INTRODUCTION

The ACP–European Union relations date back to the beginning of the European integration as provisions concerning mutual cooperation were contained as early as the Treaty of Rome. The Cotonou Agreement, signed in 2000 and concluded for a term of 20 years, marked a new stage in the development of mutual trade relations. An important element of the Agreement was to negotiate Economic Partnership Agreements (EPAs) during a specified period. Those were supposed to be agreements providing for the progressive removal of barriers to trade on a mutual basis, including the liberalisation of essentially all trade in goods, as well as for extending cooperation to encompass other trade-related areas, in particular trade in services, investment, copyright, customs arrangements.

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Basically, EPAs were intended to support regional integration between the ACP States, to promote their development, and to contribute to poverty eradication in the countries concerned.

Negotiations on EPAs are conducted in several regional areas, including West Africa. Covering more than one-sixth of the surface area of the continent with 16 countries, the region is ‘almost’ the same in terms of membership as the regional integration community functioning since the 1970s – the Economic Community of West African States (ECOWAS). In the 2010s, the only country in the region remaining outside the community is Mauritania (but with a signed partnership agreement with the ECOWAS).

The article aims to present the benefits and costs for the West African countries of the conclusion of EPAs and of the implementation of trade liberalisation thereunder, in the light of their trade relations with the European Union Member States. The assessment of the advantages and disadvantages of entering into an EPA will take account of a situation in which the countries in question would not sign an EPA: how their customs status would change and whether it would involve a significant deterioration in the conditions of access to the EU market. Therefore, with regard to EU-West Africa trade relations, finding an answer to the following question is of key importance: with or without EPA?

The article employs an analytical and descriptive method. It draws on sources from the national and international literature, secondary legislation of the European Union in the form of regulations, as well as on EUROSTAT statistics.

CHARACTERISTICS OF THE WEST AFRICAN REGION

The West African region is situated north of the Gulf of Guinea and south of Sahara and includes 16 countries (Benin, Burkina Faso, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo, Côte d’Ivoire (Ivory Coast), Cape Verde), as many as 12 of which are classified by the UN as the least developed countries in the world (LDCs). The rest: Ghana, Nigeria, Côte d’Ivoire and Cape Verde are lower middle-income countries. It means that the region covering slightly more than one-sixth of the surface area of the continent at the same time accounts for 35% of the least developed African countries. Therefore, it is the main area of poverty, not only in Africa but also in the world. In addition, the region is very diverse as it comprises Nigeria, the most populous African country (182 million), and a number of countries with populations below 10 million. Similarly, the GDP growth rate varies widely; with the 2015 average growth rate of 2.5%, it ranged in the region from – 19.5% in extremely unstable Sierra Leone to 8.5% for Côte d’Ivoire. The diversity of the West African states is presented in (Table 1).

2 According to the classification adopted by the United Nations Organisation (UN), the West African region also includes the following islands: Saint Helena, Ascension and Tristan da Cunha as well as São Tomé and Príncipe, excluded from this analysis due to their economic insignificance and difficulties with obtaining data, www.worlddatlas.com [retrieved: 01 August 2017].

3 www.un.org, [retrieved: 01 August 2017].
Table 1. Surface area, population and GDP of West African countries (members of the ECOWAS and Mauritania) in 2015

<table>
<thead>
<tr>
<th>Country</th>
<th>Area (km²)</th>
<th>Population (thousand persons)</th>
<th>GDP (USD million)</th>
<th>GDP per capita (USD)</th>
<th>GDP growth rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benin</td>
<td>112,622</td>
<td>10,880</td>
<td>8,449</td>
<td>777</td>
<td>5.2</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>274,200</td>
<td>18,106</td>
<td>11,192</td>
<td>618</td>
<td>4.3</td>
</tr>
<tr>
<td>Cape Verde</td>
<td>4,033</td>
<td>521</td>
<td>1,580</td>
<td>3,035</td>
<td>1.7</td>
</tr>
<tr>
<td>Gambia</td>
<td>11,300</td>
<td>1,991</td>
<td>934</td>
<td>469</td>
<td>4.1</td>
</tr>
<tr>
<td>Ghana</td>
<td>238,533</td>
<td>27,410</td>
<td>35,284</td>
<td>1,287</td>
<td>3.9</td>
</tr>
<tr>
<td>Guinea</td>
<td>245,857</td>
<td>12,609</td>
<td>6,653</td>
<td>528</td>
<td>0.3</td>
</tr>
<tr>
<td>Guinea-Bissau</td>
<td>36,125</td>
<td>1,844</td>
<td>1,062</td>
<td>576</td>
<td>4.5</td>
</tr>
<tr>
<td>Côte d’Ivoire</td>
<td>322,463</td>
<td>22,702</td>
<td>31,504</td>
<td>1,388</td>
<td>8.5</td>
</tr>
<tr>
<td>Liberia</td>
<td>111,369</td>
<td>4,503</td>
<td>2,218</td>
<td>492</td>
<td>0.8</td>
</tr>
<tr>
<td>Mali</td>
<td>1,240,192</td>
<td>17,600</td>
<td>10,624</td>
<td>604</td>
<td>4.6</td>
</tr>
<tr>
<td>Mauritania</td>
<td>1,030,700</td>
<td>4,068</td>
<td>5,002</td>
<td>1,230</td>
<td>3.3</td>
</tr>
<tr>
<td>Niger</td>
<td>1,267</td>
<td>19,899</td>
<td>7,130</td>
<td>358</td>
<td>4.4</td>
</tr>
<tr>
<td>Nigeria</td>
<td>923,768</td>
<td>182,202</td>
<td>525,220</td>
<td>2,883</td>
<td>2.9</td>
</tr>
<tr>
<td>Senegal</td>
<td>196,722</td>
<td>15,129</td>
<td>13,926</td>
<td>920</td>
<td>6.2</td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>71,740</td>
<td>6,453</td>
<td>3,790</td>
<td>587</td>
<td>-19.5</td>
</tr>
<tr>
<td>Togo</td>
<td>56,785</td>
<td>7,305</td>
<td>4,104</td>
<td>562</td>
<td>5.4</td>
</tr>
<tr>
<td>West Africa</td>
<td>4,877,676</td>
<td>353,222</td>
<td>668,672</td>
<td>1,019</td>
<td>2.5</td>
</tr>
</tbody>
</table>


West African countries are members of the Economic Community of West African States (ECOWAS), established under the 1975 Treaty of Lagos⁴, specifying its objectives both broadly and rather vaguely⁵. Therefore, it took years to fulfil them, in a community combining a wide variety of countries differentiated in territorial and economic terms, additionally with different post-colonial French, British and Portuguese legacies⁶. Mostly due to Nigerian influence and efforts, the ECOWAS has a certain political status. It also enabled the community to play a reliable and effective role in regional peace-keeping operations through operations of the ECOWAS Monitoring Group (ECOMOG) in Liberia and Sierra Leone. Another area of its relative success is the cross-border movement of persons between the member states. On the other hand, the ECOWAS has been very moderately successful in trade integration; in 2015, intra-regional trade accounted for 10.8% of the total trade of the community, which is very low even in Africa. The share was only slightly higher (12.6%) for the West African

⁴ The signatories to the Treaty of Lagos were as follows: Benin, Burkina-Faso, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo and Côte d’Ivoire; Cape Verde acceded in 1976 and Mauritania withdrew in 2000. That last country entered into a partnership agreement with the community in 2007, for more see: A. Gupta, Regional Integration in West Africa: The Evolution of ECOWAS, OFR Occasional Paper #67, Observer Research, August 2015, p. 5.


Economic and Monetary Union (WAEMU) within the ECOWAS, i.e. Benin, Burkina Faso, Guinea-Bissau, Mali, Niger, Senegal, Togo, Côte d’Ivoire (Table 4). Despite the generally very low level of the socio-economic development, very wide disparities in the economic potential between the member countries (five of them: Nigeria, Côte d’Ivoire, Guinea and Ghana represent 90% of the whole community’s GDP), low complementarity of their economies, a significant trade barrier is the underdevelopment of transport networks, all the more that Mali, Niger or Burkina Faso are landlocked countries.

In spite of the above-mentioned obstacles, by adopting a document entitled ECOWAS Vision 2020 in 2007 the community set very ambitious goals to be attained by the end of the decade. Those include the elimination of trade and customs barriers, the creation of a common monetary union, enhancing the role of regional infrastructure networks and measures improving security. With regard to foreign trade, the implementation of the ECOWAS Common External Tariff (ECOWAS CET) can be considered a certain step forward.

THE ORIGIN OF EPAS WITH WEST AFRICAN COUNTRIES IN THE LIGHT OF THE COTONOU AGREEMENT

In terms of their trade regimes in relations with the European Union, West African countries rank among the African, Caribbean and Pacific states (ACP), i.e. former colonies of certain Member States, with special trade relations with the EU. From 1975, they enjoyed duty-free access to the EU market for all industrial and agricultural goods, with the exception of temperate zone products posing competition to EU products and covered by the common agricultural policy. Therefore, until 2000, West Africa could benefit from duty-free access...
to the EU market for most of its products under the Convention of Lomé, in order to contribute through trade to the development of the region. Those were non-mutual preferences so the countries of the region were not obliged to grant the same concessions to EU goods. But such unilateral trade preferences were inconsistent with the WTO rules, therefore they needed to be replaced with mutual preferences in the form of creating free trade areas, including between the EU and West Africa. However, the establishment of free trade areas involves lifting of tariffs in mutual trade, in this case by West African countries (the EU eliminated most tariffs much earlier). Nevertheless, the EU had an option for maintaining autonomous unilateral preferences (asking for a waiver). The EU could have requested from the WTO the possibility of granting autonomous unilateral (rather than mutual) tariff preferences as it did in the case of Moldova in 2008 on the grounds that Moldova was the poorest country on the European continent and lacked the necessary competitiveness to introduce reciprocal trade preferences arising from the conclusion and performance of a free trade agreement with the EU. The European Union refused to offer the same treatment to West African countries although some of the countries in the region (e.g. Ghana, Côte d’Ivoire, Nigeria) are characterised by even lower development levels (measured by GDP per capita) than Moldova and, basically, would be eligible for the same regime as the ‘Moldova treatment’.

One must not forget that with regard to West African exports to the European Union, tariffs are not the sole obstacle to the EU market access. A significant role is also played by technical barriers, in particular those relating to food safety, consumer protection etc.

A new stage in the development of mutual relations with West African countries (and with all the ACP States in general) was marked by the Partnership Agreement signed in Cotonou on 23 June 2003 for a period of twenty years (from March 2000 to February 2020), with a possible review every five years (which took place in 2005 and 2010). The Cotonou Partnership Agreement was the EU’s largest international agreement governing relations between the 28 European ACP States.


14 There are a particularly high number of technical barriers to trade in agri-food products. The requirements regarding aflatoxins in peanuts may serve as an example. The European Union set such stringent standards that West African peanut producers (mostly from Senegal, one of the world’s largest exporters of the product) were unable to export their goods to the European Union. That caused export losses of approx. USD 700 million, for more see: Qualitätsstandards für Lebensmittelimporte, Deutschlandfunk of 23 January 2004; B. Ntare, F. Waliyar, M. Ramouch, J. Ndjeunga, Market Prospects for Groundnut in West Africa, Common Fund for Commodities, Technical Paper 2004, No. 39, pp. 1-118. As another example, compliance with sanitary standards concerning fish exports would involve major investment in fisheries, S. S. Golub, A. A. Mbaye, Obstacles and Opportunities for Senegal’s International Competitiveness: Case Studies of the Peanut Oil, Fishing and Textile Industries, Africa Region Working Paper Series 2002, No. 37, p. 12.
Union Member States and the 78 ACP States; its provisions concern more than 100 countries from four continents inhabited by over 1.5 billion people.

The Cotonou Agreement was designed to establish a comprehensive partnership with three pillars: development cooperation, political cooperation and economic and trade cooperation (for the period 2000-2007). Within the third pillar, negotiations concerning regional economic partnership agreements (EPAs) were to be initiated in 2002-2007, one of the regions being West Africa. Those were supposed to be new trade agreements, consistent with the WTO principles regarding regional free trade areas and aimed to gradually eliminate, on a reciprocal basis, barriers to trade between the parties and to extend cooperation to include all trade-related fields, in particular services and investment, copyright and the environmental protection, border controls and customs procedures.

There are three conditions for introducing new rules of trade relations between the ACP States and the European Union. The first condition is legal in nature as it concerns the aforementioned compliance with the WTO principles. Secondly, it is economically necessary to reform the inefficient system of mutual trade relations based on the Conventions of Lomé. Trade governed by the above-mentioned rules did not bring the expected results as the share of ACP exports to the EU in the EU market dropped considerably, from 6.7% in 1976 to 2.8% in 1994. Tariff preferences and financial aid failed to counteract the marginalisation of the ACP States in world trade, neither did they contribute to the diversification of exports of the countries in question. The ineffective functioning of trade facilities for the ACP States was further undermined by the liberalisation of trade within the GATT/WTO, which gradually reduced trade between the EU and the group of countries concerned. The third reason is political in nature as it is related to maintaining the European Union’s strong position in the region as the main exporter and importer, as well as benefactor, which was particularly important in the context of expanding activities of China in Africa.

In the case of trade in goods, the Cotonou Agreement concerned the liberalisation of basically all trade between the parties, which, according to the EU interpretation, accounted for ca. 90% of mutual trade. On the part of the EU, asymmetrical liberalisation covers almost 100% of mutual trade, whereas on the part of the ACP States the respective share is 80%, which results in the
liberalisation of around 90% of mutual trade in goods. The aforementioned agreements were also intended to foster regional integration and to promote a gradual inclusion of the ACP States in the world economy.

THE CONDITIONS OF AND PROGRESS IN NEGOTIATIONS CONCERNING ECONOMIC PARTNERSHIP AGREEMENTS WITH WEST AFRICAN COUNTRIES

Under the Cotonou Agreement, EPAs with West African countries were supposed to be negotiated by 31 December 2007 and to include the creation of free trade areas with reciprocal trade preferences. The European Union proposed the abolition of tariffs by the countries of the region on 80% of articles within 15 years in exchange for immediate duty-free access to the EU market for almost 100% of West African products. The WTO rules would have allowed for an interpretation – taking account of the great differences in development between the EU and West Africa – involving a narrower scope of preferences (60% of West African products) for duty-free access over 25 years (as proposed by West African countries)\(^2\). During the negotiations, the EU went further that the WTO trade liberalisation requirements for free trade areas by including services, investment and public procurement rather than only goods. The West African countries, concerned about competition from EU businesses, were opposed to this. It must be remembered that 12 out of the 16 states in the region rank among the world’s least developed countries. As beneficiaries of tariff-free and quota-free access to the EU market under the EBA regime, they are not interested in entering into EPAs\(^3\). Therefore, at the end of 2007 the EU was unable to negotiate a regional EPA, no West African country had completed negotiations concerning partnership agreements by the established deadline, i.e. by the end of 2007.

Due to the limited progress in EPA negotiations with the ACP States, including with West African countries, the European Union threatened to withdraw the preferences, thus with a loss of preferential access to the common market (for countries other than LDCs). Therefore, the EU adopted Council Regulation (EC) No 1528/2007 of 20 December 2007, the so-called Market

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\(^3\) In February 2001, an EBA (Everything but Arms) arrangement was launched for the least developed countries (LDCs), involving duty-free and quota-free (DFQF) access to the EU market for all goods other than those covered by chapter 93 of the Combined Nomenclature, i.e. arms and ammunition. Tariffs on bananas, rice and sugar were reduced progressively and eliminated entirely in 2009 [Council Regulation (EC) No 416/2001 of 28 February 2001 amending Regulation (EC) No 2820/98 applying a multiannual scheme of generalised tariff preferences for the period 1 July 1999 to 31 December 2001 so as to extended duty-free access without any quantitative restrictions to products originating in the least developed countries, OJ L 60, 1.03.2001. The preferences were established for an indefinite period with no need to be reviewed, in contrast to the GSP. The EBA preferences were included in the GSP under Council Regulation (EC) No 2501/2001 of 10 December 2001 applying a scheme of generalised tariff preferences for the period from 1 January 2002 to 31 December 2004, OJ L 346, 31.12.2001 as a special arrangement. Every three years, the list of the least developed countries is revised by the Committee for Development Policy (CDP), a group of independent experts reporting back to the United Nations Economic and Social Council (ECOSOC). Therefore, Cape Verde lost the LDC status in December 2007. For more on the subject see: The Least Developed Countries Report, UNCTAD, Geneva 2016, wwwunctad.org/ldcr [retrieved: 21 July 2017].
Access Regulation (MAR), laying down conditions for an earlier and provisional application by the EU of trade preferences before economic partnership agreements are ratified. This temporary arrangement covered the countries engaged in negotiations concerning EPAs not yet signed or ratified by 31 December 2007, listed in Annex to the MAR. If an ACP State should fail to satisfy the criteria of the Regulation (Article 2(3)), trade preferences would be withdrawn and replaced with those granted under the EU’s GSP if such a state should qualify under the legislation concerning the GSP. The effective date of that amendment was 1 October 2014. In addition, more restrictive qualification criteria for the reformed GSP entered into force on 1 January 2014\(^2\).

Out of the 16 West African countries, only three (Ghana, Côte d’Ivoire and Cape Verde) would suffer deteriorated conditions of the EU market access if they failed to ratify EPAs (Table 2). They would become beneficiaries of the GSP, with reduced tariff preferences, especially with regard to the so-called sensitive products. Therefore, the European Union applied different three trade regimes in relations with West African countries: 1. LDCs, benefiting from preferential access to the EU market – EBA, 2. non-LDCs which have concluded interim EPAs and also benefited from preferential access to the EU market; 3. non-LDCs which have not concluded interim EPAs, only qualified to benefit from preferences under the GSP.

Table 2. West African countries and their current and ‘→’ future market access arrangements if no EPAs are ratified

<table>
<thead>
<tr>
<th>Country</th>
<th>Customs status/market access</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benin (LDC), Burkina Faso (LDC), Gambia (LDC), Guinea (LDC), Guinea-Bissau (LDC), Liberia (LDC), Mali (LDC), Mauritania (LDC), Niger (LDC), Senegal (LDC), Sierra Leone (LDC), Togo (LDC) (all EBA), Nigeria (GSP)</td>
<td>No change</td>
</tr>
<tr>
<td>Ghana</td>
<td>MAR→GSP</td>
</tr>
<tr>
<td>Côte d’Ivoire</td>
<td>MAR→GSP</td>
</tr>
<tr>
<td>Cape Verde*</td>
<td>EBA→GSP</td>
</tr>
</tbody>
</table>

* removed from the list of LDCs from 1 January 2008.


The EU could have accepted the 2011 proposal from the ministers of the African Union to recognise West Africa as the least developed region (LDCs). It would have allowed West Africa to benefit from the EBA initiative with no need to enter into economic partnership agreements. Instead, the EU set a new deadline for the completion of negotiations, threatening to withdraw free access to the EU market for non-LDC countries having chosen not to take measures necessary to implement interim EPAs by 1 October 2014. Under pressure from the European Union, two West African countries (non-LDCs), i.e. Côte d’Ivoire and Ghana (the countries which would have suffered worse access to the EU market if they had failed to sign EPAs), commenced negotiations regarding partnership agreements and completed them, on 7 December 2007 and 13 December 2007, respectively. After 1 January 2014, the countries in question could continue to benefit from preferential access to the EU market. The first country in the region to sign a bilateral interim EPA on 26 November 2008, limited to trade in goods, was Côte d’Ivoire; the agreement was approved by the European Parliament on 25 March 2009 and ratified by the Ivorian National Assembly as late as 12 August 2016. Much later, on 28 July 2016, Ghana concluded an EPA ratified on 3 August 2016 by the Ghanaian Parliament and approved by the European Parliament on 1 December 2016. It entered into provisional application on 15 December 2016.

Interim EPAs only cover the liberalisation of trade, thus the establishment of free trade areas. All the interim agreements contain commitments to continue negotiations (after 6 months of the conclusion of an interim EPA) leading to the signing of full EPAs, also including services, investment and public procurement. For an EPA to enter into force, the formal conclusion of the EPA negotiations is not sufficient. It must also be signed and ratified, usually after a vote of parliaments in West Africa and Europe.

Following this pressure from the EU West Africa decided to sign a regional EPA with the EU. Negotiations of the regional EPA were closed in Brussels on 6 February 2014. The text was initialled on 30 June 2014. All the EU Member States and all the 15 ECOWAS Member States apart from Nigeria and Gambia signed the EPA in December 2014. Mauritania and the ECOWAS initialled an Association Agreement on 5 May 2017 to define the country’s participation in ECOWAS’ trade policy, including the EPA. The West Africa–EU EPA is negotiated by the 15 ECOWAS countries plus Mauritania. After signature by all

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28 The conclusion of an EPA by Nigeria seems rather remote. Being the largest country in the region, Nigeria intends to develop its industry and trade with the other West African countries, simultaneously reducing its dependence on crude oil exports. The country in question is concerned that an EPA would interfere with the adopted strategy as imports of the majority of EU’s industrial products would be liberalised under such an agreement.
the parties, the agreement will be submitted for ratification.\textsuperscript{29}

THE ROLE OF ECONOMIC PARTNERSHIP AGREEMENTS IN TRADE RELATIONS BETWEEN WEST AFRICAN COUNTRIES AND THE EUROPEAN UNION – WHO WILL BENEFIT?

In terms of general benefits and costs of the conclusion of EPAs by West African countries, the benefits would include duty-free access to the EU market, whereas the costs would be the necessity to open up their own markets by lifting tariffs and exposing to competition from EU producers and, in the future, service providers as well, lower flexibility in increasing tariffs should arise such a need in the future; in addition, a fall in revenue from customs duties. The EPA with West African countries anticipates the elimination of tariffs on 75% tariff lines over 20 years (with the largest part of the reductions effected within 15 years) in exchange for nearly full reduction of EU tariffs on West African products upon the entry into force of the agreement, with the exception of HS chapter 93, i.e. arms and ammunition.\textsuperscript{30} However, considering the composition of EU exports of goods and their volume corresponding to those tariffs, the degree of liberalisation will be 82\%\textsuperscript{31}. West Africa excluded from liberalisation products deemed to be the most sensitive, with the highest ECOWAS CET tariff of 35\%, such as meat (including poultry), yoghurt, eggs, cocoa powder and chocolate, tomato paste and concentrate, soap, printed fabrics. Furthermore, tariff reduction does not cover certain goods on which the CET tariff is 20\%, e.g. fish and fish preparations, milk, butter, cheese, vegetables, flour, spirits, cement, paints, perfumes, cosmetics, stationery, textiles, apparel, fully built cars. At the same time, EPAs contain standstill clauses, prohibiting tariff increases or introducing new tariffs, which also applies to sensitive products not subject to tariff reduction and customs duties on exports.\textsuperscript{32}

It is worth emphasising that the EU-28 countries are West Africa’s major trading partner. In the 2010s, the EU accounts for nearly 35\% of the total exports of the region and for more than 22\% of imports. But West African exports from China are not much lower (19.1\%), whereas India was the second largest (behind

\textsuperscript{30} Economic partnership agreement between the West African States, the Economic Community of West African States (ECOWAS) and the West African Economic and Monetary Union (UEMOA), of the one part, and the European Union and its Member States, of the other part, Interinstitutional File, Council of the European Union 2014/0265(NLE).
\textsuperscript{32} For a country such as Ghana it means that after signing an EPA it could not increase tariffs on poultry, even though excessive imports jeopardised the livelihood of local poultry farmers, EPAs: the wrong development model for Africa and options for the future, South Centre Geneva 2010, SC/TDP/AN/EPA/23, p. 2.
the EU) recipient of exports (10.4%)\(^ {33}\). Evidently, the patterns of trade developed over decades have been changing and the region, as the rest of the continent, begins to intensify its trade with emerging economies (the BRIC countries).

Agriculture is the main sector of West African economies, whereas farmers are the social class most affected by extreme poverty\(^ {34}\). Therefore, it must be assessed positively that commonly consumed agricultural products (those mentioned above) are regarded as sensitive and excluded from the elimination of tariffs on imports.

However, imports of certain agricultural locally processed raw materials (e.g. milk powder) is usually liberalised, which leads to increased competition with the corresponding local products (milk)\(^ {35}\). In addition, considering the structure of imports from the EU of individual West African countries, it can be noted that for some of them (Burkina Faso, Guinea-Bissau and several other countries) manufactures account for a major share and most of those products will be covered by the elimination of tariffs on imports from the EU (Table 3).

Table 3. EU trade with West African countries (individual ECOWAS members and Mauritania) in 2013-2016 (EUR million)

<table>
<thead>
<tr>
<th>Country</th>
<th>IMPORTS</th>
<th>EXPORTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benin</td>
<td>37</td>
<td>46</td>
</tr>
<tr>
<td>main commodities as (%) of total</td>
<td>Vegetable products (56.6); base metals and articles thereof (13.2); textiles and textile articles (11.1)</td>
<td>Machinery and appliances (20.6); live animals, animal products (18.6); products of the chemical or allied industries (13.8)</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>47</td>
<td>114</td>
</tr>
<tr>
<td>main commodities as (%) of total</td>
<td>Machinery and appliances (55.8); mineral products (27.2); products of the chemical or allied industries (7.1)</td>
<td>Machinery and appliances (31.6); transport equipment (16.2); products of the chemical or allied industries (11.6)</td>
</tr>
<tr>
<td>Cape Verde</td>
<td>48</td>
<td>97</td>
</tr>
<tr>
<td>main commodities as (%) of total</td>
<td>Foodstuffs, beverages, tobacco (45.0); live animals, animal products (36.5); textiles and textile articles (8.7)</td>
<td>Machinery and appliances (16.9); mineral products (12.8); foodstuffs, beverages, tobacco (11.9)</td>
</tr>
<tr>
<td>Gambia</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>main commodities as (%) of total</td>
<td>Animal or vegetable fats and oils (35.2); vegetable products (31.3); live animals, animal products (19.5),</td>
<td>Machinery and appliances (16.5); foodstuffs, beverages, tobacco (14.7); transport equipment (13.9),</td>
</tr>
<tr>
<td>Ghana</td>
<td>3,379</td>
<td>2,885</td>
</tr>
</tbody>
</table>


\(^ {34}\) Agriculture provides livelihoods for 70% of the population of the region. The majority of agricultural holdings are small and so poor that as a matter of necessity they are subsistence farms, solely oriented towards satisfying the basic needs of farm owners and their families, whereas frequently they appear to be unable to fulfil this purpose. As a result, none of the ECOWAS member states enjoy food self-sufficiency and they must rely on food imports which they can barely afford, A. Sesay, M. Omotosh, The Politics of Regional Integration..., p. 31.

<table>
<thead>
<tr>
<th>Country</th>
<th>main commodities as (% of total)</th>
<th>main commodities as (% of total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guinea</td>
<td>Foodstuffs, beverages, tobacco (68.4); mineral products (14.0); Vegetables products (7.7)</td>
<td>Machinery and appliances (26.2); mineral products (12.6); products of the chemical or allied industries (10.3)</td>
</tr>
<tr>
<td>Guinea-Bissau</td>
<td>Mineral products (66.5); pearls, precious metals and articles thereof (21.7); Foodstuffs, beverages, tobacco (6.6)</td>
<td>Foodstuffs, beverages, tobacco (34.2); Machinery and appliances (14.3); transport equipment (10.7)</td>
</tr>
<tr>
<td>Côte d’Ivoire</td>
<td>Foodstuffs, beverages, tobacco (72.0); vegetable products (9.1); mineral products (8.2)</td>
<td>Machinery and appliances (24.3); products of the chemical or allied industries (16.3); foodstuffs, beverages, tobacco (10.2)</td>
</tr>
<tr>
<td>Mali</td>
<td>Transport equipment (50.2); foodstuffs, beverages, tobacco (20.4); mineral products (19.9)</td>
<td>Transport equipment (58.2); mineral products (11.4); machinery and appliances (9.8)</td>
</tr>
<tr>
<td>Mauritania</td>
<td>Vegetable products (42.4); textiles and textile articles (16.3); Raw hides and skins, saddlery (13.3)</td>
<td>Machinery and appliances (24.1); products of the chemical or allied industries (15.8); transport equipment (14.7)</td>
</tr>
<tr>
<td>Niger</td>
<td>Live animals, animal products (51.3); mineral products (33.4); foodstuffs, beverages, tobacco (8.7)</td>
<td>Machinery and appliances (24.4); mineral products (11.8); vegetable products (9.1)</td>
</tr>
<tr>
<td>Nigeria</td>
<td>Products of the chemical or allied industries (97.2); vegetable products (1.1); machinery and appliances (0.9)</td>
<td>Machinery and appliances (30.3); products of the chemical or allied industries (19.8); foodstuffs, beverages, tobacco (12.4)</td>
</tr>
<tr>
<td>Senegal</td>
<td>Foodstuffs, beverages, tobacco (90.2); foodstuffs, beverages, tobacco (5.4); raw hides and skins, saddlery (1.2)</td>
<td>Mineral products (42.2); machinery and appliances (16.8); products of the chemical or allied industries (12.8)</td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>Live animals, animal products (41.2); vegetable products (22.2); mineral products (17.8);</td>
<td>Mineral products (19.8); machinery and appliances (19.3); products of the chemical or allied industries (10.2)</td>
</tr>
<tr>
<td>Togo</td>
<td>Mineral products (47.5); pearls, precious metals and articles thereof (35.4); foodstuffs, beverages, tobacco (14.4)</td>
<td>Machinery and appliances (20.4); products of the chemical or allied industries (19.5); foodstuffs, beverages, tobacco (13.9)</td>
</tr>
</tbody>
</table>
main commodities as (% of total) | Vegetable products (24.4); mineral products (22.6); foodstuffs, beverages, tobacco (19.6) | Mineral products (79.4); products of the chemical or allied industries (3.7); machinery and appliances (3.4)
---|---|---


It follows from the South Centre’s calculations that ECOWAS products are only more competitive that EU goods for 6% of all the tariff lines. In the case of 54.1% of the tariff lines/products on which the ECOWAS countries will eliminate tariffs, local production will be exposed to significant competition from more competitive EU goods. Overall, 66.8% of the total number of tariff lines or products are at risk as a result of the EPA liberalisation (current and future production). The main sectors where regional trade exists and could be disrupted due to the greater competitiveness of the EU are as follows:

- processed oil products,
- chemical products,
- cement clinkers,
- intermediate industrial products,
- final industrial products,
- parts of machines,
- vehicle industry,
- agricultural products,
- food processing \(^{36}\).

Owing to the considerable differences in competitiveness between EU and West African products, there is a high risk of trade diversion at the expense of trade between West African countries. The share of intra-regional trade in West Africa is insignificant in comparison with intra-EU trade and may decline even further, which would not be conducive to deeper regional integration in Africa (Table 4).

Table 4. Share of intra-regional trade in the total foreign trade of the ECOWAS and WAEMU in comparison with the EU-28 and the euro area countries in 1995–2015 (%)

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</thead>
<tbody>
<tr>
<td>ECOWAS</td>
<td>10.4</td>
<td>8.9</td>
<td>9.7</td>
<td>8.1</td>
<td>6.5</td>
<td>7.5</td>
<td>9.8</td>
<td>8.2</td>
<td>10.8</td>
</tr>
<tr>
<td>WAEMU</td>
<td>16.1</td>
<td>15.2</td>
<td>14.1</td>
<td>12.1</td>
<td>11.1</td>
<td>13.5</td>
<td>14.4</td>
<td>12.9</td>
<td>12.6</td>
</tr>
<tr>
<td>EU-28</td>
<td>67.8</td>
<td>67.7</td>
<td>67.8</td>
<td>64.8</td>
<td>63.9</td>
<td>61.8</td>
<td>61.2</td>
<td>62.6</td>
<td>61.6</td>
</tr>
<tr>
<td>EUROZONE</td>
<td>54.1</td>
<td>51.9</td>
<td>51.8</td>
<td>48.9</td>
<td>47.6</td>
<td>45.7</td>
<td>45.5</td>
<td>45.4</td>
<td>44.1</td>
</tr>
</tbody>
</table>


The least developed countries gain nothing from signing EPAs as they already enjoy duty-free and quota-free access to the EU market for virtually all products. As the sole benefit, the rules of origin are slightly less restrictive than under the

\(^{36}\) The EPAs and risks for Africa: local production and regional trade, South Centre, Geneva 2012, SC/TDP/AN/EPA/30, p. 3.
EBA initiative but it only concerns fish and textile products. In exchange, those countries must significantly reduce tariffs on imports from the EU and open up their markets to much more competitive EU goods (and services in the future).

Undoubtedly, import tariff reduction will cause a considerable decrease in revenue from tariffs for West African countries, whereas in the case of some of them customs duties represent a major item of budget receipts. According to the South Centre’s calculations based on 2008-2010 imports, there would be a tariff revenue loss of USD 1,804 million, the highest for Nigeria (USD 857 million), Ghana (USD 374 million), Côte d’Ivoire (USD 159 million). In addition, calculations suggest that the costs of signing an EPA, measured by a tariff revenue loss, exceed the benefits related to reduced tariffs (such benefits would be the additional duties that a country would not have to pay trading under an EPA). The above applies not only to LDCs but also to Côte d’Ivoire, Ghana and Nigeria.

CONCLUSIONS

The analysis conducted allows to cautiously conclude that an answer to the question ‘with or without EPAs’, or whether benefits of such agreements would exceed the costs involved, depends on the country concerned; specifically, on its economic situation and customs status granted by the EU. It seems that LDCs will not gain from the signing of EPAs, whereas they will be obliged to eliminate tariffs on a number of products imported from the EU, therefore the ‘no EPA’ option would be more favourable for them. At the same time, for non-LDCs (Ghana, Côte d’Ivoire, Cape Verde) which would lose their preferential access to the EU market should they choose not to sign EPAs, the ‘with EPAs’ option seems more advantageous. Nigeria, ranked as a non-LDC, is covered by the GSP, therefore its customs status, in the event of non-conclusion of an EPA, will not change, it will continue to benefit from the GSP.

The European Union seems to be more interested in entering into EPAs than the countries of the region, therefore it exerted pressure to speed up and finalise EPA negotiations. The countries concerned (Ghana, Côte d’Ivoire), even having signed EPAs, tended to postpone their ratification and implementation.

FURTHERMORE

EPAs providing for reciprocal trade preferences with West African countries were not the sole alternative to shaping the EU relations with the countries of the region, there was also an option to grant the LDC status to those countries and apply unilateral trade preferences. In addition, the European Union demanded

37 Economic partnership agreement between the West African States, the Economic Community of West African States (ECOWAS) and the West African Economic and Monetary Union (UEMOA), of the one part, and the European Union and its Member States, of the other part, Interinstitutional File, Council of the European Union 2014/0265(NLE).

38 Economic Partnership Agreement in Africa: a benefit-cost analysis, South Centre Analytical Note SC/TDP/AN/EPA/29, January 2012, p. 11.
that deepened free trade areas should be created, covering not only goods but also services or investment (full EPAs). The European Union negotiated the regional EPA with the whole of West Africa (the 15 ECOWAS countries plus Mauritania), which is a good solution in terms of regional integration. Nevertheless, Nigeria and Gambia have not signed the EPA, therefore the regional EPA will be ratified in a more distant future. It must be remembered that the primary obstacles to the EU market access are not only tariffs but also technical barrier, particularly severe to West African countries.

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www.worldatlas.com [retrieved: 01 August 2017].

Summary: The article aims to present the benefits and costs for West African countries of the conclusion of Economic Partnership Agreements (EPAs) and of the implementation of trade liberalisation thereunder, in the light of their trade relations with the European Union Member States. The assessment of the advantages and disadvantages of entering into an EPA will take account of a situation in which the countries in question would not sign an EPA: how their customs status would change and whether it would involve a significant deterioration in the conditions of access to the EU market. Therefore, with regard to EU–West Africa trade relations, finding an answer to the following question is of key importance: with or without EPA? The analysis produced no unambiguous results but they do indicate that the answer to the above question depends on the economic situation (status) of the country concerned. As regards LDCs, the ‘no EPA’ option seems to be the most favourable, whereas non-LDCs would benefit from an EPA. The article employs an analytical and descriptive method. It draws on sources from the national and international literature, secondary legislation of the European Union in the form of regulations, as well as on EUROSTAT statistics.

Keywords: Economic Partnership Agreement (EPA), West Africa, Economic Community of West African States (ECOWAS), international trade

RELACJE HANDLOWE UNII EUROPEJSKIEJ Z KRAJAMI AFRYKI ZACHODNIEJ W ŚWIETLE POROZUMIENIA O PARTNERSTWIE GOSPODARCZYM (EPA)

Streszczenie: Celem artykułu jest przedstawienie korzyści i kosztów zawarcia Porozumień o Partnerstwie Gospodarczym (EPAs) i wdrożenia zasad liberalizacji handlu, które one przewidują, dla krajów Afryki Zachodniej w świetle ich relacji handlowych z krajami Unii Europejskiej. Przy ocenie dobrych i złych stron zawarcia EPA uwzględniono wystąpienie sytuacja, w której kraje regionu nie podpisałyby EPA, jak zmieniłby się ich status celny i czy nastąpiłoby znaczące pogorszenie warunków dostępu do rynku unijnego. Zatem w odniesieniu do relacji handlowych Unii Europejskiej z Afryką Zachodnią kluczowa staje się odpowiedź na pytanie: „czy dla krajów Afryki Zachodniej korzystniejsza będzie opcja „z” czy „bez” EPA? Przeprowadzona analiza
nie dała jednoznacznych wyników, ale te otrzymane wskazują, że odpowiedź na powyższe pytanie zależy od sytuacji gospodarczej (statusu) danego kraju. Jeśli chodzi o kraje najsłabiej rozwinięte, opcja „bez EPA” wydaje się najkorzystniejsza, podczas gdy państwa niebędące krajami najsłabiej rozwiniętymi skorzystałyby z wdrożenia tego porozumienia w życie. W artykule została zastosowana metoda analityczno-opisowa, wykorzystane zostały krajowe i zagraniczne źródła literackie oraz akty prawa wtórnego Unii Europejskiej w postaci rozporządzeń a także dane statystyczne EURO-STAT.

**Słowa kluczowe:** Porozumienie o Partnerstwie Gospodarczym (EPA), Afryka Zachodnia, Wspólnota Gospodarcza Państw Afryki Zachodniej(ECOWAS), Handel międzynarodowy