



Perpetuating the interim EPAs of Ivory Coast and Ghana would be meaningless

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There is a rumour that, if Nigeria's stance not to sign the regional EPA is definitive so that the EPA would be buried, DG trade is contemplating to perpetuate the interim EPAs of Ivory Coast and Ghana provided they would formally sign them.

Regional integration having been claimed to be the main objective of the regional EPA, this would imply that DG trade doesn't worry about the disintegration of West Africa (WA). Indeed the other 14 States would be obliged to levy duties on their imports from Ivory Coast and Ghana to avoid being flooded by the EU products they would have imported duty free.

Not only the Common External Tariff in force since January 2015 would disappear but also all the other common policies put in place with difficulty since 1973, of which particularly the agricultural policy (ECOWAP) given the weight of Ivory Coast (and to a lower extent Ghana) in the regional agricultural trade.

Actually Ivory Coast's exports of all products, excluding cocoa, to ECOWAS (€2.024 billion) have exceeded by 72% in 2014 those to the EU (€1.176 billion) as cocoa exports to the EU were of €2.237 billion against €1.7 million to ECOWAS. Moreover Ivory Coast's exports to ECOWAS in 2013 (€3.071 billion) have even exceeded those to the EU (€3.016 billion) without excluding cocoa, and have exceeded them by 90% without cocoa (€1.590 billion). We should do the same calculus for Ghana.

Once the regional EPA buried and the interim EPA of Ivory Coast perpetuated, Ivory Coast would have to pay, based on 2014 data and the ECOWAS Common external tariff, €269.8 million on its exports to ECOWAS countries. Assuming a gap of about 15% between the FOB¹ value of Ivory Coast and the CIF value of ECOWAS countries, these duties would have been of around €310 million (table below), without taking into account the Statistical levy and the Community levy which add 2.5% to the CIF value, not to speak of the VAT (value added tax) based on the CIF value plus import duties.

Instead of being obsessed by the €113 million of GSP (Generalized System of Preferences) duties that the Ivory Coast's exporters would have to pay on their exports to the EU if the regional EPA is not implemented and the interim EPA has not survived, based on Ivory Coast's exports of 2015² – duties that the West Africa's civil society has proposed to mutualize among WA countries –, Ivory Coast should ponder on these two figures and on the huge political responsibility it would take by provoking the disintegration of WA. But the European Institutions have a larger responsibility.

¹ FOB (free on board): price of products at the place (port, airport, train station) of the exporting country; CIF (cost, insurance, freight): price of the product once arrived at the place of the importing country, before tariffs.

² *The folly to implement the EU-West Africa Economic Partnership Agreement (EPA), based on 2015 trade data*, SOL, 22 April 2016; *The West Africa-EU Economic Partnership Agreement is absurd and criminal*, SOL, May 14, 2016, <http://www.solidarite.asso.fr/Papers-2016>

Tariffs on Ivory Coast's exports of 2014 to ECOWAS: interim EPA without regional EPA, in €1,000

HS chapters	FOB value	FOB duties	HS chapters	FOB value	FOB duties	HS chapters	FOB value	FOB duties
01	149	14,9	34	61401	21482	68	3170	633,2
02	107	37,5	35	724	83,8	69	162	32
03	435	61,5	36	0		70	607	61,7
04	6786	1351,9	37	0		71	1	0,2
05	4	#0	38	15206	1445	72	24361	4045,8
06	272	13,6	39	113360	21356,8	73	13030	1835,2
07	1094	292,3	40	2371	203,9	74	53	10
08	11030	2206	41	5	0,5	75	0	
09	1009	120,3	42	44	8,8	76	1387	264
10	14137	1341,5	43	0		78	0	
11	18780	3682,1	44	29028	4400,3	79	0	
12	7682	384,1	45	0		80	0	
13	95	4,8	46	9412	1882,4	81	0	
14	16	0,8	47	2	0,1	82	5284	666,4
15	156096	16073,8	48	52586	6411,5	83	406	54,2
16	150	49,7	49	587	113,4	84	4038	323
17	17860	4273,1	50	0		85	1124	115,8
18	1723	372,3	51	1	0,2	86	2202	110,1
19	29460	6036,5	52	26148	8370,9	87	15646	2396,7
20	8557	1031,2	53	50	2,5	88	5747	287,4
21	78231	11313,8	54	902	173,7	89	2990	594
22	13073	2620,2	55	135	13,5	90	3075	196,5
23	1335	133,5	56	695	61,4	91	0	
24	50626	10095	57	8	1,6	92	59	5,9
01-24	418707	61510,4	58	2	0,4	93	705	141
25	24461	4393,1	59	1749	349,8	94	3836	759,6
26	234	11,7	60	63	12,6	95	60	12
27	883681	79398,2	61	390	78	96	1811	362,2
28	1109	55,5	62	224	44,8	97	50	10
29	1317	65,9	63	25373	5074,6	01-24	418707	61510,4
30	202	0	64	52932	10586,4	25-97	1565739	208331,6
31	25267	897,5	65	28	5,4	TOTAL	1984446	269842
32	16305	2474,2	66	271	54,2	FCIF-FOB	297667	40476
33	129658	25899,3	67	4	0,8	TOTAL CIF	2282113	310318

Source: ITC TradeMap and ECOWAS' Common external tariff

Chapters 01 to 24 correspond to most agricultural products and fish (chapter 03 for fish and part of chapter 16 for processed fish) as there are also some agricultural products in other chapters, particularly in chapter 40 (rubber) and 52 (cotton). Non agricultural exports (chapters 25 to 97) have accounted for 79% of total exports and 77,2% of total duties.

The main exports and duties have concerned oil products (chapter 27 for €79.4 million of duties), perfumery, cosmetic or toilet preparations (chapter 33, for €25.9 million of duties), soap (chapter 34, for €21.5 million of duties), plastics, of which sacks and bags (chapter 39, for €21.4 million of duties), animal or vegetable fats and oils (chapter 15, for €16.1 million of duties), miscellaneous edible preparations, mainly roasted coffee and soups preparations (chapter 21, for €11.3 million of duties), shoes (chapter 64, for €10.6 million of duties), tobacco (chapter 24, for €10.1 million of duties) and cotton yarn (chapter 52, for 8.4 million of duties).