

# The impact of EPAs on the integration process and intra-regional trade in West Africa

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# INTRODUCTION

- The road so far and the constraints to West Africa's regional integration process
  - Theories of Integration and Evidence from the Literature      FTA, Monetary Union, CU (the current state of ECOWAS ???)
- Configuration of West Africa EPA grouping and the implications for the West Africa regional integration
  - Mauritania (out and now in)
- Negotiation structure
  - ECOWAS and UEMOA: double representation?



# INTRODUCTION (CONTD.)

- Many studies on the impact analysis in the context of regional TL and hence focus on issues/stakeholders such as
  - Government in terms of fiscal impacts
  - Producers in terms of loss of markets including domestic and regional markets
  - Consumers in terms of prices of tradable
- The impact of EPAs on the integration process and intra-regional trade in West Africa has been tangentially addressed.



# DIVERSITY OF WEST AFRICA

- West African countries and their trade regimes with the EU
  - 12 – West African countries with EBA (LDCs)
  - 3 – Countries with EPAs (non IDCs)
- Two overlapping regional bodies
  - ECOWAS (15 members)
  - UEMOA (all the 8 members belong to ECOWAS)



# EU-WEST AFRICA EPA NEGOTIATIONS

- The mandate and the promise to strengthen RI as pre-requisite to W/A-EU EPA seem to have been abandoned
- The development since 1<sup>st</sup> January 2008:
  - The current state of EU WA EPA negotiations
    - Ghana's Interim EPA
    - Cote d'Ivoire EPA
    - EBA
    - Derogation of Nigeria from ACP treatment to GSP regime



# EU-WEST AFRICA EPA NEGOTIATIONS

- The interim EPAs further complicate Regional Integration efforts in West Africa and trade relationship between the European Union and West Africa:
  - West Africa = Mauritania + ECOWAS
    - Is Mauritania back in ECOWAS?
  - EBA, GSP and GSP+



# EU-WEST AFRICA EPA NEGOTIATIONS

- On a positive note, the EPA negotiations have contributed to West Africa regional integration efforts
  - A common external tariff (CET)
  - ECOWAS common agricultural policy (ECOWAP)
  - Improved negotiation capacity
  - Awareness on the issues of trade and development



# EU-WEST AFRICA EPA NEGOTIATIONS

- iEPAs have negative impact on the regional integration efforts.
  - sequencing and Africa wide integration process
  - region's extent and coverage of goods liberalisation towards the EU
  - negotiations within ECOWAS and prior to the negotiations of the EPA with EU
  - Nigeria has a leadership role to play especially in the negotiations within ECOWAS





# SCENARIOS: FUTURE OF WEST AFRICA EPA AND REGIONAL INTEGRATION EFFORTS

## ○ SCENARIO I:

- Full EPA is signed at regional level

## ○ SCENARIO II:

- No regional EPA i.e. status quo is maintained



# SCENARIO 1

- Actualize and transform ECOWAS into a full fledge Customs Union.
  - CET, ECOWAP etc need to be complemented/supplemented with
    - Common external trade policy
      - WTO negotiations by individual countries in the region may not be feasible
    - Common competition policy
      - Coordination and harmonization of industrial policies especially incentives
    - Strengthened RoO



## SCENARIO 2

- New barriers to intra-regional trade will be necessary as a means of preventing trade deflection
- Trade diversion is also a possibility




# THE PROPOSED STUDY

- Review the current level structure and composition of intra-ECOWAS trade and the rules and regulations governing such trade;
- Determine the potential and possible margin of the intra-regional trade evolution by identifying sectors that have potential to promote intra-regional trade and development
- Identify the major barriers to intra-regional trade both at aggregate and sectoral levels and articulate the means of breaking such barriers;



# THE PROPOSED STUDY

- Determine the potential economic and social outcomes that follow a significant rise in intra-regional trade;
  - Target and analyse the potential impacts of Economic Partnership Agreements (EPAs) on intra-regional trade and development; and
  - Show the different scenarios that West Africa could face (such as the different commercial regimes possible in case of conclusion or non-conclusion of a regional EPA).
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I THANK YOU FOR YOUR ATTENTION

