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EPAS AND BENCHMARKING DEVELOPMENT

SYNOPSIS

The Economic Partnership Agreements (EPAs) being negotiated between the EU and Africa pose a major challenge for African countries since they are essentially free trade agreements. As such, the issue of development benchmarks has often been discussed. Many realize the need to stringently monitor the implementation of EPAs where these are signed, and to put in place brakes on the liberalization process if the desired development goals are not being attained. This paper proposes three concrete development benchmark indicators. They draw on the EU's own indicators when graduating countries out of their Generalised System of Preferences (GSP) schemes: the Development Index; Export Concentration/Diversification; and Import Concentration. The logic used in this paper is that countries have to graduate out of a certain level of vulnerability before they implement a further stage of liberalisation, or before they qualify to liberalise. The paper proposes legal language that can be utilised in an EPA text. It finally also provides some figures for certain African countries, illustrating how these countries measure on the indicators.

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EPAs and Benchmarking Development

Table of Contents

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I. INTRODUCTION

1. The Economic Partnership Agreements (EPAs) being negotiated between the EU and ACP countries are widely acknowledged to pose a major challenge for the ACP / African countries since they are essentially free trade agreements based on reciprocal market liberalization. As such, the issue of development benchmarks has been discussed often as many actors from different quarters realize the need to stringently monitor the implementation of EPAs, where these are signed, and to put in place brakes on the liberalization process if the desired development goals are not being attained.

2. Development indicators should therefore be reached in order to kick in various tranches of liberalization. We borrow liberally from the indicators the EU has used in the recent past and still uses today in its various GSP arrangements vis-à-vis developing countries, in graduating countries from exporting certain products to the EU market.

II. EU'S OLD AND NEW GSP GRADUATION CRITERIA

3. In the EU's 'old' GSP arrangement, valid till December 2008, several useful indicators measuring the development of GSP beneficiaries and import concentration into EU market were used to graduate countries from exporting certain products to the EU. The current GSP graduation also relies on an indicator measuring the extent to which imported products from a country are taking up the EU market in comparison to imports from other GSP beneficiaries.

4. We are borrowing and adapting the different criteria which the EU has used or is using to measure development; export concentration / diversification; and import concentration from the EU or conversely, level of regional trade integration amongst African countries:

a. The Development Index

5. In the old GSP graduation, the EU measured the development index based on a formula that takes two variables into account:

i) The GNP per capita of a GSP beneficiary country in comparison with the EU's GNP per capita

ii) The value of the beneficiary country's manufactured exports in comparison to the value of the EU's manufactured exports.

6. The Development Index used the formula (which looks more complicated than it is)

   $\{\log [Yi/Y_{EU}] + \log [Xi/X_{EU}]\}/2$

   Where:

   Y_i = the developing country's gross national product per capita,
   Y_{EU} = the European Union's gross national product per capita,
   X_i = the developing country's manufactured exports,
   X_{EU} = the value of the European Union's manufactured exports.

7. The EU took statistics on exports of manufactured goods from the SITC (SITC 5 to 8 less 667 and 68). SITC is the UN Standard International Trade Classification. This is a different classification from the Harmonized Commodity Description and Coding System (HS) which is used in the negotiations at the WTO. We will also use the SITC in our calculations of Development Index. The advantage of SITC over the HS system is that it categorises goods into primary and processed products. Manufactured goods are processed products which can be agricultural or industrial based.

8. The EU's criteria was that a GSP beneficiary country's development index as defined by the above formula should not be higher than -2. (Article 12 of the Council Regulation (EC) No. 2501/2001[1])

9. What this means in layman's terms is that the size of the beneficiary country's GNP and manufactured exports cannot be more than 1/100 or 1% the size of the EU's per capita GNP and manufactured exports. The moment an economy hits 1 percent the size of the EU's economy, the country is graduated from the GSP arrangement for a certain sector.

10. For African countries, this Development Index is a useful indicator. In the EPAs, as countries arrive at certain levels of development, they can then be asked to liberalise certain proportions of their market.

[1] Council Regulation (EC) No 2501/2001 of 10 December 2001 applying a scheme of generalized tariff preferences for the period from 1 January 2002 to 31 December 2004 http://trade.ec.europa.eu/doclib/docs/2003/may/tradoc_113021.pdf

b. Export Concentration

11. Apart from the Generalised System of Preferences (GSP), where the EU provides duty free tariff on some products, and reduced tariffs (3,5 percentage points less than the MFN tariff) on other tariff lines, the EU also provides a GSP+ arrangement. This is known as the 'Special Incentive arrangement for sustainable development and good governance', where a larger group of products can be exported to the EU duty free (these include agricultural products which have mostly been excluded from duty free treatment under the GSP). (See Article 7 of Council Regulation (EC) No 732/2008).

12. However, even before the GSP+ arrangement can kick in, several criteria have to be met. Amongst these, the country should be considered vulnerable. One part of the 'vulnerability' definition includes: 'the five largest sections of its GSP-covered imports into the Community represent more than 75% in value of its total GSP-covered imports'. That is, the country cannot be highly diversified in its exports. If it is, it is not 'vulnerable' and will not be eligible for the GSP+.

13. Turning this concept of vulnerability around, African countries should liberalise their markets to the EU when they are less vulnerable and have attained a more robust level of diversification in their production and hence exports.

c. A Country's Share of the EU Market

14. The other indicator used is a country's share or its concentration in the EU market in relation to other GSP beneficiaries. When a country exports beyond a certain level to the EC, it no longer enjoys the lower tariffs offered by the EC in the GSP. Article 12 of the Council Regulation (EC) No. 2501/2001 states that 'Community imports from that country of all products of the sector concerned and included in the arrangements enjoyed by that country exceed 25% of Community imports of the same products from all countries and territories listed in Annex 1.' (Annex 1 lists 179 developing countries).

15. Essentially, the EU market becomes harder to access when a GSP beneficiary country dominates the EU market in comparison to other developing countries.

16. In the EU's 'old' GSP graduation criteria, the development index and this concentration index is used. One scenario provided is that both these criteria have to be fulfilled before a country is 'graduated' from exporting products from a sector to the EU.

17. The EU has revised its GSP graduation criteria. As of January 2009, the Development Index is not used. Instead, the concentration/share that a country has in the EU market, as compared to other GSP recipients has been reduced to 15 percent.

18. According to Article 13 of the new Council Regulation (EC) No 732/2008 of 22 July 2008, 'The tariff preferences referred to in Articles 6 and 7 (Article 6 is on the arrangements for the GSP scheme and Article 7 is the arrangement for the GSP+) shall be removed, in respect of products originating in a beneficiary country of a section, when the average value of Community imports from that country of products included in the section concerned and covered by the arrangement enjoyed by that country exceeds 15% of the value of Community imports of the same product from all beneficiary countries and territories over three consecutive years, on the basis of the most recent data available on 1 September 2007. For each of the Sections XI (a) and XI(b) (these refer to textiles), the threshold shall be 12,5%.'

19. A country reaching a certain level of specialization and occupying a significant portion of the EU market is therefore 'graduated' from the GSP arrangement.

20. Mirroring this, countries should open up to the EU but not if the EU, given its production strengths and specialization in many sectors, monopolises its entire market. African countries do want to put integration with other African countries as a priority. Hence, there should be a certain part of the market that is reserved for the EU, and a portion of African countries' markets set aside by other African producers.

21. Using these concepts the following Development Benchmarks can be pegged to the liberalization schedules of African countries in their EPA negotiations (should they decide to agree to having an EPA with the EU) to ensure that the EPAs do not actually hinder development.

III. LIBERALISATION SCHEDULE AND THE DEVELOPMENT BENCHMARKS-EXPLANATION

22. All African countries/sub-regions liberalise 60% of their tariff lines in the EPA with the EU. The liberalization of these tariff lines are to take place in 3 tranches upon the attainment of set criteria that are related to development, the economies' level of diversification and the level of regional trade integration. The liberalization process will take at least 25 years.

a) Tranche I: (20% of tariff lines)

23. Contains 20% of the least sensitive products.

24. **Time-line:** This Tranche is implemented 10 years after entry into force of this Agreement and the liberalisation process takes place over 5 years.

25. Before Tranche I is implemented, the following criteria will be fulfilled:

i) **Development Index:** When a country/ sub-region's economic size is 20% that of the EU, based on the formula contained in Annex II (see p12) and measured over the most recent three consecutive years where data is available, duties on 20% of tariff lines are eliminated (Annex II contains the EU's formula for its development index derived from its previous GSP graduation arrangement for developing countries with a minor change. We have factored in countries' per capita manufactured export value instead of a country's manufactured export value in absolute terms. This change works in favour of the EU since African countries/ sub-regions are more likely to have a higher development level on a per capita export basis, than if exports of a small country or sub-region were compared with the EU's exports in absolute terms.)

Attaining 20% the size of the EU economy means that the country or sub-region's development index should be higher than -0.7.

See Annex A for a range of African countries' Development Index based on this formula and Annex B for sub-regions' Development Index based on this formula, and

ii) **Export Concentration/ Diversification:** A country's 5 highest export sectors in value terms entering the EU should not be more than 60% of its total exports to the EU market. A sub-region's 5 highest export sectors should not be more than 50% of its total exports to the EU market.

(See Annex C for a range of African countries top 5 and 10 export sectors in value terms as a percentage of their total exports to the EU. Annex D provides the same figures for African sub-regions).

If in the course of implementation, a country/ sub-region no longer fulfils the criteria in (i) and (ii), it can discontinue its liberalisation process and modify its customs duty commitments. The liberalisation process will recommence after three consecutive years wherein the country fulfils the criteria in (i) and (ii).

b) Tranche II: (Liberalising 40% of tariff lines in total)

26. Contains an additional 20% of tariff lines bringing the total percentage of tariff lines to be liberalised to 40%.

27. **Time-line:** This Tranche is liberalised after a country has completed the implementation of liberalisation in Tranche I, and no earlier than 15 years after entry into force of this Agreement. The liberalisation process takes place over 5 years.

28. Before Tranche II is implemented, the following criteria will be fulfilled:

    i) **Development Index:** When a country / sub-region's economic size is 40% that of the EU, based on the formula contained in Annex II and measured over the most recent three consecutive years where data is available, duties on an additional 20% of tariff lines are eliminated (attaining 40% the size of the EU economy means that the country or sub-region's development index should be higher than -0.4), and

    ii) **Export Concentration/ Diversification:** A country's 10 highest export sectors in value terms entering the EU should not be more than 60% of its total exports to the EU market. A sub-region's 10 highest export sectors in value terms should not be more than 50% of its total exports to the EU market, and

    iii) **Concentration of imports from EU/ Regional Integration**: An African country/ sub-region's share of imports from the EU should not exceed 25% of the country/ sub-region's combined imports from the EU and other African countries.

    (See Annex E to find out countries' share of imports from the EU compared to its share of imports from the EU and other African countries combined. Annex F provides the same figures at the sub-regional level).

29. If in the course of implementation, a country/ sub-region no longer fulfils the criteria in (i), (ii) and (iii), it can discontinue its liberalisation process and modify its customs duty commitments. The liberalisation process will recommence three consecutive years after the country fulfils the criteria in (i), (ii) and (iii).

c) Tranche III (Liberalising 60% of tariff lines in total)

30. Contains an additional 20% of tariff lines bringing the total percentage of tariff lines to be liberalised to 60%.

31. **Time-line:** This Tranche is liberalised after a country has completed the implementation of liberalisation in Tranche II, and no earlier than 20 years after entry into force of this Agreement. The liberalisation process takes place over 5 years.

32. Before Tranche III is implemented, the following criteria will be fulfilled:

    i) **Development Index:** When a country / sub-region whose economic size is 60% that of the EU, based on the formula contained in Annex II and measured over three consecutive years where data is available, duties on an additional 20% of tariff lines are eliminated (attaining 60% the size of the EU economy means that the country or sub-region's development index should be higher than -0.22), and

    ii) **Export Concentration/ Diversification:** A country's 10 highest export sectors to the EU should not be more than 55% of its total exports to the EU market. A sub-region's 10 highest export sectors should not be more than 45% of its total exports to the EU market, and

    iii) **Concentration of imports from EU /Regional Integration**: An African country/ sub-region's share of imports from the EU should not exceed 15% of the country/ sub-region's combined imports from the EU and other African countries.

33. If in the course of implementation, a country/ sub-region fails to fulfil the criteria in (i), (ii) and (iii), it can discontinue its liberalisation process and modify its customs duty commitments. The liberalisation process will recommence three consecutive years after the country fulfils the criteria in (i), (ii) and (iii).

d) Exclusions

34. The exclusions (40% of tariff lines) are not part of the liberalisation schedule.

IV) PROPOSED LEGAL LANGUAGE FOR AN EPA

A) Article X - Customs duties on products originating in the EC Party

1. Customs duties on imports of products originating in the EC Party shall be reduced or eliminated in accordance with the schedules of tariff liberalization in Annex II which shall contain the modalities of liberalization and schedules of each Signatory …. State or group of Signatory ……. States.

2. The schedule of commitments stipulated in Annex I.1 shall be implemented at least ten years after the entry into force of this Agreement, and over the most recent three consecutive years prior to implementation, the …. Party meets the following criteria:

   i) The …. Party's development index, as defined in Annex II, is greater than –0.7, and

   ii) The … Party's (country level) 5 highest export sectors to the EC Party by value are not more than 60% of its total exports to the EC Party, or the …. Party's (sub-regional level) 5 highest export sectors are not more than 50% of its total value of exports to the EC Party.

   iii) Implementation takes place over 5 years.

   iv) The schedule of liberalization will be discontinued when, in any year, the … Party no longer meets criteria (i) or (ii). Implementation resumes after the conditions (i) and (ii) are fulfilled for three consecutive years.

3. The schedule of commitments stipulated in Annex I.2 shall be implemented at least fifteen years after the entry into force of this Agreement, and over the most recent three consecutive years prior to implementation, the …. Party meets the following criteria:

   i) The …. Party's development index, as defined in Annex II, is greater than -0.4, and

   ii) The … Party's (country level) 10 highest export sectors to the EC Party in value terms should not be more than 60% of its total exports to the EC Party, or the Party's (sub-regional level) 10 highest export sectors should not be more than 50% of its total exports to the EC Party, and

iii) The …. Party's share of imports from the EC Party by value do not exceed 25% of the …. Party's value of combined imports from the EC Party and other African countries.

iv) Implementation takes place over 5 years.

v) The schedule of liberalization will be discontinued when, in any year, the … Party no longer meets criteria (i), (ii) or (iii). Implementation resumes after the conditions of (i), (ii) and (iii) are fulfilled for three consecutive years.

4. The schedule of commitments stipulated in Annex I.3 shall be implemented at least twenty years after the entry into force of this Agreement, and over the most recent three consecutive years prior to implementation, the …. Party meets the following criteria:

i) The … Party's development index, as defined in Annex II, is greater than -0.22, and

ii) The … Party's (country level) 10 highest export sectors to the EC Party by value is not more than 55% of its total exports to the EC Party, or the … Party's (sub-regional level) 10 highest export sectors do not exceed 45% of its total exports to the EC Party, and

iii) The … Party's share of imports from the EC Party by value do not exceed 15% of the … Party's value of combined imports from the EC Party and other African countries.

iv) Implementation takes place over 5 years.

v) The schedule of liberalization will be discontinued when, in any year, the … Party no longer meets criteria (i), (ii) or (iii). Implementation resumes after the conditions of (i), (ii) and (iii) are fulfilled for three consecutive years.

B) Annex I: Schedule of Tariff Liberalisation

Tranche I:

i) Elimination of customs duties on these products originating from the EC Party begins at least 10 years after the entry into force of this Agreement upon meeting the criteria set out in Article X.2. *(Insert 20% of tariff lines where duties are to be eliminated)*

Tranche II:

ii) Elimination of customs duties on these products originating from the EC Party begins at least 15 years after the entry into force of this Agreement upon meeting the criteria set out in Article X.3. *(Insert 20% of tariff lines where duties are to be eliminated)*

Tranche III:

iii) Elimination of customs duties on these products originating from the EC Party begins at least 20 years after the entry into force of this Agreement upon meeting the criteria set out in Article X.4. *(Insert 20% of tariff lines where duties are to be eliminated)*

The following tariff lines will not be liberalised.

C) Annex II: Development index

i) The Development Index refers to a country or sub-region's level of industrial development. It compares that level to the one of the European Union, using the following formula:

$\{\log [Yi/Y_{EU}] + \log [Xi/X_{EU}]\}/2$

Where:

Y_i = the … Party's (country or sub-region) gross national product per capita,
Y_{EU} = the European Union's gross national product per capita,
X_i = the value of the … Party's (country or sub-region) per capita manufactured exports,
X_{EU} = the value of the European Union's per capita manufactured exports.

D) Article Y - Modification of tariff commitments

i) In the light of the special development needs of…..countries and taking into account their need to harmonise tariffs in the process of regional and continental integration , the …. Party may decide to modify the level of customs duties stipulated in Annex I, which may be applied to a product originating in the EC Party upon its importation into the ……countries .

Annex A

Development Index of Selected No. of African Countries
(as compared to size of the EU economy)

Country	Total manufactured exports	Population	Manufactured exports per capita	GNI per capita	Development index	Development index (%)
Mauritius	1,446,343	1,241	1.17	5,450	-0.49	32.3%
Equatorial Guinea	126,118	484	0.26	12,860	-0.63	23.5%
South Africa	25,218,229	47,939	0.53	5,760	-0.65	22.3%
Swaziland	1,223,385	1,125	1.09	2,580	-0.67	21.5%
Libyan Arab Jamahiriya	1,188,449	5,918	0.20	9,010	-0.76	17.2%
Seychelles	16,637	86	0.19	8,960	-0.77	16.9%
Gabon	221,753	1,291	0.17	6,670	-0.86	13.7%
Namibia	648,718	2,020	0.32	3,360	-0.88	13.3%
Botswana	311,080	1,836	0.17	5,840	-0.89	12.8%
Lesotho	886,726	1,981	0.45	1,000	-1.07	8.6%
Cape Verde	41,774	507	0.08	2,430	-1.24	5.7%
Côte d'Ivoire	1,583,209	18,585	0.09	910	-1.45	3.6%
Egypt	2,848,875	72,850	0.04	1,580	-1.50	3.2%
Liberia	1,029,206	3,442	0.30	150	-1.57	2.7%
Senegal	472,932	11,770	0.04	820	-1.63	2.3%
Zambia	342,618	11,478	0.03	800	-1.70	2.0%
Kenya	1,231,133	35,599	0.03	680	-1.71	2.0%
Congo	49,589	3,610	0.01	1,540	-1.73	1.9%
Ghana	745,415	22,535	0.03	590	-1.75	1.8%
Angola	112,425	16,095	0.01	2,560	-1.77	1.7%
Togo	213,756	6,239	0.03	360	-1.85	1.4%
Zimbabwe	427,549	13,120	0.03	340	-1.87	1.3%
Madagascar	396,855	18,643	0.02	320	-1.98	1.1%
Cameroon	108,376	17,795	0.01	1,050	-1.99	1.0%
Comoros	7,094	798	0.01	680	-2.00	1.0%
Djibouti	2,894	804	0.00	1,090	-2.10	0.8%
Nigeria	380,812	141,356	0.00	930	-2.19	0.6%
Benin	34,139	8,490	0.00	570	-2.21	0.6%
Uganda	177,666	28,947	0.01	340	-2.23	0.6%
Mozambique	118,709	20,533	0.01	320	-2.26	0.6%
Guinea-Bissau	14,225	1,597	0.01	200	-2.27	0.5%
Malawi	93,187	13,226	0.01	250	-2.27	0.5%
United Republic of Tanzania	164,624	38,478	0.00	400	-2.28	0.5%
Sudan	63,827	36,900	0.00	960	-2.28	0.5%
Mali	37,232	11,611	0.00	500	-2.29	0.5%
Guinea	30,614	9,003	0.00	400	-2.33	0.5%
Sao Tome and Principe	190	153	0.00	870	-2.38	0.4%
Burkina Faso	34,151	13,933	0.00	430	-2.38	0.4%

Country	Total manufactured exports	Population	Manufactured exports per capita	GNI per capita	Development index	Development index (%)
Sierra Leone	15,913	5,586	0.00	260	-2.46	0.3%
Niger	34,949	13,264	0.00	280	-2.46	0.3%
Chad	12,637	10,146	0.00	540	-2.48	0.3%
Gambia	1,613	1,617	0.00	320	-2.64	0.2%
Rwanda	8,992	9,234	0.00	320	-2.65	0.2%
Eritrea	5,799	4,527	0.00	230	-2.66	0.2%
Central African Republic	2,493	4,191	0.00	380	-2.72	0.2%
Ethiopia	62,237	78,986	0.00	220	-2.77	0.2%
Democratic Republic of the Congo	62,993	58,741	0.00	140	-2.80	0.2%
Burundi	3,501	7,859	0.00	110	-3.05	0.1%

Sources for Annex A and B:

Manufactured exports	*UNCTAD Handbook of Statistics 2008, year 2006*
Population (non-EU)	*2005 estimate from Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, World Population Prospects: The 2006 Revision, http://esa.un.org/unpp*
Population (EU)	*Eurostat, table Total population EU-27 (update 31 december 2006), year 2005*
GNI (non-EU)	*World Bank, Gross national income per capita 2007, Atlas method http://siteresources.worldbank.org/DATASTATISTICS/Resources/GNIPC.pdf*
GNI (EU)	*Eurostat, table Income, saving and net lending / net borrowing, year 2007*
More on the Atlas method	*http://go.worldbank.org/B5PYF93QF0*

The last column Development Index (%) shows countries' economic size (measured by GNI per capita and manufactured exports per capita) in percentage terms, as compared to that of the EU. These same figures are reflected in the Development Index column (second to last column), only that a logarithmic formula contained in Annex II has been used to transpose the original percentage figures into a different set of figures. The last two columns of figures are therefore presently differently, but mean the same thing.

Annex B

Development Index of Selected No. of Sub-Regions (as compared to size of the EU economy)

Region	Total manufactured exports	Intra-regional trade	Extra-regional trade	Population	Manufactured exports per capita	GNI per capita	Development index	Development index (%)
SACU	28,288,137	1,620,946	26,667,192	54,901	0.49	5,437	-0.68	20.8%
South Africa, Angola and Namibia	25,979,373	1,402,025	24,577,347	66,054	0.37	4,907	-0.76	17.3%
BLS	2,421,190	1,239,695	1,181,495	4,942	0.24	3,158	-0.95	11.1%
BLNS	3,069,908	1,620,946	1,448,962	6,962	0.21	3,216	-0.98	10.5%
SADC	31,453,440	6,603,473	24,849,967	246,456	0.10	1,621	-1.29	5.2%
BLNS plus	3,188,617	1,928,755	1,259,862	27,495	0.05	1,054	-1.55	2.8%
Ghana and Cote d'Ivoire	2,328,624	74,279	2,254,345	41,120	0.05	735	-1.59	2.6%
ESA	2,637,096	151,640	2,485,456	45,366	0.05	610	-1.63	2.3%
COMESA	9,610,033	1,512,976	8,097,057	400,082	0.02	758	-1.80	1.6%
CEMAC	520,967	64,867	456,099	37,517	0.01	1,230	-1.80	1.6%
UEMOA	2,424,592	645,345	1,779,248	85,489	0.02	579	-1.85	1.4%
ECOWAS	4,669,938	1,568,327	3,101,611	272,498	0.01	749	-1.93	1.2%
EAC	1,585,916	624,363	961,553	120,117	0.01	443	-2.12	0.8%
ECCAS	709,068	87,675	621,393	129,599	0.00	723	-2.12	0.8%
EU	3,523,803,190	2,323,539,160	1,200,264,030	491,024	2.44	24,900	0.00	100.0%

See Annex G for the configuration of countries in the regions referred to. The last column Development Index (%) shows countries' economic size (measured by GNI per capita and manufactured exports per capita) in percentage terms, as compared to that of the EU. These same figures are reflected in the Development Index column, only translated through a logarithmic formula contained in Annex II.

Annex C

Export Concentration / Diversification: Countries Top 5 and 10 Export Sectors to the EU in Value Terms as a Percentage of their Total Exports to the EU

Country	Top 5	Top10	Most important product
Seychelles	98.0%	98.9%	Fish (tunas)
Sao Tome and Principe	97.9%	99.4%	Cocoa beans
Niger	96.7%	98.0%	Uranium
Botswana	96.5%	98.9%	Diamonds
Rwanda	94.3%	98.0%	Coffee
Burundi	90.8%	95.8%	Coffee
Central African Republic	88.1%	98.7%	Diamonds
Mali	87.0%	92.3%	Gold
Cameroon	86.7%	96.6%	Oil
Togo	84.7%	91.2%	Coffee
Namibia	83.9%	93.3%	Diamonds
Benin	83.0%	93.3%	Cotton
Uganda	78.9%	90.5%	Coffee
Ghana	76.8%	85.5%	Cocoa beans
Zambia	70.1%	86.7%	Copper
Zimbabwe	69.8%	84.9%	Tobacco
Mauritius	64.4%	75.6%	T-shirts
Tanzania	63.3%	77.1%	Coffee
Cape Verde	62.9%	79.8%	Cargo containers
Kenya	62.9%	80.5%	Cut flowers
Côte d'Ivoire	58.5%	75.1%	Cocoa beans
Gambia	49.5%	72.0%	Ground-nut oil
Senegal	46.6%	64.2%	Fish
Madagascar	40.3%	55.6%	Fish (shrimps)
South Africa	35.9%	46.9%	Filtering or purifying machinery

Source: ITC TradeMap, exports at 6 digit level, all years 2007 except for Central African Republic, Zimbabwe (2005) and Cameroon, Rwanda, Sao Tome and Principe and Seychelles (2006).

Data unavailable for: Angola, Burkina Faso, Chad, Comoros, Congo, DR Congo, Equatorial Guinea, Guinea, Guinea-Bissau, Lesotho, Liberia, Mauritania, Nigeria, and Sierra Leone.

Annex D

Export Concentration / Diversification: Sub-Regions' Top 5 and 10 Export Sectors to the EU in Value Terms as a Percentage of their Total Exports to the EU

Region	Top 5	Top10	Most important product
SACU	43.2%	52.2%	Diamonds
BLNS plus	83.1%	89.3%	Diamonds
COMESA	73.5%	78.0%	Oil and gas
EAC	43.2%	54.2%	Coffee and sugar
ECOWAS	71.6%	78.4%	Oil and gas
ESA	41.7%	52.3%	Fish
SADC	42.0%	51.8%	Diamonds and oil

Source: same as for Annex C.

See Annex G for the configuration of countries in the regions referred to.

Annex E

Concentration of imports from EU as a percentage of imports from EU and other African Countries. These figures also provide an indication of the extent of regional trade integration within Africa.

Country	EU's share in combined market	Imports from Africa (USD thousand)	Imports from EU (USD thousand)
Somalia	5.8%	312.43	19.26
Zimbabwe	5.9%	2195.12	138.71
Zambia	16.9%	1846.61	375.71
Malawi	24.0%	444.39	140.54
Uganda	32.2%	902.97	427.94
Mozambique	38.8%	1151.30	731.26
Rwanda	41.0%	209.43	145.68
Democratic Republic of the Congo	41.0%	1124.21	782.23
Tanzania	43.1%	1142.72	867.15
Burkina Faso	44.3%	571.34	454.56
Gambia	45.9%	172.31	145.99
Mali	47.0%	696.02	617.11
Ghana	52.1%	1860.64	2023.82
Côte d'Ivoire	53.7%	1922.87	2233.76
Niger	54.8%	239.63	290.17
Sierra Leone	60.0%	112.07	168.42
Chad	61.7%	134.30	216.80
Benin	64.3%	372.79	672.12
Comoros	66.0%	28.90	56.08
Madagascar	66.1%	247.58	482.05
Kenya	66.5%	842.65	1673.83
Guinea-Bissau	67.3%	44.36	91.27
Cameroon	67.9%	623.00	1319.49
Djibouti	68.5%	102.86	223.40
Sudan	69.7%	605.07	1390.15
Central African Republic	71.0%	48.99	119.87
Guinea	73.2%	218.20	596.65
Seychelles	73.3%	102.38	281.54
Togo	75.6%	198.59	616.44
Mauritius	75.7%	404.14	1261.92
Ethiopia	75.8%	272.00	851.00
Equatorial Guinea	77.1%	162.12	546.28
Senegal	77.7%	491.87	1709.01
Mauritania	80.0%	156.70	627.88
Gabon	82.5%	251.54	1187.19
Liberia	82.6%	180.76	859.53
Angola	83.0%	862.78	4206.36
Congo	84.1%	176.13	929.40
Nigeria	85.2%	1684.83	9730.53
Cape Verde	87.2%	68.48	467.15
South Africa	87.4%	3714.23	25850.29
Egypt	92.1%	1073.99	12579.30
Sao Tome and Principe	93.5%	4.45	63.66

Annex F

Concentration of imports from EU in Comparison to Imports from other African Countries. These figures also provide an indication of the extent of regional trade integration within Africa.

Sub-region	% of Imports from EU compared to Imports from EU and other African countries
ESA	35.0%
EAC	50.1%
Ghana and Cote d'Ivoire	52.9%
UEMOA	59.6%
COMESA	66.7%
ECOWAS	70.3%
ECCAS	72.6%
SADC	75.3%
CEMAC	75.6%

Source for Annex E and F:

UNCTAD Handbook of Statistics 2008, 2006 figures.
No date available for Botswana, Lesotho, Namibia and Swaziland. Therefore, sub-region calculations for SACU and BLNS (plus) cannot be provided due to lack of data

See Annex G for the configuration of countries in the regions referred to.

Annex G

Regional Configurations

Regional Economic Communities (RECs)		
Economic Community Of West African States (ECOWAS)	**Common Market for Eastern and Southern Africa (COMESA)**	**Southern African Development Community (SADC)**
Benin Burkina Faso Côte d'Ivoire Gambia Ghana Guinea Guinea-Bissau Liberia Mali Mauritania Niger Nigeria Senegal Sierra Leone Togo	Burundi Comoros Djibouti Eritrea Ethiopia Kenya DR Congo Rwanda Seychelles Uganda Madagascar Malawi Mauritius Sudan Swaziland Zambia Zimbabwe Libyan Arab Jamahiriya Egypt	Angola Botswana DR Congo Lesotho United Republic of Tanzania Madagascar Malawi Mauritius Mozambique Namibia South Africa Swaziland Zambia Zimbabwe
Economic Community of Central African States (ECCAS)	**East African Community (EAC)**	
Burundi Angola DR Congo Rwanda Cameroon Central African Republic Chad Congo Equatorial Guinea Gabon Sao Tome and Principe	Burundi Kenya Rwanda Tanzania Uganda	

Regional African EPA configurations[2]	
BLNS (plus)	**Eastern and Southern Africa States (ESA)**
Botswana Lesotho Namibia Swaziland (Mozambique)	Comoros Seychelles Madagascar Mauritius Zambia Zimbabwe
Monetary Unions	
West African Economic and Monetary Union (UEMOA)	**Economic and Monetary Community of Central Africa (CEMAC)**
Benin Burkina Faso Côte d'Ivoire Guinea-Bissau Mali Niger Senegal Togo	Cameroon Central African Republic Chad Congo Equatorial Guinea Gabon
Others	
Southern African Customs Union (SACU)	
Botswana Lesotho Namibia South Africa Swaziland	

[2] The parties to the East African Community (interim) EPA are the same as the members of the East African Community

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