ИНСТИТУТ ЗА ИКОНОМИЧЕСКИ ИЗСЛЕДВАНИЯ НА БЪЛГАРСКАТА АКАДЕМИЯ НА НАУКИТЕ
ИКОНОМИЧЕСКИ ИЗСЛЕДВАНИЯ
ECONOMIC STUDIES

Eduard Marinov[1]

ГОДИНА XXV, 2016, 4

IMPACT OF ECONOMIC PARTNERSHIP AGREEMENTS ON REGIONAL INTEGRATION AND TRADE RELATIONS

The article briefly presents the concept and framework of regional integration in Africa. It then discusses the principles, history, and current state of negotiations to disclose the effects of EPAs on regional integration efforts in Africa. Then it analyses the trends in international trade relations between the EU and the five EPA regions in Africa for the period 2003-2013, aiming to assess if EPAs have the envisaged positive impact on trade for both the EU, the EPA regions and the participating countries. The analysis includes the direction, dynamics and commodity structure of EU trade with African EPA regions. As a conclusion, the paper presents some general questions posed by the analysis on the future development of EPAs and the trade policy of the EU towards Sub-Saharan African countries.
JEL: F13; F15; F54

Introduction

The development and dynamics of regional economic integration in Africa are severely influenced by the transformation of the trade relations between African, Caribbean and Pacific (ACP) countries and the European Union (EU), imposed by the Cotonou agreement (2000).[2] Economic relations formerly based on unilateral trade preferences provided by the EU are envisaged to be based on Economic partnership agreements (EPAs) that should regulate trade and cooperation establishing new trade regimes between the EU and ACP regions selected by clear criteria. As the EU is the biggest trade partner and the main donor for most ACP states, the strategy has the potential to impulse a significant development impetus.

EPA regions do not cover the existing regional economic communities (RECs) in Africa which complicates the already delicate situation of dispersed capacity and overlapping membership of African countries in different integration schemes. Although EPAs aim at

---

[1] *Eduard Marinov, PhD is Assistant Professor in Economic Research Institute at the Bulgarian Academy of Sciences.*

[2] As the Caribbean and the Pacific regions are very different from African EPA regions both as integration concepts, negotiation progress and volume of trade with the EU, the analysis is focused on the five African EPA regions.

the promotion of regional integration their immediate impact could hardly be regarded as strictly positive.

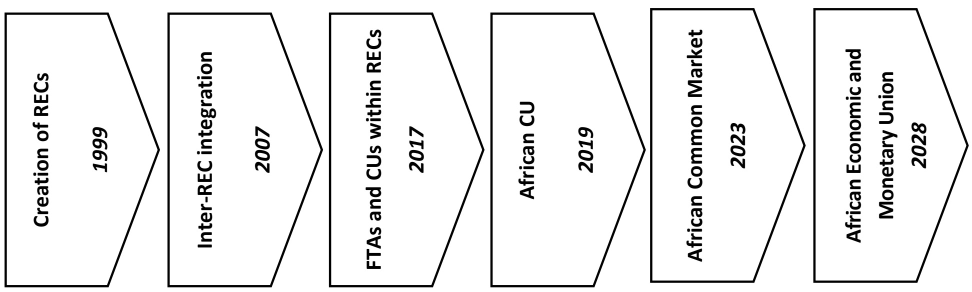
1. The process of regional economic integration in Africa

The process of political integration which started in the early year of independence in the middle of the XX century in Africa is progressing slowly. One could see in the emergence of the ideas for integration in Africa a pattern opposite to the one that was proposed and implemented by the founding fathers of the EU (step-by-step economic integration), namely to start from political unification as a basis for everything else. However, due to the historical development of the processes on the continent – the weak political will and commitment, the different economic and geopolitical objectives pursued by the countries, the inability to set and implement common political goals – the process of political integration in Africa is progressing slowly. There is a gradual shift from political to economic goals to be implemented along the way towards the creation of a continental union. Thus, in the area of economic integration in Africa, which has a much shorter history, achieved results are significantly more, albeit they are still insufficient against the stated objectives.

The Treaty for establishment of the African economic community (TAEC) is signed in 1991 and comes into force in 1994. It establishes the AEC as a part of the African union (AU). The Treaty defines six stages that should be completed for the gradual creation of the AEC for a period of 34 years (see Figure 1). The Treaty adopts an integration approach that to a great extent depends on the success of integration processes of the regional economic communities. The Treaty explicitly states that the AEC will be established mainly based on coordination and gradual integration of the activities of existing RECs. Thus RECs are defined as the building blocks of the AEC. The idea of this stage approach is that integration should firstly be ensured at a regional level through the creation and strengthening of the RECs which in a certain moment will merge into the AEC.

Figure 1

Stages of creation of the AEC



Source: Created by author.

The first stage includes the strengthening of existing RECs and creation of new ones where there are no existing and should last till 1999. At the time when the TAEC came into force in Africa existed the Arab Maghreb Union (UMA), the Common Market for Eastern and Southern Africa (COMESA), the Economic Community of West African States (ECOWAS), the Economic Community of Central African States (ECCAS) and the Southern African Development Community (SADC) which included all countries on the continent. Until 2001 AU accepts three more communities – the Inter-Governmental Authority on Development (IGAD), the Community of Sahel-Saharan States (CEN-SAD) and the East African Community (EAC). In 2006 a decision was made that no other RECs will be acknowledged as building blocks of the AEC.

The second stage is with an 8 years duration and has the objective RECs to decrease or abolish tariffs, quotas and other restrictions to intraregional trade. Together with this is envisaged coordination of policies in the areas of trade, finance, transport, communications, industry and energy as well as coordination and harmonization of the activities of existing RECs. There is some progress in the strengthening of many REC sectors and despite the challenges the efforts are directed towards the requirements of the second stage of AEC establishment.

The third stage should be completed till 2017 and envisages all trade barriers to be abolished through the creation of free trade areas in the RECs and the enforcement of common customs tariffs through the creation of customs unions (CU). Almost all RECs have completed the third stage to some extent except UMA, IGAD and CEN-SAD. Differing from all other RECs, the CU is the first step of the creation of the EAC (in 2005). Progress towards the accomplishment of the third stage of the establishment of AEC is satisfactory, though for the communities that have not accomplished the set goals in periods of relative tranquillity the future accomplishment will be hampered by the current conflicts as in the case with UMA.

The fourth stage is to be completed until 2019 and the goal is the establishment of an African customs union through harmonization of the common customs tariffs of all RECs. As a positive step towards the completion of this objective could be seen the launch of the tripartite FTA between COMESA, SADC and EAC in 2015 through which the three communities abolish trade barriers between each other.

The fifth and sixth stage – the establishment of an African common market and of a continental economic and monetary union, should be completed respectively in 2023 and 2028 and as their completion depends on the success of the previous stages, there is still no progress made.

Currently there are 16 African regional economic communities, 7 of them are recognized and serve as pillars for the establishment of AEC (see Annex for maps). CEN-SAD is and integration and harmonization framework aiming to become the leading REC in Africa. COMESA has the mandate to create a fully integrated and internationally competitive REC in which apply freedoms of movement of goods, people, services and capital. The stated goal of EAC is the development of a prospering, competitive, secure and politically united Eastern Africa. Concentrated in ECCAS are 4/5 of African forests, there are lots of minerals and fuels, but frequent conflicts hinder the unfolding of the community's potential. The main goal of ECOWAS, where leading is the economy of Nigeria, is to encourage regional economic cooperation and to face the development challenges. IGAD's activities are aimed at sustainment of peace and security, as well as at development and integration issues. The goals of SADC, with leading economy Republic of South Africa, are not limited in the field of trade although it is the main engine of integration processes there. Table 1 presents main economic indicators for the RECs regarded as building blocks of the AEC.

Table 1

Main data on selected RECs (2014)

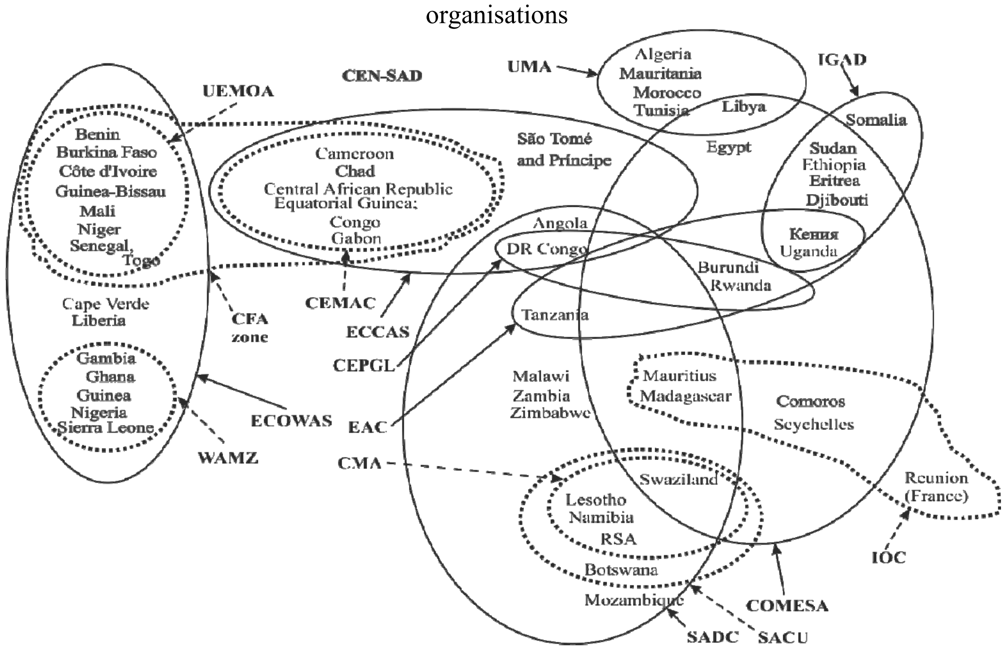
	CEN-SAD	COMESA	EAC	EUCAS	ECOWAS	IGAD	SADC
Stage of integration	PTA	FTA	CM	PTA	CU	PTA	CU (partial)
Member states	23	19	5	10	15	7	15
LCDs	16	11	5	6	12	6	8
Area (mln. sq. км)	13427	11603	1823	6640	5115	5210	9862
Area (% of Africa)	50.9	38.6	6.1	22.0	13.9	17.3	32.8
Population (mln.)	508	459	149	121	340	226	286
Population (%of Africa)	53.5	42.9	13.6	13.3	14.1	20.4	27.0
Population density	37.8	39.5	81.5	18.2	66.4	43.3	29.0
Employment	33.1	38.0	43.3	38.3	33.4	40.1	36.7
GDP (mln. USD)	934084	577740	98396	200737	419150	166164	648253
GDP (USD p.c.)	1838.4	1259.6	662.1	1662.6	1233.9	736.4	2269.6
GNI (mln. USD)	891064	561737	94761	173503	392322	160629	624503
Trade (mln. USD)	562755	303298	50735	171910	267585	61006	421429
Trade (% of Africa)	45.8	24.7	4.1	14.0	21.8	5.0	34.3
Imports (% of GDP)	29.7	29.9	36.7	24.8	26.5	27.5	33.0
Exports (% of GDP)	30.5	22.6	14.9	60.8	37.3	9.2	32.0
Trade balance (mln. USD)	7609	-41868	-21473	72298	45414	-30318	-6370

Source: African Development Indicators and own calculations.

There has been significant progress in the implementation of the stages of the creation of African economic community. Some regional economic communities fulfil their obligations under the AEC Treaty on schedule, in some there is a delay, and some are even ahead of the deadlines. Although the regional communities are making a lot of effort for the realisation of the first three stages set in the Treaty by adopting a phased abolition of customs duties in intraregional trade, there are many differences among them – some regional economic communities still cannot create a free trade area, while others already have a working customs union. The pace of progress is not the same and overlapping membership of many countries in two or more regional communities (see Figure 2) makes it obligatory for strategic decisions to be taken as well as action towards the creation of a continental free trade area as a first step towards a continental customs union, a common market and the ultimate goal – a fully functioning African economic community.

Figure 2

Euler diagram showing the relationships between various multinational African organisations



Source: Created by author.

Progress in African integration is mixed across sectors, regional economic communities, and member states. There have been some strides in trade, communications, macroeconomic policy, and transport. Some regional economic communities have made significant progress in trade liberalization and facilitation (COMESA), in free movement of people (ECOWAS), in infrastructure (SADC and EAC), and in peace and security (ECOWAS and SADC).Overall, however, there are substantial gaps between the goals and achievements of most regional economic communities, particularly in increasing intraregional trade, macroeconomic convergence, production, and physical connectivity.

2. The Economic partnership agreements of the EU

EPAs are trade and cooperation agreements establishing a new trade regime between the EU and the ACP countries. They are designed to create WTO-compatible, development oriented reciprocal trading arrangements between Europe and its traditional developing country trading partners, while encouraging regional integration and drawing improved trade capacity building and other aid interventions into the developing partner regions. The agreements aim at covering not only trade in goods but also in services and other trade-related areas.

EPAs were initially designed to create an entirely new framework for the flow of trade and investment between the EU and the ACP countries, encouraging, amongst other positive factors, regional integration between ACP countries. The ACP EPA countries group themselves into seven regions: five in Africa, one in the Caribbean and one in the Pacific.

2.1. Principles of the EPAs

Addressing the weaknesses of the Lomé Conventions, the EU and the ACP agreed to radically reform the ACP-EU trade relationship through the negotiation of the EPAs. The Cotonou Agreement sets out four principles for EPAs:

1. *Development*. EPA negotiations must be placed in the context of the overall development objectives of ACP countries and of the CPA. To be of benefit to the ACP, EPAs must be 'economically meaningful, politically sustainable, and socially acceptable'. Hence, EPAs are not just ordinary agreements on trade. Rather, they are intended to be development-oriented trade arrangements to foster development and economic growth in ACP countries which will ultimately contribute to poverty eradication.
2. *Reciprocity*. The most important element of an EPA is the establishment of an FTA, which will progressively abolish substantially all trade restrictions between both parties. This is a radically new element in ACP-EU trade relations and also a necessary requirement to make the EPAs WTO-compatible. For the first time, ACP countries will have to open up, on a reciprocal basis, their own markets to EU products in order to retain their preferential access to the EU market. The rationale for reciprocity rests on the principle that liberalisation of ACP markets towards the EU will increase competition within ACP economies, thereby stimulating local and foreign (including EU) investment and the necessary adjustment of their economies, leading to growth and development.
3. *Regionalism*. The EU clearly envisages negotiations with ACP regional groupings which are in a position to do so, though it has not ruled out the possibility of concluding agreements with single countries in exceptional cases, as in some of the interim deals. The principle of basing future trade cooperation on regional integration stems from the conviction that regional integration is a key step towards further integration into the world economy, as well as an instrument to stimulate investment and lock in the necessary trade reforms.
4. *Differentiation*. Considerable weight is given to differentiation and special treatment, which affirms the North-South nature of the relationship. EPAs must take into account the different levels of development of the contracting parties. EPAs should provide sufficient scope for flexibility, special and differential treatment and asymmetry. In particular, LDCs, small and vulnerable economies, landlocked countries and small islands should be able to benefit from special and differential treatment.

Hence, the EPA negotiations constitute a shift in ACP-EU trade cooperation relations, ending an era of non-reciprocal trade preferences and replacing the all-ACP-EU trading arrangement by several separate agreements that are negotiated between the EU and the ACP negotiating regions, with the objective of fostering regional integration in the ACP. In essence, the EPAs should thus be essentially enhanced, development-oriented free trade areas between ACP regional groupings and the EU. They aim to cover not only trade in goods and agricultural products, but also in services, and should address tariff, non-tariff and technical barriers to trade. As proposed by the European Commission, other trade-related areas would also be covered, including by increased cooperation between the EU and the ACP, such as competition, investment, protection of intellectual property rights, trade facilitation, trade and environment, trade and labour standards, consumer policy regulation and consumer health protection, food security, public procurement, etc.

2.2. EPA regions – current state of negotiations

EPA negotiations with specific regions are assumed to be the best possibility, as since the very beginning it was clear that it is practically impossible for the EU to conclude a multilateral agreement with all ACP countries. Moreover, the EU has always seen the regional approach in its external relations as the better one, because it is a driver for growth and economic development.

Eligibility criteria for areas that may be concluded EPAs are clear enough. The difficulty lies in their application to the specific context of the existing structure of African regional groupings. In this context, the EC supports RECs that: *first*, are large enough to constitute a "pole of attraction" that would lead to a trade and economic dynamics; *second*, are aimed at the formation of the customs union; *third*, are willing to remove non-tariff barriers to future common market; and *fourth*, have effective mechanisms for the implementation of the decisions taken.

However, the EPA negotiation process with regional blocks that are created specifically with this purpose has a lot of shortcomings, the main of them being that EPA regions are too heterogeneous and partly overlap with already existing integration initiatives. This hinders negotiations and causes the very slow progress. As a solution to this problem interim agreements have been proposed in order to avoid the negative effects resulting from the expiry of the exception made by the WTO.

Almost in all regions one of the most contentious issues that are still not resolved is the most-favoured-nation rule. According to it signatory countries in the future cannot treat the EU less favourable than any other trading partner. EU insists on the inclusion of the most-favoured-nation clause. In return ACP countries could exclude certain products from liberalisation, while EU fully opens its own market.

Another serious problem that characterises all African EPA regions is that in all of them there are least developed countries (LDCs) which could use the preferential trade regime under the “Everything but Arms” initiative instead of the reciprocal liberalisation envisaged by EPAs.

West Africa

The West Africa EPA region encompasses the 15 member-states of ECOWAS and Mauritania. Côte d'Ivoire and Ghana are the two countries that have signed acting interim EPAs with the EU – they export to the EU without duties and restrictions while they have to gradually liberalise their market for 80% of the EU exports.

In West Africa region, the problems are similar to those of other negotiating groups. First, there is a complicated overlapping of two monetary unions within ECOWAS, while Mauritania is not a member of any REC, but joined the region to be able to negotiate EPA. At the same time negotiations are complicated by the different level of development – all countries except Côte d'Ivoire, Ghana and Nigeria are among the LDCs.

However, a comprehensive EPA with West Africa was signed by the heads of state on February 6th, 2014. The agreement has to be ratified by the parliaments of the countries in West Africa and the European Parliament. It gives priority to West Africa, taking into account the existing differences in development between the EU and the region. While the EU opens its market fully, West Africa will abolish import duties only partially for 20-year transitional period. The proposed regional market access is in full compliance with the common external tariff of the ECOWAS, adopted in October 2013, which sets the basis for a customs union in the community. EPA implementation and application of the Common Customs Tariff by ECOWAS will reinforce each other.

Southern African Development Community

The negotiating countries in the SADC region are Angola, Botswana, Lesotho, Mozambique, Namibia, Swaziland and South Africa. The other six members of SADC are negotiating their EPA within other regional groups.

Negotiations with Botswana, Lesotho, Mozambique, Namibia, South Africa and Swaziland were concluded on July 15, 2014 and the signed EPA is pending ratification. Angola has an option to join the agreement in the future. The agreement guarantees duty and quota free market access to EU for Botswana, Lesotho, Mozambique, Namibia and Swaziland. South Africa can take advantage of new opportunities for market access in addition to the Trade, Development and Cooperation Agreement (TDCA), which currently rules trade relations with the EU. The EPS gives asymmetrical market access for the partners in the region. Countries can choose to protect sensitive products from full liberalisation.

Under the terms of the current interim EPA all products originating from Botswana, Lesotho, Mozambique and Swaziland have duty and quota free access to EU. Since these countries are members of the Southern African Customs Union (SACU), their commitment to trade liberalisation is already implemented within the TDCA. The process of negotiations with the SADC group is complicated due to possible discrepancies in the regimes of SACU and EPA, the specific position of South Africa, the different level of development and often conflicting interests of the members of the group. Angola, Lesotho and Mozambique are among the LDCs and as such may benefit from the scheme

"Everything but Arms", while other countries trade under the Generalized Scheme of Preferences (GSP). This, together with the strong position of South Africa to all other countries, hinders the negotiations on the most-favoured-nation treatment.

The special position of South Africa deserves more attention as it further adds to the complexity of the negotiations. South Africa was not originally party to the SADC EPA. Its participation was requested by the SADC in 2006. South Africa is the largest trading partner of EU in the framework of SADC and has already signed the TDCA. This means that the country is in a favoured position than other countries in the region, since it has no need to hurry with the EPA negotiations. Meanwhile, South Africa has considerable leverage over the smaller partners in SACU. Botswana, Lesotho, Namibia and Swaziland receive most of their income from customs controlled by South Africa. For these countries the end of SACU would be a real economic disaster: "70% of government revenue of Swaziland and 60% of Lesotho's come through distribution of SACU income, which the signing of the interim EPA threatens to destroy. Economists in the region believe that Lesotho could lose up to 25% of its GDP immediately and for Swaziland the decrease would be 20%. This contraction would have a devastating effect on growth, jobs and combating poverty" (Walker, 2009).

Central Africa

The EU negotiates the EPA with Central Africa with eight countries: Cameroon, Central African Republic, Chad, Congo, DR Congo, Equatorial Guinea, Gabon and São Tomé and Príncipe. Cameroon is the only country in this group which has signed an interim EPA with the EU and exports to the EU duty and quota free, while on its part Cameroon is committed to gradually liberalise up to 80% of exports of EU for the period 2010-2025.

In early 2011, the EU and the countries of Central Africa renewed negotiations after two years of inactivity due to the reorganisation of the Secretariat of the Economic Community of Central African States.

Throughout the negotiations one of the problems is that the countries of Central Africa are very different in economic terms – only Congo, Gabon and Cameroon are not LDCs. The main obstacle in the negotiations so far is the rules for market access. Cameroon signed an interim EPA, but it seems to complicate rather than simplify the process of negotiations – other countries refuse to accept as a reference the scheme for tariff reduction agreed by Cameroon. This leads to a situation in which, for a regional EPA to be concluded, either Cameroon must increase their own duties to the level of other countries in the region, or the other countries need to reduce their duties more rapidly than they want. The vision of EU is that 80% of the products to be liberalised within 15 years. Central Africa rejected the proposal to EU to include the most-favoured-nation rule in the EPA, and in the last round of negotiations the Union agreed to waive the disputed clause. A major problem in the negotiation of non-tariff barriers is the used by Chad export and by Cameroon import prohibitions and restrictions.

Eastern and Southern Africa

The region of Eastern and Southern Africa has a very diverse composition. It consists of countries of the Horn of Africa (Djibouti, Ethiopia, Eritrea and Sudan), Southern Africa countries (Malawi, Zambia and Zimbabwe) and several island states in the Indian Ocean (Comoros, Madagascar, Mauritius and Seychelles). All countries are members of COMESA. Six countries (Mauritius, Seychelles, Zimbabwe and Madagascar, Zambia and the Comoros) who have agreed an interim EPA with the EU, are entitled to duty and quota free export with transition periods for rice and sugar. In return, the EU receives the right of duty free export for the majority of commodities, with each country negotiating an individual liberalisation timetable.

One of the main obstacles in the negotiation process is namely the heterogeneous nature of the region. Therefore, EU officials point out that an EPA with variable geometry is possible, i.e. some countries to take on more commitments than others. Other contentious issues in the negotiations are the most-favoured-nation treatment and the removal of export taxes and guarantees. EU wants to exclude any future amendment of tariffs, which is perceived by the Eastern and Southern Africa group as impeding their ability to eventually introduce a common customs tariff within COMESA. The parties agreed that the standstill clause will not apply, at LDCs for the goods in the list of exceptions. The discussion on the standstill clause stresses the need for a better balance between the own regional integration process in the region and the conclusion of the EPA negotiations. In the long term, this will allow for complete integration, while the current approach could interfere in the internal process of integration in COMESA.

East African Community

On October 16, 2014 the East African Community (Burundi, Kenya, Rwanda, Tanzania and Uganda) signed a comprehensive EPA with the EU. The agreement covers trade in goods, development cooperation and include clauses for further discussion of the chapters relating to services and procedures. EPA is in full compliance with the common external tariff of the EAC and supports the ambitious integration project of the community. It is in a process of ratification, but all countries have signed interim agreements with the EU, which are incorporated in the overall EPA and can export to the EU duty and quota free, with transition periods for rice and sugar. Over the next 25 years EAC will liberalize 82.6% of imports from the EU.

One of the specific challenges negotiations with the group of EAC is the complexity of the processes of regional integration in the region. Four countries are members of COMESA and until 2007 are part of the negotiation process between EU and COMESA. Then EAC decided to conduct negotiations for a separate EPA. The fifth member of the EAC – Tanzania, is part of SADC. The request of the EAC is to entirely remove the most-favoured-nation clause. Another still unresolved contentious issue are export taxes. EAC argues that under certain circumstances it is necessary to maintain export taxes – e.g. in terms of achieving development objectives, diversification of income and food security and environmental considerations.

2.3. Impact of EPAs on regional integration in Africa

Despite the stated goal to promote regional integration, in Africa the impact of EPAs on regional integration is disappointing. The poor results are particularly striking in Western and Central Africa, where negotiations did not create the hoped-for group dynamic. It is obvious that the opportunities offered by the EPAs are not sufficient to motivate further regional integration. In fact, the forces that oppose African integration seem to have spilled over into the EPA negotiations, rather than bringing about an integration impetus. The main criticisms concerns the ability of EPAs to deliver their development benefits.

Although the overall assessment suggests poor progress towards African integration, positive impacts do exist and need to be fairly underlined. They include an initial impetus, the EAC agreement, and to some extent the SADC-group agreement. The EPAs process contributed to integration incentives and to the implementation of the first FTAs and CUs in African RECs. The EU-EAC EPA is a successful outcome for regional integration and the EPA between the EU and the SADC group presents some potential for enhanced regional integration. Aside from the EAC and SADC, the agreements lack the ability to generate regional impetus. More than half of the sub-Saharan African countries remain outside any form of acting EPAs, which limits the geographical scope of possible integration dynamics that might come from EPAs.

The EU and the ACP states agreed on the significance of regional integration both as a central objective and a tool to achieve other aims of the agreements. Moreover the benefits for economic effectiveness from integration prove to be positive (Stefanova, J. 2014). EPAs are an ambitious and innovative attempt to use external leverage to strengthen economic integration. However the EPA process added a layer of new groupings to the already complex map of African integration. Except for EAC, none of the other EPA negotiating configurations coincide with the existing African RECs. The poor progress so far is an evidence that the African regional process is not mature. Economic integration still lacks genuine political support and commitment in Africa. The economic integration initiatives rub against the inability of individual countries to consent the necessary transfers of sovereignty. Insufficient institutional capacity and a failure to prioritise objectives pose additional obstacles.

Another obstacle to the conclusion of EPA negotiations is that many African countries already have preferential access to the EU market either through the "Anything but arms" initiative or under the GSP, without the obligation to liberalise their own market for the EU.

Although slower than envisaged in the Cotonou Agreement terms, the negotiations on Economic Partnership Agreements with the African regions of the ACP group progress, especially in the last two years, when the deadlock in the negotiations with the regions of West Africa and SADC was broken. Almost everywhere a major problem remains the most favoured nation clause, but the results of negotiations with the EAC and SADC are promising with respect to other regions in Africa. There is yet no full EPA with any of these regions in force, but such could be soon expected, especially regarding the EAC, SADC and West Africa regions, where the agreements are in the process of final completion and ratification.

3. Trends in international trade between EU and EPA regions in Africa

EU is a vital destination for African exports. Moreover, the Union is not only a major source of foreign investment, but also an essential factor for the integration of the continent into the global economy (Mbeki, 2011). Although many of the African countries are small and underdeveloped, these with which the EU negotiates EPAs together occupy one of the leading places like trading partner – in 2013 they rank fifth in overall volume of trade flows with a share of 4.8% and a value of 165 Billion EUR. From this perspective African countries are sixth in EU imports after China, Russia, USA, Switzerland and Norway with a share of 5.1% (86 Billion EUR), while in exports they rank fifth after the US, China, Switzerland and Russia with 4.6% (79 Billion).

3.1. Dynamics of EU trade with African EPA regions

In 2013 African countries participating in the Cotonou Agreement are responsible for just over half of the continent's trade with the EU (51.4%). For the same year, the Union's imports from them are nearly 86 Billion, while exports are 79 Billion EUR. Both indicators are close as shares of EU trade with Africa – 51 and 52%. For the period 2003-2013, exports grew faster than imports both as a share, as well as in value – by 41 Billion EUR (2.1 times) and 42 Billion EUR (just over 2.15 times).

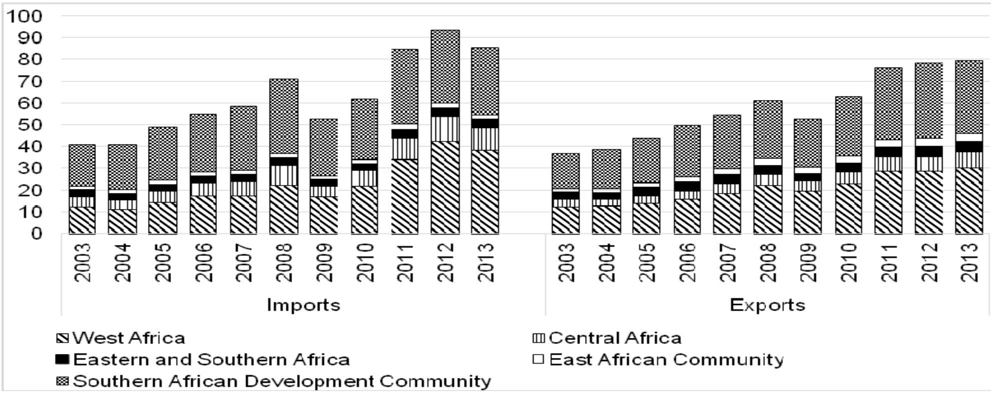
In 2009 a decline is observed in both indicators (respectively with 19 Billion EUR in imports and 11 Billion in exports), which could be explained with the impact of the global crisis, especially in terms of EU imports from the countries in Sub-Saharan Africa. In subsequent years, however, this decline was compensated – for exports in 2010, and for imports – in 2011. At the end of the period the value of exports remained relatively stable, rising at a slower pace than before 2009 – with nearly 3 Billion EUR (4%) from 2011 to 2013. There is a serious increase in imports in 2012 over the previous year (9 Billion), but in 2013 the volume of trade returned to the levels of 2011 which could be seen as a post-effect of the Eurozone crisis.

The trends are similar to those in these in EU's total trade, although in comparison with the Union trade flows to Sub-Saharan Africa increase slightly faster – by 29% for imports and 14% of exports. This leads to an increased share of African countries covered by the Cotonou Agreement in EU's total trade – from 4.3 percent in 2003 to 4.8% in 2013. The increase in imports is more significant as a share than the one in exports – respectively by 0.7 and 0.4 percentage points. This could be explained by the fact that, unlike imports from African countries, after the increase in 2012 in 2013 EU's total imports decreased below 2011 levels.

In 2013, the largest trade partner of EU in the regions negotiating Economic Partnership Agreements (see Figure 3) is that of West Africa – 69 Billion EUR (2% of EU's total trade), followed by SADC – 64 Billion (1.9%). Significantly lower are the values of trade flows with the regions of Central Africa – 17 Billion (0.5%), Eastern and Southern Africa – 9 Billion (0.3%) and the East African Community – nearly 6 Billion (0.2%).

Figure 3

Trade flows between the EU and African EPA regions (Billion Euro)



Source: Eurostat – EU trade since 1988 by SITC database (DS-018995) and own calculations.

The situation is similar for imports – here West Africa has a share of 44% of EU imports from the regions of the continent (38 Billion EUR), the Southern African Development Community – 36% (31 Billion), Central Africa – 12% (12 Billion), Eastern and Southern Africa – 5% (4 Billion), and the EAC – 3% (2 Billion EUR). Things are different in exports – EU sells most to SADC – 33 Billion EUR (42% of exports to Sub-Saharan Africa), followed by West Africa – 30 Billion (38%) while the three smaller regions maintain their positions respectively with 7.5 and 4 Billion, but with a slight difference in their shares – respectively 9.6 and 4%.

For the period 2003-2013, the volume of EU trade with the countries of *the region of West Africa* has increased almost three times. The increase is highest compared to all other regions and with over 30% more than the average for Africa, and 2.1 times higher than the average for the countries of the continent within the EPA negotiation framework. The volume of total trade in 2013 is nearly 69 Billion EUR, of which a large part is in imports - 38 Billion. Within the period under review this region replaces SADC as a leading trade partner of the EU – mainly because the almost double increase in the value of imports from 2010 to 2012 (from 21.7 to 42.4 Billion EUR). For the entire period of EU imports increased significantly (over three times) – from 12.5 to 38 Billion EUR, while exports increased less (2.5 times) – from 12.5 to 30 Billion EUR). Both indicators have a slight decline in 2009, but it is compensated in the following year, and in 2011 a significant increase is observed (55% import and 22% export). The region occupies 2% of the total trade flows of the EU (2.3% in imports and 1.7% in exports) and just over one fifth (21.4%) of EU's trade with Africa (respectively 22.7% of imports and 19.9% of exports). For the entire period studied the trade balance of the EU remains negative – it grows from 44 Million in 2003 to 7.8 Billion in 2013, being highest in 2012 – more than 13.5 Billion EUR.

EU's trade with the region of West Africa is dominated by Nigeria (59%), followed by Ghana (11%) and Côte d'Ivoire (8%). These are the three countries which realise more than 90% of the value of imports (respectively 75, 9 and 9%), while in exports leader, albeit with a lower share is Nigeria (39%), followed by Togo, Ghana and Senegal (with 11% each).

Second place as trade partner of EU among the EPA regions in 2013 occupies *the region of the Southern African Development Community* – 64.3 Billion EUR, or 39% of EU trade with them (36% in imports and 42% in exports). The share of the region of EU trade is 1.9% of the total volume of extra-Community trade. At the beginning of the period SADC is the leader among the other ACP regions (35.1 Billion EUR in 2003), but as already mentioned in 2012 it was replaced by West Africa. In 2003, imports exceeded exports by about 20% - respectively 19 and 16 Billion EUR, while in 2013 the values of the two indicators are almost equal (though with a slight preponderance of exports) – respectively 31 and 33 Billion EUR. It is obvious that while by 2011 the trade balance was negative, in the last two years of the period it becomes positive, mainly due to the decrease in imports in 2012 and 2013 (respectively by 1 and 3 Billion EUR). The region retains its leading position as an export destination for the EU throughout the period (in 2013 – 1.9% of extra-Community exports, 21.7% of exports to the African ACP regions), but as a source of imports in recent years it has been overtaken again by West Africa. In 2009, both in imports and exports is observed the characteristic for all ACP regions decline in trade with the EU (by 8 and 4 Billion EUR), which was compensated for both indicators in 2011. The overall increase in the volume of trade for the entire period studied was 1.8 times, but due to the marked drop in imports in recent years, they have increased in 2013 compared to 2003 by 1.6 times, while the increase in exports is more than double. The undisputed leader in the trade of EU with the Southern African Development Community is South Africa, which accounts for approximately two thirds of its total value – nearly 3/4 of exports and half of the imports. Another country with a strong presence in EU trade is Angola (24% of trade, 30% of imports and 19% of exports).

During the 2003-2013 period trade of the European Union with *the region of Central Africa* grows by 2.2 times, reaching 17.4 Billion EUR. Here too EU imports increased faster than exports – respectively 2.4 and 2 times. In 2013 the volume of trade amounted to 17.4 Billion EUR, with imports exceeding exports by about 50% (respectively 10.4 and 7 Billion EUR). Exports grew gradually through all the years of the period (3.5 Billion EUR in 2003), while in 2009 imports decreased by almost half (to 5.2 Billion EUR), which was compensated in 2011. Throughout the period the negative balance of trade balance increased and in 2013 it reached 3.5 Billion EUR. In the same year Central Africa is third among other regions for EPAs with 10.5% of the volume of EU trade with African ACP countries (respectively – 12.2% of imports and 8.8% of exports). The share of the region in EU extra-Community trade trade is small - 0.5%. The major trade partners of EU here are Equatorial Guinea (26%), Cameroon (24%), Gabon (17%) and Congo (16%). Their ranking in imports is the same (respectively with 39, 23, 14 and 13%), while in exports leader is Cameroon (25%), followed by Gabon (21%), Congo (20%) and DR Congo (15%).

The region of Eastern and Southern Africa occupies a modest place in the trade of EU – only 0.3% from extra-Community and 5.5% of African ACP regions trade. In 2013 the volume of trade is 9.1 Billion EUR, and here trade flows increased the least during the period – 1.3 times (from 6.8 Billion EUR in 2003). Unlike most other regions in Eastern and Southern Africa exports exceed imports during the reference period (except for the first two years), the positive value of the trade balance reaching 1.3 Billion EUR in 2013, when exports exceed imports by more than 25% (respectively 5.2 and 3.9 Billion EUR). The trend is reinforced by the fact that exports grew significantly faster (0.6 times for the entire period) of exports, which almost retain their 2003 value (3.4 Billion EUR). EU trade with the region of Eastern and Southern Africa is distributed across multiple countries. The largest trading partners are Mauritius (21%) and Ethiopia (19%), followed by Madagascar (14%), Sudan (12%) and Zambia (11%). The main sources of imports are again Mauritius (28%), Madagascar (19%) and Ethiopia (14%) and exports are mainly directed to Ethiopia (23%), Sudan (18%) and Mauritius (17%).

The size of the smallest among the EPA regions – *the East African Community* ranks it last as a trading partner of the EU with a trade volume of 5.7 Billion EUR in 2013, which represents 3.4% of EU trade with African ACP regions and only 0.2% of the total volume of extra-Community trade. Exports prevail throughout the period with the exception of the two years in the beginning. In 2013 it significantly exceeds imports (respectively 3.5 and 2.1 Billion EUR), and its increase compared to 2003 is over 2.2 times. Imports increased less – 1.2 times. Thus, in 2013 the trade balance is positive by 1.4 Billion EUR. Both indicators observed the characteristic for the ACP regions decline in 2009, but here it was in minimal terms (about 4%), and was caught up in 2010. Trade with EAC is dominated by Kenya (53%) which occupies more than half of both imports and exports in the region, followed by Tanzania (26%) and Uganda (16%).

3.2. Commodity structure of EU trade with African EPA regions[3]

In 2013 African trade consists mainly of fuels (41%, 130 Billion EUR), followed by machinery (21%, 66 Billion), other manufactures (11%, 36 Billion), food (8%, 27 Billion) and chemicals (7%, 23 Billion). Imports are mainly concentrated in primary products – dominated by fuels (64%, 107 Billion EUR), followed by other manufactures and food (8% each). Exports are relatively diversified – leading is machinery (36%, 56 Billion EUR), followed by fuels and other manufactures (15%), chemicals (12%), food (9%) and miscellaneous manufactures (7 %).

Similar is the commodity structure of trade of EU with the EPA negotiating countries of Africa (see Figure 4) – the first place is for fuels (37%, 60 Billion EUR), followed by machinery (21%, 34 Billion), other manufactures (12%, 21 Billion), food (11%, 17 Billion) and chemicals (7%, 11 Billion). Fuel imports have a slightly lower share of total imports of

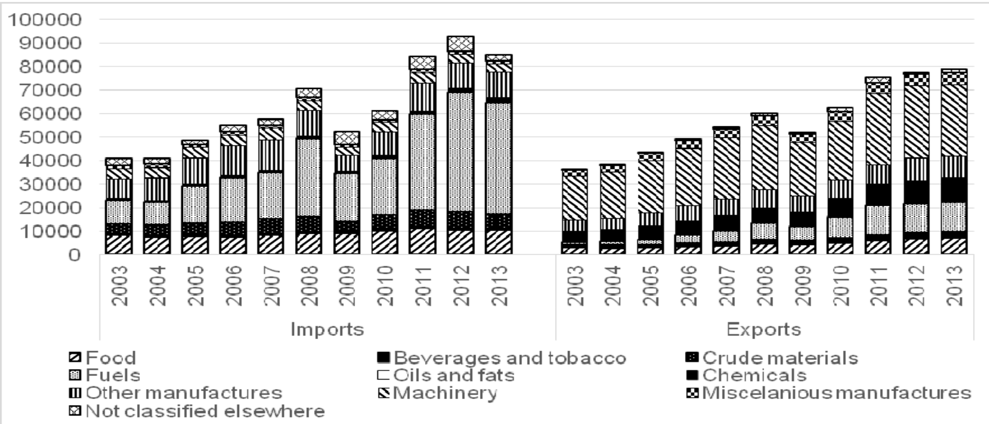
[3] Further in the paper the respective commodity groups (according to SITC, rev. 4) are presented in an abbreviated form, as follows: food and live animals – **food**; crude materials, inedible, except fuels – **crude materials**; mineral fuels, lubricants and related materials – **fuels**; animal and vegetable oils, fats and waxes – **oils and fats**; chemicals and related products – **chemicals**; manufactured goods classified chiefly by material – **other manufactures**; machinery and transport equipment – **machinery**; miscellaneous manufactured articles – **miscellaneous manufactures**.

the EU (56%) at the expense of the more significant share of other manufactures and food (13% each), while the export structure is identical to that trade with the entire continent – specific product groups' share differs with 1-2 percentage points.

Total trade with the ACP countries is little more than half of that of the whole of Africa (51%), but there are significant differences in individual commodity groups – largest share in African trade have unclassified elsewhere goods (86%), beverages and tobacco (81%), crude materials and foods (64% each) and lowest – fats and oils and miscellaneous manufactures (37% each). These variations are more pronounced in imports where beverages and tobacco and unclassified elsewhere goods coming from Sub-Saharan Africa occupy almost the entire volume of imports from Africa (98 and 96%). Higher is the share of crude materials and other manufactures (84% each) and food (77%), while oils and fats take only 20% and miscellaneous manufactures – 15%. Only three product groups deviate seriously from the total share of exports – the largest share is for beverages and tobacco (73%) and unclassified elsewhere goods (67%), while the smallest share have crude materials (30%).

Figure 4

EU – Sub-Saharan Africa international trade commodity structure (Million Euro)



Source: Eurostat – EU trade since 1988 by SITC database (DS-018995) and own calculations.

Sub-Saharan Africa occupies a significant place in the total extra-Community trade in food (11%), fuels (10%) and beverages and tobacco (8%). These are the leading commodity groups in this indicator in imports (12%, 14% and 10%), followed by crude materials (9%) and other manufactures (7%), while fuels (10 %), food (9%) and oils and fats (8%) have a more significant share in exports.

Although the total volume of EU imports and exports to African ACP countries is almost equal in 2013 (respectively 86 and 80 Billion EUR), there are serious differences in the trade balance the in individual commodity groups – the balance is highly positive for machinery (27 Billion EUR), chemicals (8 Billion) and miscellaneous manufactures (4 Billion) but has a significant negative expression in fuels (35 Billion), food (6 Billion) and crude materials (5 Billion).

For the 2003-2013 period the highest increase is observed in trade with fuel – 49% annual average growth (a.a.g.), a total increase of 49 Billion EUR. In all other commodity groups increase is much less (15-20% a.a.g.), the slowest growth is in machines and miscellaneous manufactures (13% a.a.g.). However, the growth is substantial as a value in machinery (11 Billion), crude materials (8 Billion), food and chemicals (6 Billion each). The fuels are the product group in which there is the greatest increase in both import and export (respectively 5 and 13 times). The more serious change in exports could be explained by the lower value in the early years of the period – less than 1 Billion EUR, while for imports it is just over 10 Billion. The great increase in the value of trade in fuels can be explained partly by the dramatic rise in prices of these raw materials on global markets, but is also influenced by the long-term concessions and contracts between some countries in the EU and those in Sub-Saharan Africa. For all other products the growth in exports for the period is 2-2.5 times, and in terms of value it is significant in machinery (12 Billion EUR), chemicals and other manufactures (5 Billion each) and food (4 Billion). The increase in imports is weaker – about 11-13% annually for all products except fuels (43% a.a.g., 37 Billion EUR), other processed products (25%, 3 Billion) and food (19%, 2 Billion), while imports of machinery, and miscellaneous manufactures and unclassified elsewhere goods fall by 0.5-1 Billion EUR each for the period.

There are two deviations from the trend of increase in trade value during the period under review. The first could be partly explained with the beginning of the global crisis in 2009 when trade with all commodity groups decreases, most significantly in fuels (with 14 Billion EUR compared with 2008), other manufactures and machinery (with 5 Billion each). However, this decline was compensated in the next year for all commodities, except for fuels and machinery in which the value of 2008 was reached in 2011. The other deviation during is in the last year of the period, but it is not so serious (7 Billion EUR totally) and does not affect all commodity groups but just unclassified elsewhere goods (3.5 Billion), fuels (2.5 Billion), crude materials (1 Billion) and machinery (0.5 Billion), while the trade with other products increases, albeit less compared to the general trend for the period. In both cases the decline for all commodity groups is significantly greater in imports (19 Billion EUR in 2009 and 8 Billion in 2013) than in exports (8 Billion EUR in 2009, while in 2013 there even is an increase in total trade by 1 Billion EUR).

EU Trade with the largest trade partner among EPA regions – *West Africa*, is dominated by fuels (60%, 41 Billion EUR), followed by machinery and food (12%, 8 Billion EUR each). The first completely dominate imports (80%), and are leading in exports (36%), where a significant place is occupied by machinery (27%), while food has relatively equal share in imports and in exports (12% in each). Trade in fuels with this region has the highest share in the trade of EU with Sub-Saharan Africa (69%), which is much more pronounced for exports than imports (respectively 88% and 63%). In this product group West Africa has a distinct share of total extra-Community trade of the EU – 6.7%. These are products where the increase in the trade volume is highest – 35 Billion EUR (59% a.a.g., 5 times for imports and over 13 times in exports), while for all other growth is 11-17% annually. The significant increase, especially in exports of fuels leads to an increasing negative trade balance in the period – 8 Billion EUR in 2013. The negative balance in trade with fuels (19 Billion EUR) is compensated in part by the positive in machinery (8 Billion), chemicals and crude materials (2 Billion).

EU trade with the *Southern African Development Community* EPA region is concentrated in machinery (30%, 19 Billion EUR), other manufactures (21%, 14 Billion EUR) and fuels (17%, 11 Billion EUR). The first occupy almost half of the exports to the region (49%), while the other two groups – almost 2/3 of imports (respectively 28 and 32%). For the 2003-2013 period the most serious increase is observed in fuels (8 Billion EUR), machinery (6 Billion) and crude materials (5 Billion). The growth of exports is generally larger than that of imports (respectively 2.1 and 1.6 times), which reflects in the change in the trade balance – at the beginning of the period it has a negative expression of 3 Billion EUR, while at the end it is the same, but with a positive value. In 2013, the balance is highly positive in trade with machinery (13 Billion EUR), chemicals, miscellaneous manufactures and food (by 2.5 Billion EUR), and negative in fuels (9 Billion) and crude materials (4 Billion). SADC holds an important place in the total trade of EU with Sub-Saharan Africa with unclassified elsewhere goods (75%, 86% of imports), crude materials (67%, 78% of imports), fats and oils (64%, 75 % of exports) and machinery (56%, 81% of imports). The region has a relatively strong presence in extra-Community trade in crude materials (3.7%) and beverages and tobacco (3.6%).

Although much smaller in volume (17 Billion EUR in 2013), the commodity structure of EU trade with the region of *Central Africa* is very similar to that of the West Africa region – dominated by fuels (45%, 71% of imports and only 4% of exports), followed by machinery (16%, 39% of exports and less than 0.5% of imports), crude materials (13% for both indicators) and food (9%, 16% of exports and 6% of imports). The trade balance is negative (3.5 Billion EUR), but the high import of fuels is somewhat compensated for by the positive value of the balance in machines (2.7 Billion EUR). Exports grew more slowly than imports, leading to an increase in the current account deficit. The most significant growth during the period was in trade with fuels (6 Billion EUR, 39% on average) – significantly higher in exports (8.5 times) than in imports (4.2 times). Although slower and with lower values trade also increased in and other manufactures (by 1 Billion EUR each, respectively 13 and 17% a.a.g). The main product traded with the region (fuels) occupy 13% of EU trade with all African ACP countries, while for all other product groups the share is about 9-10% (with the exception of very weak presence of oils and fats – only 3%). Only fuels and have a distinct place in EU extra-Community trade - 1.2% of total trade, 1.5% of imports.

Despite the relatively low share of *Eastern and Southern Africa* of EU trade with African EPA regions (5.5%), the region has a serious place in miscellaneous manufactures (17%, 1 Billion EUR), beverages and tobacco and food (13%, 2 Billion EUR each). The leading product groups in U trade with Eastern and Southern Africa are food (27%) and machinery (24%) – the first occupy 44% of imports, while the second – 42% of EU exports to the region. As already noted, EU trade with Eastern and Southern Africa increases the slowest compared to all other regions (1.4 times). The increase is slightly higher in chemicals and crude materials (respectively 2.8 and 2 times). However, one could regard as positive the fact that exports grew faster than imports (respectively 1.6 and 1.2 times), which leads to a positive balance of 1.3 Billion EUR in 2013, mainly due to positive values in machinery (2.1 Billion) and chemicals (0.9 Billion), the only product group with a substantial negative balance being food (1 Billion EUR).

The smallest of the EPA regions – the East African Community, occupies the last place in the trade of EU with Sub-Saharan Africa (3.4%, 5.7 Billion EUR), the only products with a distinct presence being crude materials (10%) and chemicals (8%). The most traded commodities are machinery (30%), food (23%), chemicals and crude materials (13%). Exports are concentrated in machinery and chemicals (46 and 22%), while imports – in food and crude materials (51 and 29%). Exports grew approximately twice as fast as imports (respectively 21 and 11% a.a.g.), especially in fuels (5.5 times), beverages and tobacco (3.8 times) and food (3.3 times). The highest increase as value in exports is in machinery (1 Billion EUR). The faster pace of growth in exports leads to a positive trade balance (1.4 Billion in 2013).

3.3. Summarised assessment of the trends in international trade

The analysis of the dynamics of the EU's trade with African EPA regions shows that its value grew slightly faster than that of the total extra-Community trade flows. Trade dynamics in different regions are different because of their specific characteristics, but the countries which have signed interim EPAs are taking more significant share of trade of the EU with the corresponding regions – although they have not become regional leaders yet, trade with them is growing faster compared to other countries in the regions. This trend is more obvious in terms of EU imports from these countries, as interim EPAs allow these countries to export almost all goods duty-free without restrictions.

The analysis of the commodity structure of EU trade with EPA regions in Africa once again underlines the strong dependence of Sub-Saharan Africa on primary sector exports and processed products imports. This is a clear indicator of the potential opportunities that are available to the industrialised countries to the export processed products to this part of the world. This trend is characteristic of EU trade both with the region and with each of the existing EPA blocks. Different trends are observed in trade flows with the individual EPA regions, with the growing current account deficit in trade with West and Central Africa being only partly compensated by the reverse trend in the other three regions. The volume of trade in all commodity groups has a clear upward trend, with the exception of 2009, when there is a decline in the value of trade in all products as a result of the global financial crisis. Decrease is observed in 2013 as well, but only in imports of certain product groups.

Conclusion

EPA is an ambitious and innovative policy heading towards growth and development in ACP regions. For the ACP signatories, it combines immediate gains in terms of market access, some relaxation of rules of origin, financial assistance targeted to EPA regions needs with significant commitments – liberalization towards EU goods and services within EPA regions, transparency and predictability of business rules. EPAs provide to their signatories medium-to-long term opportunities in exports, investments and regional trade, enhanced cooperation, but are also associated with risks – of business closures, budget restrictions, etc.

As the EU is the biggest trade partner and the main donor for most ACP states, the strategy has the potential to impulse a significant development impetus. The EPA strategy is global and its various pillars – trade, services, regional integration, cooperation, aid – are mutually supportive. Therefore the partial African agreements which address trade in goods and some technical cooperation cannot achieve the development benefits attached to the overall strategy.

The assessment of the EU's trade relations with Sub-Saharan Africa clearly shows that the Union does not devote the necessary attention to the African continent, despite that the countries within EPA negotiations are one of its main trading partners, trade with them is growing fast and presents many opportunities to the EU both in terms of imports and exports.

Although the foundation of the new framework for trade relations with Sub-Saharan Africa – the Economic Partnership Agreements, is based on the principle "to help these countries help themselves", it remains rather declarative. The analysis of the regulatory framework of the EU-ACP relations shows that the general development policy of the Union is restricted by a narrow legal framework while the goals it sets are too declarative, and only at the political level. Setting priorities and specific actions often does not include the real stakeholders – both representatives of developing countries that this policy affects directly, as well as the acting in the field of trade and investment with African countries European business.

Moreover, the EU and particularly some individual Member States, like the other major world economic powers, participate in the global struggle for resources, protecting primarily their own interests. This, together with the aggressive penetration of new global economic players in Africa requires a thorough rethinking of the policy towards the countries on the continent, not only from the EU point of view, but in the national foreign trade strategies of Member States as well.

References

Bierbrauer, E. (2013). Trade regimes applicable to developing countries. – In: Fact Sheets on the European Union 2014. European Parliament. pp. 494-496.

Bilal, S. and C. Stevens (eds.). (2009). The Interim Economic Partnership Agreements between the EU and African States: Contents, challenges and prospects. – ECDPM Policy Management Report 17. Maastricht: ECDPM.

EC. (2011). Economic partnership agreements. GD Trade, available at http://trade.ec.europa.eu/doclib/docs/2013/april/tradoc_151010.pdf.

EC. (2012). The EU's new Generalised Scheme of Preferences (GSP), October 2012.

EC. (2014). Economic Partnership Agreement with SADC EPA Group. European Commission, http://trade.ec.europa.eu/doclib/docs/2014/october/tradoc_152818.pdf.

EC. (2015). Economic Partnership Agreement with West Africa – Facts and figures. European Commission, http://trade.ec.europa.eu/doclib/docs/2014/july/tradoc_152694.pdf.

EC. (2015a). Overview of EPA Negotiations, updated January 2015. European Commission, http://trade.ec.europa.eu/doclib/docs/2009/september/tradoc_144912.pdf.

Gil, M. M. and Tensi, N. (2013). A general survey of development policy. – In: Fact Sheets on the European Union 2014. European Parliament. pp. 497-499.

IFATPC. (2011). Economic partnership agreements and African regional integration: Have negotiations helped or hindered regional integration?. – Issue Brief, August 2011, IFATPC.

Mangala, J. (2013). Africa and the European Union: A Strategic Partnership. Palgrave Macmillan.

Mlenga, K. (2012). Assessing the Progress of Africa's Economic Integration in Light of the Establishment of the African Economic Community. Academia.edu.

Ndomo, A. (2009). Regional Economic Communities in Africa – A Progress Overview. Study Commissioned by GTZ, Nairobi.

OPPD. (2011). Economic Partnership Agreements EU-ACP: Facts and Key Issues. European Parliament, OPPD 2011.

Stefanova, J. (2014). Consolidations among EU Stock exchanges. A Comparative Study of Current and Potential Consolidation Processes Among EU Stock Exchanges. Lambert Academic Publishing.

UNECA. (2010). Assessing Regional Integration in Africa IV. Enhancing Intra-African Trade. Addis Ababa.

UNECA. (2012). Assessing Regional Integration in Africa V. Towards an African Continental Free Trade Area. Addis Ababa.

Walker, A. (2009). The EC-SADC EPA: The Moment of Truth for Regional Integration, available at: http://ictsd.org/i/news/tni/52416/#sthash.HrLhGk29.dpuf.

World Bank. (2008). Africa: Economic Partnership Agreements between Africa and the European Union: What to do now?. Report No. 45945-AFR. Washington, DC, USA.

Statistical sources:

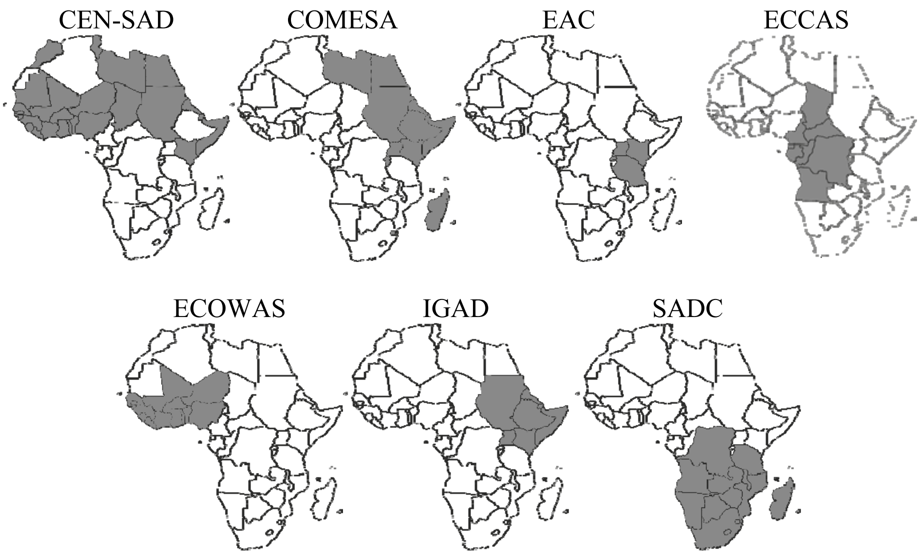
Eurostat, EU trade since 1988 by SITC database (DS-018995), available at: http://epp.eurostat.ec.europa.eu, last accessed on 10.12.2015.

World Bank, African Development Indicators database, available at: http://databank.worldbank.org/, last accessed on 10.12.2015.

Annex

Maps of African RECs and EPA regions

African RECs



Community of Sahel-Saharan States (CEN-SAD): Benin,Burkina Faso, Cape Verde, Central African Republic, Comoros, Côte d'Ivoire, Chad, Djibouti, Egypt, Eritrea, Gambia, Ghana, Guinea-Bissau, Guinea, Kenya, Liberia, Libya, Mali, Mauritania, Morocco, Niger, Nigeria, São Tomé & Príncipe, Senegal, Sierra Leone, Somalia, Sudan, Togo, Tunisia.
Common Market for Eastern and Southern Africa (COMESA): Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, Zimbabwe
East African Community (EAC): Burundi, Kenya, Rwanda, Tanzania, Uganda
Economic Community of Central African States (ECCAS): Angola, Burundi, Cameroon, Central African Republic, Chad, Democratic Republic of Congo, Equatorial Guinea, Gabon, Congo, São Tomé and Príncipe
Economic Community of West African States (ECOWAS): Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo
Inter-Governmental Authority on Development (IGAD): Djibouti, Eritrea, Ethiopia, Kenya, Somalia, Sudan, Uganda
Southern African Development Community (SADC): Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe

EPA negotiation regions