,2	2796,7	10,74%	2458,3	1770,2	1156,1	1090,5
% liberalized products	76,30%	61%		55,60%	38,40%	5,70%	0%
Nigeria							
Excluded products	1590	221	13,90%	221	221	221	221
Liberalized products	7275,4	635,1	8,73%	537,7	267,7	13,4	0
All products	8865,4	856,1	9,66%	758,7	488,7	234,4	221
% liberalized products	82,10%	74,20%		70,90%	54,80%	5,70%	0%
Ghana							
Excluded products	606,6	117,7	19,40%	117,7	117,7	117,7	117,6
Liberalized products	1833,3	150,9	8,23%	114,4	57,2	5,9	0
All products	2430	268,6	11,05%	232,1	174,9	123,6	117,7
% liberalized products	75,14%	56,18%		49,29%	32,71%	4,79%	0%
Ivory Coast							
Excluded products	726,1	124,2	17,11%	124,2	124,2	124,2	124,2
Liberalized products	1520,7	118,3	7,78%	73,8	35,8	8,4	0
All products	2246,7	242,5	10,79%	198	160	132,6	124,2
% liberalized products	67,68%	48,79%		37,29%	22,38%	6,35%	0%
The 3 DCs							
Excluded products	2922,7	462,9	15,84%	462,9	462,9	462,9	462,8
Liberalized products	10629,4	904,3	8,51%	725,9	360,7	27,7	0
All products	13542,1	1367,2	10,10%	1188,8	823,6	490,6	462,9
% liberalized products	78,49%	66,14%		61,11%	43,80%	5,65%	0%
The 13 LDCs							
Excluded products	3268,9	627,6	19,20%	627,6	627,6	627,6	627,7
Liberalized products	9227,2	801,9	8,69%	641,9	319	37,9	0
All products	12506,1	1429,5	11,43%	1269,5	946,6	665,5	627,6
% liberalized products	73,78%	56,10%		50,56%	33,70%	5,69%	0%

Source: Eurostat and WA tariff offer to the EU for the regional EPA

The percentage of import duties (ID) levied on liberalized products over that levied on all EU28-UK FOB exports (of liberalized + excluded products) in T (2015) was of 61% for WA, of which 66.1% for the 3 DCs – of which 74.2% for Nigeria, 48.8% for Ghana and 56.2% for Ivory Coast – and of 56.1% for the 13 LDCs. Here again the ID losses would be relatively the highest for Nigeria and the lowest for Ghana. Let us stress that the level of EU exports and the losses of import duties are to be taken here in a restricted sense as they do not incorporate the gap between EU FOB values and WA CIF values, the larger imports value and ID losses from T5 to T20 due to the higher WA population by 61% from T to T20, trade diversion and gains of VAT (value added tax) on imports but they are taken into account in the specific papers on WA, Nigeria, Ghana and Ivory Coast, and a summary is made in table 3 below.

The average rate of ID on all EU28-UK FOB exports in 2015 was of 10.7% in WA, of which of 10.1% in the 3 DCs – of which of 9.7% in Nigeria, 11.1% in Ghana and 10.8% in Ivory Coast – and of 11.4% in the 13 LDCs. But the rate of ID on excluded products was about twice that on liberalized products: 17.6% against 8.6% in WA, of which 15.8% against 8.5% in the 3 DCs – of which of 13.9% against 8.7% in Nigeria, 19.4% against 8.2% in Ghana and 17.1% against 7.8% in Ivory Coast – and of 19.2% against 8.7% in the 13 LDCs.

II – WA losses of import duties (ID) on EU28-UK FOB exports of agricultural and fish products

Table 4 focuses on WA losses of ID on EU28-UK FOB exports in 2015 of agricultural and fish products (chapters 01 to 24 of the Harmonised System of trade codes).

The percentage of agricultural and fish products liberalized in T (2015) was of 37.5% in WA, of which of 41.6% in the 3 DCs – of which of 36.9% in Nigeria, 32.1% in Ghana and 56.2% in Ivory Coast – and of 33.2% in the 13 LDCs. We see that the percentage of agricultural and fish imports liberalized was about half that of total imports liberalized in WA (49.1%), of which 53.1% in the 3 DCs – of which of 44.9% in Nigeria, of 42.7% in Ghana but of 83% in Ivory Coast – and of 45% in the 13 LDCs.

Comparing tables 2 and 3 we see that:

- Agricultural and fish imports in relation to all imports from the EU28-UK in 2015 accounted for 15% in WA, of which 14.9% in the 3 DCs – of which 12.3% in Nigeria, 14.4% in Ghana and 25.6% in Ivory Coast – and 16.1% in the 13 LDCs. Clearly Ivory Coast is the most dependent on agricultural and fish imports from the EU28-UK, which illustrates its weakness on these products despite its large surplus in all agricultural and fish products due to its large export of cocoa products and processed tuna. Which illustrates also the risk of the EPA including of its interim EPA which will be implemented as long as the regional EPA will not be signed by all WA countries.

Table 3 – WA losses of import duties (ID) on EU28-UK FOB exports in 2015 of agricultural and fish

Euros million	In T (2015)			Reductions of import duties on EU FOB exports from T5 to T20			
	EU exports	ID/EU FOB	ID rate	T5 (2020)	T10 (2025)	T15 (2030)	T20 (2035)
West Africa							
Excluded products	2446,2	560,7	22,9%	560,7	560,7	560,7	560,7
Liberalized products	1469,1	89,5	6,1%	30,4	14,2	1,8	0
Total	3915,3	650,2	16,6%	591,2	574,9	562,6	560,7
% liberalized products	37,5%	13,8%		5,1%	2,5%	0,3%	0%
Nigeria							
Excluded products	687,4	117,3	17,1%	117,3	117,3	117,3	117,3
Liberalized products	402,4	23,9	5,9%	6,6	3,3	0,5	0
Total	1089,8	141,2	13%	123,9	120,6	117,8	117,3
% liberalized products	36,9%	16,9%		5,3%	2,7%	0,4%	0%
Ghana							
Excluded products	236,9	59,3	25%	59,3	59,3	59,3	59,3
Liberalized products	112,2	8,2	7,3%	5	2,5	0,1	0
Total	349,1	67,5	19,3%	64,2	61,7	59,4	59,3
% liberalized products	32,1%	12,2%		7,7%	4%	0,2%	0%
Ivory Coast							
Excluded products	252,1	62,3	20,3%	62,3	62,3	62,3	62,3
Liberalized products	323,8	19,8	6,2%	8,3	3,4	0,2	0
Total	576	82,1	14,4%	70,6	65,7	62,5	62,3
% liberalized products	56,2%	24,2%		11,8%	5,2%	0,4%	0%
The 3 DCs							
Excluded products	1176,4	238,9	20,3%	238,9	238,9	238,9	238,9
Liberalized products	838,4	51,9	6,2%	19,9	9,2	0,8	0
Total	2014,9	290,8	14,4%	258,7	248	239,7	238,9
% liberalized products	41,6%	17,8%		7,7%	3,7%	0,3%	0%
The 13 LDCs (of which Cape Verde with the GSP+ status)							
Excluded products	1269,8	321,8	25,30%	321,8	321,8	321,8	321,8
Liberalized products	630,7	37,6	6%	10,5	5	1	0
Total	1900,4	359,4	18,90%	332,5	326,9	322,9	321,8
% liberalized products	33,20%	10,50%		3,20%	1,50%	0,30%	0%

Source: Eurostat and the WA tariff offer to the EU for the EPA

- The percentage of import duties on agricultural and fish imports in 2015 in relation to that on all imports from the EU28-UK was of 23.2% in WA, of which of 21.3% in the 3 DCs – of which of 16.5% in Nigeria, 25.1% in Ghana and 33.9% in Ivory Coast – and of 25.1% in the 13 LDCs. The highest weight of ID on agricultural and fish imports on all its imports from the EU28-UK is in line with its higher dependency on those imports than for the rest of WA.

- The percentage of import duties on agricultural and fish products liberalized in relation to that on all imports from the EU28-UK in 2015 was only of 5.2% in WA, of which of 5.7% in

the 3 DCs – of which of 3.8% in Nigeria, 5.4% in Ghana and 16.7% in Ivory Coast – and of 4.7% in the 13 LDCs.

- The percentage of import duties on agricultural and fish products excluded from liberalization in relation to that on all excluded imports from the EU28-UK in 2015 was of 51.4% in WA, of which of 51.6% in the 3 DCs – of which of 53.1% in Nigeria, 50.4% in Ghana and 50.2% in Ivory Coast – and of 51.3% in the 13 LDCs.

III – WA losses of ID and VAT on EU28-UK FOB exports from 2015 to 2050

Table 4 summarizes the evolution of customs revenues losses (ID and VAT) on WA imports from EU28-UK from T (2015) to T20 (2035) and T35 (2050). Net losses in customs revenues correspond to the difference between those without the EPA and those with the EPA.

Table 4 – West Africa's losses of customs duties on the EU28-UK exports with the EPA: 2020-50

Euros million	Imports at T	Import duties on the EU28-UK FOB value				
		T (2015)	T5 (2020)	T10 (2025)	T15 (2030)	T20 (2035)
EU28-UK FOB exports of liberalized products to West Africa						
	19856,9	1706,2	1367,8	679,7	65,6	0
WA imports and import duties at CIF values of liberalized products libéralisés (+30% on average over the EU FOB value)						
	25814	2218,1	1778,1	883,6	85,3	0
West Africa's population prospects for the UN population data base revised in 2015						
1000 inhabitants		353224	402831	457071	516290	580 558
Imports and import duties on liberalized products taking into account the population increase of Nigeria						
		T to T5	T5 to T10	T10 to T15	T15 to T20	T20 to T35
Population increase (%/year)		2,66	2,51	2,47	2,37	2,14
Increased imports "		1,77	1,67	1,65	1,58	1,43
	T	T5	T10	T15	T20	T35
Total liberalized imports	25814	28180,9	30613,9	33224,3	35933,3	44462,5
Imports duties with EPA	2218,1	1941,1	959,9	92,6	0	0
WA imports and import duties with trade diversion of liberalized products (+25% on average over the WA CIF value)						
Total liberalized imports	32267,5	35226,1	38267,4	41530,4	44916,6	55578,1
Imports duties with EPA	2772,6	2426,4	1199,9	115,8	0	0
Total annual reductions of customs revenues with the losses of VAT on imports						
ID rate without EPA	8,59%	8,59%	8,59%	8,59	8,59%	8,59%
ID without EPA	2218,1	2420,7	2629,7	2854	3086,7	3819,3
Imports + ID without EPA	28032,1	30601,6	33243,6	36078,3	39020	48281,8
VAT at 16% without EPA	4485,1	4896,3	5319	5772,5	6243,2	7725,1
ID + VAT without EPA	6703,2	7317	7948,7	8626,5	9329,9	11544,4
Imports + ID with EPA	28032,1	37652,5	39467,3	41646,2	44916,6	55578,1
VAT with EPA	4485,1	6024,4	6314,8	6663,4	7186,7	8892,5
ID + VAT with EPA	6703,2	8450,8	7514,7	6779,2	7186,7	8892,5
VAT gains with EPA	0	1128,1	995,8	890,9	943,5	1167,4
ID losses with EPA	0	-5,7	1429,8	2738,2	3086,7	3819,3
Net losses ID+VAT with EPA	0	-1133,8	434	1847,3	2143,2	2651,9
Total cumulative losses of customs revenues on imports (ID + VAT) with the EPA from T5 (2020) to T20 (2035) and T35 (2050)						
Cumulative losses		-1133,8	-1658,4	3593,4	13700,8	49014,3

It should be noted that the first years of liberalization VAT receipts on imports are increasing with the increase in imports and trade diversion for the EU, so that the annual and cumulative impact of these imports is positive for all customs revenues.

Table 5 – Annual & cumulative losses of ID+VAT on WA liberalized imports from EU28-UK with EPA

€ million	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Annual						-1133,8	-552,9	-369,2	-150,2	113,7	434	579,8
Cumulative						-1133,8	-1686,7	-2055,9	-2206,1	-2092,4	-1658,4	-1078,6
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Annual	774,6	1034,9	1382,7	1847,3	1903	1960,6	2019,8	2080,8	2143,2	2168,9	2194,9	2221,3
Cumulative	-304	363,4	1746,1	3593,4	5496,4	7457	9476,8	11557,6	13700,8	15869,7	18064,6	20285,9
	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Annual	2247,9	2274,9	2302,2	2329,8	2357,8	2386,1	2414,7	2344,7	2473	2502,7	2532,7	2561,9
Cumulative	22533,8	24808,7	27110,9	29440,7	31788,5	34184,6	36599,3	38944	41417	43919,7	46452,4	49014,3

However, the fall in IDs with the EPA leads to a rapid increase in customs revenues. After net cumulative gains (negative losses correspond to gains) of €1.134 billion in T5 and €1.658 billion in T10, cumulative losses reach €3.593 billion in T15 and €13.701 billion in T20, culminating at €49.014 billion in T35. Table 5 presents the annual and cumulative gains and losses of DD + VAT.

But these losses would materialize only if the regional WA EPA would be implemented, which does not seem likely any longer given that the formal deadline to do it was the 1st October 2016 and Nigeria, the Gambia and Mauritania have not even signed it. But now that Ghana and Ivory Coast have ratified their interim EPAs (iEPAs) they should have to pay, from T5 on, import duties for their exports to the other WA countries which otherwise would be flooded with EU28-UK products these two countries would have imported duty-free. And these duties would be quite substantial, even larger than the GSP+MFN duties they would have had to pay on their exports to the EU if they did not implement their iEPAs.

Since the 25% rate of trade diversion (in relation to CIF imports) is not based on an objective assessment and as the authors differ considerably on its level, it is useful to calculate the evolution of customs revenue losses without trade diversion with the EPA. This is done in tables 6 and 7 showing that the loss of customs revenues would be twice as high without trade diversion which increases VAT receipts with the EPA.

Table 6 – Losses of ID+VAT on WA imports from EU28-UK without trade diversion in EPA

Euros million	Imports	ID on EU28-UK FOB exports to WA				
		T (2015)	T5 (2020)	T10 (2025)	T15 (2030)	T20 (2035)
EU28-UK FOB exports of liberalized products to West Africa						
	19856,9	1706,2	1367,8	679,7	65,6	0
WA imports and import duties at CIF values of liberalized products (+30% on the EU FOB value)						
	25814	2218,1	1778,1	883,6	85,3	0
West Africa's population prospects for the UN population data base revised in 2015						
1000 inhabitants		353224	402831	457071	516290	580 558
Imports and import duties on liberalized products taking into account the population increase of Nigeria						
		T to T5	T5 to T10	T10 to T15	T15 to T20	T20 to T35
Population increase (%/year)		2,66	2,51	2,47	2,37	2,14
Increased imports "		1,77	1,67	1,65	1,58	1,43
	T	T5	T10	T15	T20	T35
Total liberalized imports	25814	28180,9	30613,9	33224,3	35933,3	44462,5
Imports duties with EPA	2218,1	1941,1	959,9	92,6	0	0
Total annual reductions of customs revenues with the losses of VAT on imports						
ID rate without EPA	8,59%	8,59%	8,59%	8,59	8,59%	8,59%
ID without EPA	2218,1	2420,7	2629,7	2854	3086,7	3819,3
Imports + ID without EPA	28032,1	30601,6	33243,6	36078,3	39020	48281,8
VAT at 16% without EPA	4485,1	4896,3	5319	5772,5	6243,2	7725,1
ID + VAT without EPA	6703,2	7317	7948,7	8626,5	9329,9	11544,4
Imports + ID with EPA	28032,1	30122	31573,8	33316,9	35933,3	44462,5
VAT with EPA	4485,1	4819,5	5051,8	5330,7	5749,3	7114
ID + VAT with EPA	6703,2	6760,6	6011,7	5423,3	5749,3	7114
VAT losses with EPA	0	76,8	267,2	441,8	493,9	611,1
ID losses with EPA	0	479,6	1669,8	2761,4	3086,7	3819,3
Net losses ID+VAT with EPA	0	556,4	1937	3203,2	3580,6	4430,4
Total cumulative losses of customs revenues on imports (ID + VAT) with the EPA from T5 (2020) to T20 (2035) and T35 (2050)						
Cumulative losses		556,4	6808,1	20036,9	37167	97448

Table 7 shows that the losses of DD + VAT appear immediately in 2020, with cumulative losses rising to 6,808 billion euros in 2025, 20,037 billion euros in 2030, 37,167 billion euros in 2035 (T20) and 97.448 billion euros in 2050 (T35).

Table 7 – WA annual & cumulative losses of ID and VAT without trade diversion with EPA

€ million	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Annual						556,2	713,9	916,2	1175,8	1509	1937	2141,9
Cumulative						556,2	1270,1	2186,3	3362,1	4871,1	6808,1	8950
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Annual	2368,5	2619,1	2896,2	3203,1	3275,2	3348,9	3424,2	3501,3	3580,5	3631,7	3683,6	3736,3
Cumulative	11318,5	13937,6	16833,8	20036,9	23312,1	26661	30085,2	33586,5	37167	40798,7	44482,3	48218,6
	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Annual	3789,7	3843,9	3898,9	3954,6	4011,2	4068,5	4126,7	4185,7	4245,6	4306,3	4367,9	4430,4
Cumulative	52008,3	55852,2	59751,1	63705,7	67716,9	71785,4	75912,1	80097,8	84343,4	88649,7	93017,6	97448

The actual losses could be between these two extremes if the trade diversion were limited to 12.5% of the CIF imports coming from the EU28-UK.

IV – Distribution of the liberalized imports and cumulative losses of customs revenues (ID + VAT) among the WA Members

Tables 8 and 9 present the distribution of the liberalized imports and of the annual and cumulative losses of customs revenues (ID + VAT) among the main WA Members – the three DCs (Nigeria, Ghana, Ivory Coast) and the 13 LDCs (assimilating Cape Verde to an LDC as it has almost the same duty free access to the EU with the GSP+) – in the two alternatives of trade diversion at 25% of CAF imports or no trade diversion.

Table 8 – Losses of revenues on imports (ID+VAT) with EPA from T5 to T20 and T35 (2050)

Euros million	T	T5	T10	T15	T20	T35
West Africa						
Liberalized imports	32267	35226	38267	41530	44916	55577
Annual losses	0	-1133,8	434	1847,3	2143,2	2651,9
Cumulative losses	0	-1133,8	-1658,4	3593,4	13700,8	49014,3
Nigeria						
Liberalized imports	9458	12870	13960	15099	16281	19968
Annual losses		-183,5	388,7	931,6	1031,1	1264,7
Cumulative losses		-183,5	462,4	3905,4	8858,1	26313,3
Ghana						
Liberalized imports	2382	3200	3417	3628,8	3840,4	4452
Annual losses		-49,8	36,5	149	170,4	497,6
Cumulative losses		-49,3	-155,9	348,6	1162	3931
Ivory Coast						
Liberalized imports	2471	2676	2892	3119	3355	4126
Annual losses		-39	45,3	108,6	134,9	165,9
Cumulative losses		-39	-17,5	377,2	996,8	3261,8
The 3 developing countries						
Liberalized imports	14311	18746	20269	21846,8	23476,4	28546
Annual losses	0	-271,8	470,5	1191,9	1336,4	1628,2
Cumulative losses	0	-271,8	289	4631,2	11016,9	33506,1
The 13 LDCs (assimilating Cape Verde with GSP+ to an LDC)						
Liberalized imports	17956	16480	17998	19683	21440	27031
Annual losses		-861,5	-36,5	655,4	806,8	1023,7
Cumulative losses		-862	-1947,4	-1037,8	2683,9	15508,2
Share of liberalized imports						
The 3 developing countries	44,4%	53,2%	53%	52,6%	52,3%	51,4%
Nigeria	29,3%	36,5%	36,5%	36,4%	36,3%	35,9%
Ghana	7,4%	9,1%	8,9%	8,7%	8,6%	8%
Ivory Coast	7,7%	7,6%	7,6%	7,5%	7,5%	7,4%
The 13 LDCs	55,7%	46,8%	47%	47,4%	47,7%	48,6%
Share of cumulative losses of customs revenues						
The 3 developing countries		24%	-17,4%	128,9%	80,4%	68,4%
Nigeria		16,2%	-27,9%	108,7%	64,7%	53,7%
Ghana		4,4%	9,4%	9,7%	8,5%	8%
Ivory Coast		3,4%	1,1%	10,5%	7,3%	6,7%
The 13 LDCs		76%	117,4%	-28,9	19,6	31,6%

Table 9 – Losses of revenues on imports (ID+VAT) without trade diversion with EPA

Euros million	T	T5	T10	T15	T20	T35
West Africa						
Liberalized imports	25814	28180,9	30613,9	33224,3	35933,3	44462,5
Annual losses	0	556,2	1937	3203,1	3580,5	4430,4
Cumulative losses	0	556,2	6808,1	20036,9	37167	97448
Nigeria						
Liberalized imports	9458	10295,8	11168,2	12078,8	13025,1	15974,4
Annual losses		160,1	693,1	1201,4	1319	1617,7
Cumulative losses		160,1	2258,3	7137,5	13493,5	35592,5
Ghana						
Liberalized imports	2382,3	2560	2733,6	2903	3072,3	3561,6
Annual losses		59	168,9	267,6	293,4	340
Cumulative losses		59	638,5	1761	3175,3	7941
Ivory Coast						
Liberalized imports	1976,9	2140,2	2313,6	2494,8	2683,7	3301,1
Annual losses		42,5	135,8	208	242,2	297,9
Cumulative losses		42,5	492,5	1375,9	2516,3	6580,7
The 3 developing countries						
Liberalized imports	14311	18746	20269	21846,8	23476,4	28546
Annual losses	0	261,6	997,8	1677	1854,6	2255,6
Cumulative losses	0	261,6	3389,3	10274,4	19185,1	50114,2
The 13 LDCs (assimilating Cape Verde with GSP+ to an LDC)						
Liberalized imports	11996,8	13184,9	14398,5	15747,7	17152,2	21625,4
Annual losses		294,6	939,2	1526,1	1725,9	2174,8
Cumulative losses		294,6	3418,8	9762,5	17981,9	47333,8
Share of liberalized imports						
The 3 developing countries	53,53%	53,21%	52,97	52,60%	52,27%	51,36%
Nigeria	29,30%	36,50%	36,50%	36,40%	36,30%	35,90%
Ghana	7,40%	9,10%	8,90%	8,70%	8,60%	8%
Ivory Coast	7,70%	7,60%	7,60%	7,50%	7,50%	7,40%
The 13 LDCs	46,47%	46,79%	47,03%	47,40%	47,73%	48,64%
Share of cumulative losses of customs revenues						
The 3 developing countries		47%	50%	51%	52%	51%
Nigeria		29%	33%	36%	36%	37%
Ghana		10,61%	9,38%	8,79%	8,54%	8,15%
Ivory Coast		7,64%	7,23%	6,87%	6,77%	6,75%
The 13 LDCs		53%	50%	49%	48%	49%

Although the WA liberalized imports are almost equally divided between the 3 DCs (51.4%) and the 13 LDCs (48.6%), with the trade diversion at 25% of CIF imports, the 3 DCs would suffer 79% of the cumulative losses of customs revenues in T20 (2035) and 2/3 in T35 (2050).

However, without trade diversion, table 7 shows that the shares of cumulative losses would be almost the same as the share of liberalized products, being almost equally divided between the 3 DCs and the 13 LDCs.

The conclusion is clear-cut: the regional EPA should not be signed by the missing States and Ghana and Ivory Coast would have no interest to implement their interim EPAs already provisionally applied but should pressure the EU to request a new WTO waiver or to grant them the GSP+ status (to Nigeria as well). The GSP+ duties would have been of only 27.4% of the standard GSP duties for the average of IC, Ghana and Nigeria: 33.5% for IC, 11.3% for Ghana and 30.2% for Nigeria. For total GSP+ duties of €46 million for the 3 WA DCs, of which €38.3 million for IC, €5 million for Ghana and €2.7 million for Nigeria.

Annex 1 – Evolution from T to T20 of EU28-UK FOB exports to WA and corresponding import duties losses with the EPA according to ID groups and rates

Euros	HS chapters	Group	ID rate	EU exports an ID in T (2015)		Reductions of ID (in EU28-UK FOB value)			
				Exports	ID	T5 (2020)	T10 (2025)	T15 (2030)	T20 (2035)
	01-02	D	35%	378515450	132480408	132480408	132480408	132480408	132480408
	03-04			16006218	5602176	5602176	5602176	5602176	5602176
	05-08			152812958	53484535	53484535	53484535	53484535	53484535
	15-18			56659589	19830856	19830856	19830856	19830856	19830856
	19-24			77580520	28502786,9	28502786,9	28502786,9	28502786,9	28502786,9
	29-37			24276832	8496891	8496891	8496891	8496891	8496891
	51-59			87651399	30677990	30677990	30677990	30677990	30677990
	Sous-total			793502966	279075642,9	279075642,9	279075642,9	279075642,9	279075642,9
	01-02	D	20%	2467415	493483	493483	493483	493483	493483
	03-04			182482790	36496558	36496558	36496558	36496558	36496558
	05-08			41811420	8362284	8362284	8362284	8362284	8362284
	09-14			10296656	2059331	2059331	2059331	2059331	2059331
	15-18			110326257	22065251	22065251	22065251	22065251	22065251
	19-24			1096101326	219220265,2	219220265,2	219220265,2	219220265,2	219220265,2
	25-28			41978514	8395702,8	8395702,8	8395702,8	8395703	8395703
	29-37			170106167	34021233	34021233	34021233	34021233	34021233
	38-43			205176225	41035245	41035245	41035245	41035245	41035245
	44-50			99299285	19859857	19859857	19859857	19859857	19859857
	51-59			239574963	47914993	47914993	47914993	47914993	47914993
	60-62			40468825	8093765	8093765	8093765	8093765	8093765
	63-70			368546773	73709354,6	73709355	73709354,6	73709354,6	73709354,6
	71-73			80974568	16194913,6	16194913,6	16194914	16194914	16194914
	74-76			45253321	9050664	9050664	9050664	9050664	9050664
	77-83			130452733	26090547	26090547	26090547	26090547	26090547
	84			40479661	8095932,2	8095932	8095932	8095932	8095932
	85			57052350	11410470	11410470	11410470	11410470	11410470
	86-90			549403582	109880716,4	109880716,4	109880716,4	109880716,4	109880716,4
	91-97			143117319	28623464	28623464	28623464	28623464	28623464
	Sous-total			3655370150	731074029,8	731074030	731074030,2	731074030,2	731074030,2
	03-04	D	10%	301670356	30167036	30167036	30167036	30167036	30167036
	09-14			7733669	773366,9	773366,9	773366,9	773366,9	773366,9
	15-18			7587369	758736,9	758736,9	758736,9	758736,9	758736,9
	19-24			4186183	418618,3	418618,3	418618,3	418618,3	418618,3
	29-37			64393037	6439304	6439304	6439304	6439304	6439304
	38-43			22680488	2268048,8	2268049	2268049	2268049	2268049
	50-59			13959636	1395964	1395964	1395964	1395964	1395964
	63-70			26339148	2633914,8	2633914,8	2633914,8	2633914,8	2633914,8
	71-73			9625899	962589,9	962589,9	962589,9	962589,9	962589,9
	77-83			1514492	151449,2	151449,2	151449,2	151449,2	151449,2
	86-90			343651463	34365146,3	34365146,3	34365146,3	34365146,3	34365146,3
	Sous-total			803341740	80334175,1	80334175,3	80334175,3	80334175,3	80334175,3
	29-37	D	0%	939428315	0	0	0	0	0
	Total	D	0% à 35%	6191643171	1090483848	1090483848	1090483848	1090483848	1090483848
	01-02	A	5%	4418921	220946,1				
	03-04			257123441	12856172	0	0	0	0
	05-08			12767045	638352,25	0	0	0	0
	09-14			652809567	32640478	0	0	0	0
	15-18			8219988	410999,4	0	0	0	0
	19-24			245130911	12256545,55	0	0	0	0
	25-28			249624142	12481207,1	0	0	0	0
	29-37			250142639	12507132	0	0	0	0
	38-43			161366192	8068309,6	0	0	0	0
	44-50			129954283	6497714	0	0	0	0
	51-59			6374194	302864,9	0	0	0	0
	63-70			1458547	72927,35	0	0	0	0
	71-73			301550231	15077511,6	0	0	0	0
	74-76			84446196	4222310	0	0	0	0
	77-83			16108363	805418,2	0	0	0	0
	84			2373262593	118663129,7	0	0	0	0
	85			657686839	32242061	0	0	0	0
	86-90			1366444513	68322225,65	0	0	0	0
	91-97			1128564	56428,2	0	0	0	0
	Sous-total			68113898	338342732,6	0	0	0	0
	25-28	A	0%	37021420	0	0	0	0	0
	29-37			342153610	0	0	0	0	0
	38-43			39152268	0	0	0	0	0
	44-50			109426091	0	0	0	0	0

71-73			11140	0	0	0	0	0
85			11092623	0	0	0	0	0
86-90			158352	0	0	0	0	0
Sous-total			539015504	0	0	0	0	0
Total A			7319032673	338342732,6	0	0	0	0
01-02	B	10%	9423450	942345	942345	471172,5	0	0
03-04			71861552	7186155	7186155	3593078	0	0
09-14			16713621	1671362	1671362	835681,1	0	0
15-18			11985789	1198579	1198579	599289,5	0	0
19-24			99456351	9945635,1	9945635,1	4972817,55	0	0
25-28			8744712976	874471297,6	874471297,6	437235648,8	0	0
29-37			317544418	31754442	31754442	15877221	0	0
38-43			272650940	27265094	27265094	13632547	0	0
44-50			99814244	9981424	9981424	4990712	0	0
51-59			6835793	683579,6	683579,6	341789,8	0	0
63-70			28550780	2855078	2855078	1427539	0	0
71-73			47014605	4701460,5	4701460,5	2350730	0	0
74-76			35070962	3507096	3507096	1753548	0	0
77-83			54276488	5427649	5427649	2713824	0	0
84			503355196	50335519,6	50335520	25167760	0	0
85			314887495	31488750	31488750	15744375	0	0
86-90			322903127	32290312,7	32290312,7	16145156,35	0	0
91-97			12861099	1286110	1286110	643055	0	0
Sous-total			10969918886	1096991889	1096991890	548495944,6	0	0
09-14	B	5%	42280843	2114042	2114042	0	0	0
38-43			29415030	1470751,5	1470752	0	0	0
71-73			5888440	294422	294422	0	0	0
Sous-total			77584313	3879215,5	3879216	0	0	0
29-37	B	0%	88006303	0	0	0	0	0
Total	B	0% à 10%	11135509502	1100871105	1100871106	548495944,6	0	0
01-02	C	20%	2231640	446328	446328	223164	111582	0
03-04			2991216	598243,2	598243,2	299121,6	149560,8	0
05-08			9400857	1880171,4	1880171,4	940085,7	470042,9	0
09-14			10643493	2128699	2128699	1064349	532174,7	0
15-18			464391	92878,2	92878,2	46439,1	23219,55	0
19-24			11146024	2229204,8	2229204,8	1114602,4	557301,2	0
25-28			157577205	31515441	31515441	15757720,5	7878860	0
29-37			18758275	3745701,2	3745701,2	1872850,6	936425,3	0
38-43			83054696	16610939,2	16610939	8305470	4152735	0
44-50			4789904	957980,8	957980,8	478990,4	239495,2	0
51-59			6385231	1277046	1277046	638523,1	319261,6	0
60-62			11805242	2361048	2361048	1180524	590262,1	0
63-70			101025743	20205148,6	20205149	10102574,3	5051287,15	0
71-73			408015608	81603121,6	81603121,6	40801560,8	20400780,4	0
74-76			19143223	3828645	3828645	1914322	957161,2	0
77-83			36720390	7344078	7344078	3672039	1836020	0
84			66075914	13215182,8	13215183	6607591	3303796	0
85			191954412	38390882	38390882	19195441	9597721	0
86-90			16877066	3375413,2	3375413,2	1687706,6	843853,3	0
91-97			153253784	30650757	30650757	15325378	7662689	0
Sous-total			1312314314	262456909	262456909,4	131228453,1	65614228,4	0
38-43	C	5%	83079139	4153956,95	4153957	0	0	0
70-73			6788557	339427,85	339427,85	0	0	0
86-90			165911	8295,6	8295,6	0	0	0
Sous-total			90033607	4501680,4	4501680,45	0	0	0
Total	C	5% et 20%	1402347921	266958589,4	266958589,9	131228453,1	65614228,4	0
TOTAL	A+B+C		19856890096	1706172427	1367829695	679724397,7	65614228,4	
TOTAL	A+B+C+D		26048533267	2796656274	2458313544	1770208246	1156098077	1090483848
ABC/ABCD			76,23%	61,01%	55,64%	38,40%	5,68%	0,00%