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African food and agricultural sectors and interim EPAs

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Introduction

This analysis is largely based on the joint ODI/ECDPM report 'The New EPAs: comparative analysis of their content and the challenges for 2008', supplemented by analysis and observations drawn from the Agritrade website.

General observations

The various interim EPAs (IEPAs) signed are significantly different from each other, even where this concerns countries in the same region (although it should be noted 'the interim agreement with Côte d'Ivoire specifically raises the possibility of re-negotiating the liberalisation schedule as part of a wider ECOWAS EPA'). This makes any aggregate assessment for ACP food and agricultural sectors (FAS) very difficult. Indeed, it requires each of the individual ACP tariff-elimination schedules to be reviewed separately.

In addition the treatment of goods not specifically mentioned in the tariff reduction/elimination commitment is far from clear. In some agreements, such as the EAC IEPA this covers a significant volume of current trade (some 38% of the value of Kenyan imports and an even higher share for Tanzania and Uganda).

The provisions of the IEPAs impacting on FAS trade and production in African ACP countries include:

- the EU commitment to the removal of all residual tariff barriers to ACP exports, which mainly affects food and agricultural products;
- ACP tariff-elimination commitments;
- various trade-related provisions which impinge on the use of agricultural and agriculture-related trade policy tools (e.g. trade defence instruments, import-licensing arrangements, reference prices, use of export taxes, competition-policy provisions, public-procurement provisions).

Looking towards the conclusion of comprehensive EPAs, a critical issue from an ACP perspective will be the 'aid for trade' tools established to support production and trade adjustments in the FAS in ACP countries, in response to the market changes brought about by the implementation of EPAs. These issues need to be borne in mind in reviewing the specific provisions of the different IEPAs and their impact on the FAS in those countries whose governments have initialled IEPAs.

EU duty-free, quota-free access commitments

Main sectors affected by DFQF access

From January 2008 through the IEPAs, the EU removed all tariffs, quotas and special duties on all exports except sugar and rice (for which special transitional arrangements have been established) from all ACP countries whose governments had initialled such an agreement. The granting of DFQF access has primarily affected agricultural products, since the majority of residual tariff and quota restrictions were concentrated in the FAS. The principal beneficiaries of this move have been those non-LDC ACP countries whose governments have signed IEPAs, since they now enjoy the same access to the EU market as LDCs enjoy under the EBA initiative.

According to the ODI/ECDPM report 'some €1.4 billion of EU imports is affected immediately' by the granting of DFQF access under the IEPAs, with this impacting primarily on ACP FAS exports (see Table 1). However, to put this in perspective this is 'just 2% of total EU imports from all non-LDC ACP states in 2006'. The main products affected by this measure are set out below:

Table 1: Products eligible for greatest static DFQF gains

HS/CN	Non-LDC ACP exports 2006 (€000)	Description	Duty paid in 2006 (€000)
ex 1006	29,651	Rice	4,041.0
08061010	28,075	Fresh table grapes	3,959.0
ex 0201/2	50,507	Beef	2,611.0
ex 0805	17,869	Citrus fruit	599.0
ex 07	6,124	Some fresh vegetables (tomatoes, onions, leeks, cauliflower, broccoli, chicory, carrots, turnips, spinach, sweet corn etc.	384.0
ex 19	1,733	Preparations of cereals	338.0
2302310	493	Wheat bran	244.0
18069070	1,174	Preparations containing cocoa for making beverages	220.0
ex 11	917	Flour of cereals roots and tubers	132.0
Ex 0808/9	815	Apples, pears and plums	77.0
15091090	248	Olive oil	77.0
04022119	87	Milk and cream	23.0
Ex 2007/9	194	Fruit jams and juices	19.0
08119011	60	Tropical fruits and nuts	5.0
22042185	97	Wine	4.0
12129920	186	Sugar cane	3.0
21069059	124	Flavoured or coloured sugar syrup	0.5
TOTAL	138,354		12,737.0

For rice during the transitional period Guyana and Surinam will see an expansion in their rice-export quotas from a 145,000-tonne quota before the conclusion of the comprehensive EPA to 187,000 tonnes in 2008 and to 250,000 tonnes in 2009, representing increases of 29% and 72% respectively (with these imports taking place on a duty-free basis). Moreover, the scope of the rice quota has been expanded to include both broken rice and whole-grain rice, which means that exporters should be better able to target the higher-priced market for whole-grain rice. The introduction of such administrative reforms has been a long standing demand of Caribbean rice exporters. The provisions of the Caribbean-EU EPA will thus progressively achieve the long-standing Caribbean objective of duty-free, quota-free access for rice exports. However it should be noted that despite the rapidly rising global rice prices, this does not appear to have been fully reflected in prices paid on the EU market. Between 2001 and 2007 recorded earnings per tonne on Guyana's and Surinam's rice exports to the EU fell by 17.4% and 17.5% respectively. This suggests that global price rises have not been sufficient to compensate for price reductions in the rice sector induced by CAP reform.

In the beef sector the IEPAs will also see the final removal of the 8% of the special duty still applied to ACP beef exports. Based on the volumes exported in 2007, for Botswana and Namibia this will yield extra revenues of £1.568 million and £1.21 million respectively. As can be seen from Table 1 the table-grape sector in Namibia will be one of the immediate beneficiaries of duty-free, quota-free access with an annual revenue gain of nearly €4 million. Beyond these areas (which account for 78% of the agricultural exports where the greatest short-term gains arise) the ODI/ECDPM study concludes that 'the immediate gains will be relatively small'. Indeed, this report argues that for some ACP countries 'the principal export benefit of EPAs is less the new opportunity offered by DFQF than the retention of previous levels of access'. This holds particularly true for ACP food and agricultural exports.

The complications in benefiting from DFQF access

The situation is more complicated than Table 1 implies, with the case of sugar being a good example. In terms of immediate benefits the special transitional arrangements for sugar have nominally resulted in the allocation of additional export quotas of 230,000 tonnes for the 2008/09 export season (see table 2 for the region-by-region breakdown). However, this appears to simply replace the complementary quantities which ACP exporters previously enjoyed.

Table 2: Summary of additional quotas in the 2008/09 season (tonnes w.s.e.)

Caribbean comprehensive EPA	60,000
SADC interim EPA	50,000
EAC interim EPA	15,000
ESA interim EPA	75,000
Pacific interim EPA	30,000
TOTAL	230,000

In addition the expanded access granted for the 2008/09 season needs to be set against the decline in the price paid for ACP sugar by EU importers to €448.8 from October 2008. The subsequent global quota-restricted access of 3.5 million tonnes for the ACP as a whole, involves a twin safeguard trigger with the following ceilings for non-LDCs: 1.38 million tonnes in 2009/10; 1.45 million tonnes in 2010/11; 1.6 million tonnes from the 2011/2012 season and for the following four seasons. Once this non-LDC sugar import ceiling or the global ACP import ceiling has been reached, safeguard measures involving a ban on further imports can be applied. This quota-restricted access also needs to be set against the further decline in the price paid for ACP sugar by EU exporters of not less than 90% of €335.0 from October 2009 until October 2012. After this date the ACP will receive no price guarantees for their sugar, with the prices paid for ACP sugar by EU importers then being determined by the market (see Table 3).

Table 3: ACP sugar-price guarantees under IEPAs

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Price (€/ tonne raw sugar)	€496.8	€448.8	Not less than 90% of €335.0	Not less than 90% of €335.0	Not less than 90% of €335.0	Market-related prices

In this context a situation will emerge where the reduction in the value of the preferences granted, will be likely to drive a number of ACP suppliers out of the EU market and could even in some instances result in the closure of their sugar industry. While other more competitive ACP suppliers will benefit from expanded exports, the fate of the less competitive ACP sugar suppliers highlights the intimate relationship which exists between the process of CAP reform and the subsequent process of trade liberalisation in sensitive agricultural sectors in the EU.

Which ACP countries benefit and which lose out will be critically determined not only by the underlying competitiveness of production but also by patterns of new investment, both domestic and foreign, and the re-definition of the basis on which the trade in sugar and sugar products takes place in the context of rapidly evolving EU markets. This issue of investment in supply capacity in sectors where EU tariffs and quota restrictions were formerly applied will determine the benefits derived by individual ACP countries from the IEPAs.

In the fruit-and-vegetable sector, where ACP exports have been growing in the last 15 years, securing the full benefits of duty-free, quota-free access is made difficult by the manner of application of stricter SPS, food-safety and private-sector standards. This is increasing the costs of serving the EU market and particularly disadvantaging small-scale producers. While policy initiatives can be undertaken to reduce these adverse effects, for example the establishment by mutual agreement of KENYAGAP standards, this approach is currently the exception rather than the rule in addressing this challenge across the ACP. The net effect is thus to narrow the scope for ACP exports rather than broaden the possibilities.

The longer-term benefits of DFQF access

In the longer term the ODI/ECDPM study identifies four potential benefits of the DFQF access granted under the IEPAs:

- the redistribution of import taxes which the EU formerly levied (e.g. in the beef sector) to the benefit of ACP suppliers;
- an incentive for EU importers to switch sources of supply to the ACP thereby increasing the volume of ACP exports;
- the opening up of new export opportunities in products formally subject to high

import duties (e.g. potentially important for processed food products, particularly sugar-containing food products);
- the stimulation of investment in, and subsequent supply of, products from ACP countries (e.g. in the sugar sector where there is strong evidence that DFQF access is impacting on the investment and sourcing decisions of EU sugar companies), although to date the EBA initiative has had the greatest impact in this regard.

Words of caution

Overall the ODI/ECDPM study concludes that 'it does not appear likely that there will be a sudden diversion of EU imports towards ACP suppliers' as a result of the granting of DFQF access under the IEPAs. In the longer term, while processed food products potentially hold the greatest scope for expansion, this will be critically determined by the rules of origin applied to combination food products exported from ACP countries. A further complicating factor will be the food-safety rules and private quality standards applied to ACP food and agricultural exports, particularly the cost of verification of compliance with such public and private standards. This is an area where aid-for-trade support and the establishment of dialogue processes with regard to implementation arrangements (not the standards *per se* but how they are applied in specific national and regional contexts and under different production systems) could prove invaluable. Whether such support can be effectively mobilised could well prove to be a critical factor in whether any of the long-term benefits of duty free-quota free access are realised in the particular circumstances faced by individual ACP countries.

The ODI/ECDPM study notes that 'recent history suggests that new trade preferences granted to the ACP have been quite quickly extended by the EU to other suppliers'. This process is compounded by the shift from price support to direct aid payments under way in sectors in the EU of considerable importance to ACP agricultural exports. It thus seems likely that the ACP will have only a small window of opportunity to exploit these preferences. The narrowness of this window, outside of those sectors where EU companies are restructuring at a global level (sugar and vegetable sectors) could well adversely affect investment flows into the development of new production in ACP countries.

Implications for aid-for-trade needs

This suggests a need for 'pump priming' support designed to encourage investment which follows market trends and is delivered in support of private-sector-led initiatives designed to adjust ACP production and trade structures in line with the new market realities. Such programmes could greatly assist ACP private sectors in exploiting the preferences while they exist. This would appear to pose a major challenge for expanding the 'aid for trade' programmes of the EU and its member states, which to date have not sought to address directly the issue of how to deliver 'pump priming' support to market-led, private-sector-based production and trade adjustments in ACP countries .

However it should equally be noted that investment flows are also likely to be influenced by the wider market context both in ACP countries and regions and beyond and the domestic policies pursued by individual ACP governments. The impact of domestic policy on investment flows, once certain minimum conditions for investment have been met, is by no means clear. UNCTAD has suggested, on the basis of its own analysis, that there is no correlation between the conclusion of investment agreements and flows of foreign direct investment, suggesting that there are no simple solutions to the domestic policy challenges faced by ACP governments when it comes to encouraging investment in the structural economic transformation of their economies.

Tariff treatment of non-IEPA signatories

Before closing this review of EU DFQF treatment under IEPAs it should be noted that the majority of ACP governments have not initialled interim EPAs. For LDC ACP countries this has not posed any major challenges, since they have been able to export under the terms of the EBA initiative, which also grants DFQF access. However, non-LDC ACP countries, whose governments have not initialled IEPAs have faced the reimposition of standard GSP duties. According to the ODI/ECDPM study this has adversely affected '1.2% of Nigeria's exports' to the EU, '6% of Gabon's exports and 3.5% of Congo's'. While some of these newly imposed tariffs are low, some include specific duties which are commonly high, while some include high *ad valorem* duties. This is impacting negatively on the largely agricultural sectors where these duties have been re-imposed. Against this background Nigeria has recently applied for accession to the GSP+ scheme.

ACP tariff-elimination commitments

Central Africa: the Cameroon-EC IEPA

The government of Cameroon is the only central African government to have initialled an IEPA. Tariff liberalisation 'will not commence until 2010', providing two years for the government to bring its tariffs into line with the proposed CEMAC common external tariff. Overall tariff liberalisation under the Cameroon EPA is 'moderately back loaded', yet 'Cameroon will experience some very early effects' with the first tranche of liberalisation from 2010-2013 including 'some high-tariff items', while 'almost half of Cameroon's imports from the EU in 2005-06 will be fully liberalised within 10 years'. Some food and agricultural products will be subject to tariff elimination in the first phase, including certain potatoes and tubers, although the value of these imports is not significant. The first phase of liberalisation also includes agricultural and horticultural appliances which should serve to reduce capital-investment costs in the agricultural sector (see Table 4).

Table 4: Cameroon: first-phase agricultural commitments

NTL code	Ave. imports 2004-06 $ 000	Description	Tariff
010110	5	pure-bred breeding horses and asses	30%
010611	0	live primates	30%
010612	-	live whales, dolphins and porpoises 'mammals of the order cetacea' and ...	30%
010619	-	live mammals (excl. primates, whales, dolphins and porpoises 'mammals of the ...	30%
010620	-	live reptiles 'e.g. snakes, turtles, alligators, caymans, iguanas, gavials and ...	30%
051110	4	bovine semen	30%
071410	-	fresh, chilled, frozen or dried roots and tubers of manioc 'cassava', whether or ...	30%
071420	-	sweet potatoes, fresh, chilled, frozen or dried, whether or not sliced or in the ...	30%
071490	2	roots and tubers of arrowroot, salep, jerusalem artichokes and similar roots and ...	30%

Products excluded from tariff-liberalisation commitments 'accounted for 21% of imports from the EU in 2005-06', although 'less than one-third are agricultural products', covering some 354 tariff lines (see table 5 for the agricultural product exclusions). The main food and agricultural products excluded are meat products, vegetables, cereal-based food products, coffee, cocoa, sugar and sugar confectionery. The EU does not produce some of these products so the reason for their exclusion is unclear, although it could be linked to the limited capacities in ACP countries to effectively enforce rules of origin for EU goods imported under the preferential provisions of the IEPAs.

Table 5: Cameroon: agricultural exclusions and the share of excluded trade

HS2	Description	Share of total
52	Cotton	10.4%
03	fish and crustaceans, molluscs and other aquatic invertebrates	5.2%
02	meat and edible meat offal	4.1%
07	edible vegetables and certain roots and tubers	3.8%
20	preparations of vegetables, fruit, nuts or other parts of plants	3.2%
15	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	2.8%
11	Products of the milling industry; malt; starches; inulin; wheat gluten	2.2%
16	preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates	1.9%
04	dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified	1.7%
22	beverages, spirits and vinegar	1.7%
09	Coffee, tea, maté and spices	1.6%
19	preparations of cereals, flour, starch or milk; pastrycooks' products	1.3%
18	Cocoa and cocoa preparations	0.8%
17	Sugars and sugar confectionery	0.7%
24	Tobacco and manufactured tobacco substitutes	0.7%
08	edible fruit and nuts; peel of citrus fruits or melons	0.6%
12	oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder	0.6%
13	lac; gums, resins and other vegetable saps and extracts	0.4%
10	Cereals	0.2%
05	Products of animal origin, not elsewhere specified or included	0.1%
06	live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	0.1%

West Africa: Côte d'Ivoire-EC IEPA

The government of Côte d'Ivoire is one of only two west African governments to have initialled an IEPA. Tariff-liberalisation commitments will commence immediately and will be completed by 2022. Goods to be liberalised in the first phase up to 2012 'represented almost 60% of Côte d'Ivoire's imports from the EU in 2004-06' (see Table 6 for details). Although some of these goods were already zero-rated, others had duties of up to 20%. Five agricultural products with imports of over $1 million are included in the first tranche of liberalisation commitments (with a further six fisheries products included). According to the ODI/ECDPM study 'several of the agricultural products would appear to be items that might compete with domestic producers'.

Table 6: Côte d'Ivoire: first-phase agricultural commitments

NTL code	Ave. imports 2004-06 $000	Description	Tariff
1602500000	1,254	Prepared or preserved meat or offal of bovine animals (excl. sausages and ...	20%
2005400000	1,038	Peas 'Pisum Sativum', prepared or preserved otherwise than by vinegar or ...	20%
2106901000	13,493	Food preparations, n.e.s.: No description at level 8	20%
0303420000	24,922	Frozen yellowfin tunas 'Thunnus albacares'	10%
0303430000	8,268	Frozen skipjack or stripe-bellied bonito 'Euthynnus -Katsuwonus- pelamis'	10%
0303490000	1,396	Frozen tunas of the genus 'Thunnus' (excl. Thunnus alalunga, Thunnus	10%
0303500000	1,123	Frozen herrings 'Clupea harengus, Clupea pallasii'	10%
0303740000	1,328	Frozen mackerel 'Scomber scombrus, Scomber australasicus, Scomber	10%
0303790000	11,463	Frozen freshwater and saltwater fish (excl. salmonidae, flat fish, tunas,	10%
1108120000	1,396	Maize starch	10%

Exclusions from tariff-liberalisation commitments accounted for 20% of the country's imports from the EU in 2004-06', with just over one-third of these being food and agricultural products (some 226 tariff lines; see Table 7 for summary details).

Table 7: Côte d'Ivoire: agricultural exclusions and the share of excluded trade

HS2	Description	Share of total
52	Cotton	21.2%
15	animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	6.5%
09	coffee, tea, maté and spices	5.6%
02	meat and edible meat offal	4.0%
18	cocoa and cocoa preparations	3.1%
20	preparations of vegetables, fruit, nuts or other parts of plants	3.0%
22	beverages, spirits and vinegar	2.8%
04	dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified	1.7%
01	live animals	1.4%
24	tobacco and manufactured tobacco substitutes	1.2%
07	edible vegetables and certain roots and tubers	1.1%
17	sugars and sugar confectionery	1.1%
10	Cereals	0.8%
03	fish and crustaceans, molluscs and other aquatic invertebrates	0.5%
11	products of the milling industry; malt; starches; inulin; wheat gluten	0.5%

West Africa: Ghana-EC IEPA

The government of Ghana is the second west African government to have initialled an IEPA. Tariff-liberalisation commitments will start in 2009 and will be completed by 2022. 'The liberalisation schedule is front loaded'. According to the ODI/ECDPM report, products being liberalised in the first six years accounted for over a quarter of imports from the EU in 2004-06 (see Table 8). The items with the highest tariffs applied fall into this first-phase liberalisation schedule. Over 70% of imports from the EU will be liberalised within 10 years. Four agricultural items are included in first phase liberalisation, including cuts of turkey meat; wheat flour and oats.

Table 8: Ghana: first-phase agricultural commitments

NTL code	Ave. imports 2004-06 $ '000	Description	Tariff
020727	1,297	Frozen cuts and edible offal of turkeys	20%
110100	1,245	Wheat or meslin flour	20%
110412	1,536	Rolled or flaked grains of oats	20%
330210	8,996	Mixtures of odoriferous substances and mixtures incl. alcohol	10%

Some 20% of current imports from the EU are to be excluded from liberalisation, with 28% of these items being agricultural and 62% of these items falling in the highest tariff band (see table 9).

Table 9: Ghana: agricultural exclusions and the share of excluded trade

HS2	Description	Share of total
52	Cotton	5.7%
03	fish and crustaceans, molluscs and other aquatic invertebrates	4.6%
02	meat and edible meat offal	3.3%
07	edible vegetables and certain roots and tubers	3.6%
15	animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	2.8%
08	edible fruit and nuts; peel of citrus fruits or melons	2.5%
09	coffee, tea, maté and spices	2.2%
20	preparations of vegetables, fruit, nuts or other parts of plants	2.2%
16	preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates	1.8%
22	beverages, spirits and vinegar	1.8%
10	Cereals	1.0%
13	lac; gums, resins and other vegetable saps and extracts	0.9%
11	products of the milling industry; malt; starches; inulin; wheat gluten	0.8%
18	cocoa and cocoa preparations	0.8%
04	dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified	1.7%
17	sugars and sugar confectionery	1.1%
24	tobacco and manufactured tobacco substitutes	1.2%
01	Live animals	0.4%
21	Misc edible preparations	0.2%
19	Preparations of cereals, flour, starch or milk, pastry cook products	0.1%

West Africa: reflections

As can be seen above, Ghana has a larger number of product exclusions than Côte d'Ivoire, excluding certain edible fruit and nuts; peel of citrus fruits or melons (HS 8), preparations of meat (HS 16), lac; gums, resins and other vegetable saps and extracts (HS 13), misc edible preparations (HS 21) and preparations of cereals, flour, starch or milk, pastry cook products (HS 19), which Côte d'Ivoire does not exclude. Equally there is no overlap between the first-phase tariff-elimination commitments of Ghana and Côte d'Ivoire in the agricultural sector. There is thus an incompatibility between both the first-stage tariff-elimination commitments and the exclusions lists in the agricultural component of the tariff-reduction schedules of Ghana and Côte d'Ivoire. Under any regional agreement this inconsistency would need to be reconciled. However, reconciling these inconsistencies between the Ghanaian and Ivorian offers would be greatly complicated by any moves towards a region-wide agreement, as more national tariff offers are placed on the table.

Eastern and southern Africa: the East African Community-EU IEPA

The EAC-EU IEPA includes one of a multiplicity of schedules for separate and distinct tariff-reduction commitments submitted by ACP countries which negotiated in the context of the ESA configuration. In the case of the EAC however no tariff cuts will be made until 2015. According to the ODI/ECDPM study 'Liberalisation will occur in three tranches. The first is in 2010 and involves only products with a CET of zero percent. The second will be between 2015 and 2023 and the third between 2020 and 2033. In other words, countries have 24 years from the date of attainment of the CET rates (and 26 years from 2008) to complete the EPA liberalisation process. This makes the EAC EPA the one with the longest transition period.' The EAC IEPA is thus the most back-loaded of the interim agreements concluded, since EAC countries will only need to start 'removing positive tariffs on a significant proportion of imports during the second phase' (2015-23).

In terms of EAC exclusions from tariff-elimination commitments, around a third in terms of the volume of trade covered are agricultural products (see Table 10).

Table 10: EAC: agricultural exclusions and the share of excluded trade

HS2	Description	Share of total
52	cotton	5.3%
20	preparations of vegetables, fruit, nuts or other parts of plants	3.9%
07	edible vegetables and certain roots and tubers	3.7%
09	coffee, tea, maté and spices	2.0%
04	dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified	1.8%
08	edible fruit and nuts; peel of citrus fruits or melons	1.8%
02	meat and edible meat offal	1.7%
22	beverages, spirits and vinegar	1.7%
16	preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates	1.5%
19	preparations of cereals, flour, starch or milk; pastrycooks' products	1.4%
21	miscellaneous edible preparations	1.2%
17	sugars and sugar confectionery	1.1%
15	animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	1.0%
11	products of the milling industry; malt; starches; inulin; wheat gluten	0.9%
03	fish and crustaceans, molluscs and other aquatic invertebrates	0.7%
24	tobacco and manufactured tobacco substitutes	0.7%
10	cereals	0.6%
18	cocoa and cocoa preparations	0.4%
23	residues and waste from the food industries; prepared animal fodder	0.2%
01	live animals	0.1%
06	live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	0.1%
14	vegetable plaiting materials; vegetable products n.e.s.	0.1%

Eastern and Southern Africa: the ESA-EU IEPA

ESA IEPA signatories consist of four island states (Comoros, Madagascar Mauritius and Seychelles) and Zimbabwe. Each government has established tariff-reduction schedules in relation to the COMESA common external tariff, however 'the details of their liberalisation and of their exclusion baskets are different'. An additional problem in the COMESA context is that although the structure of the common external tariff has been agreed (raw materials and capital goods - CET zero; intermediate goods – CET 10%; final products - CET 25%), no agreement has been reached on 'a formal definition that allocated each item in the nomenclature to one or other group'. Each category appears to be defined differently in each country's tariff schedules. Indeed, 'there are, in fact, over a thousand items being liberalised by one or more of the ESA countries where there is some degree of discrepancy in the CET classification', with in some instances the classification of the same product being different in all the tariff schedules.

While this will greatly complicate the conclusion of COMESA-wide tariff-elimination commitments, the FAS is little affected by this problem.

Under the various ESA IEPA liberalisation commitments 'raw materials and capital goods are liberalised first in a single year (although the actual year varies)'. Tariff reductions are not spread evenly across implementation periods but tend to be 'bulky cuts' implemented in specific years within the various phases (e.g. 2013, 2014, 2016, 2017 2020; 2022).

In the case of the Comoros 'all of the items being liberalised in the first tranche face a CET of zero'.

In terms of product exclusions, for the Comoros 19.3% of imports from the EU in 2004-06 are excluded, with two-thirds of these items being agricultural products. (see Table 11). However 'not all of the agricultural goods excluded are items that the EU can necessarily supply'.

Table 11: Comoros: agricultural exclusions and the share of excluded trade

HS2	Description	Share of total
08	edible fruit and nuts; peel of citrus fruits or melons	17.2%
02	meat and edible meat offal	9.7%
09	coffee, tea, maté and spices	9.7%
03	fish and crustaceans, molluscs and other aquatic invertebrates	8.6%
07	edible vegetables and certain roots and tubers	5.4%
16	preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates	5.4%
04	dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified	3.2%
05	Products of animal origin, not elsewhere specified or included	3.2%
11	products of the milling industry; malt; starches; inulin; wheat gluten	2.2%
15	animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	2.2%
20	Preparations of vegetables, fruits, nuts or other parts of plants	2.2%
10	cereals	1.1%
24	Tobacco and manufactured tobacco substitutes	1.1%

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