

Preparing for Economic Partnership Agreements

Trade Analysis Handbook

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1. Introduction

What is the Handbook and who is it for?

The purpose of this Handbook is to support an informed national debate in members of the African, Caribbean and Pacific (ACP) group as they prepare their detailed positions for negotiating Economic Partnership Agreements (EPAs) with the European Union (EU). It is part of an Institute of Development Studies (IDS) project to help countries assess the implications of 'reciprocity' and to build a national consensus on the choices that have to be made.¹

IDS has developed a methodology and set of databases that can be used by stakeholders in each ACP state to identify which products should be included or excluded from liberalisation under an EPA. Building detailed scenarios is very time consuming and requires specialist skills. The simple IDS methodology, which can be applied to the prepared datasets by anyone with competence in Microsoft Excel, fills a need for a widely usable tool which can facilitate discussions within and between countries. Such discussions can contribute to the definition of the very limited number of scenarios that it will be possible to simulate rigorously through general equilibrium modelling.

This Handbook is being made available electronically to all ACP organisations that request it, together with a dataset for the country concerned. The data cover the country's imports from the EU and applied tariffs.² They allow users familiar with Excel to build simple lists of EPA inclusions/exclusions on the basis of different assumptions on sensitivity.

IDS is also undertaking a demonstration exercise for each ACP state² showing which items would be excluded from liberalisation if governments chose to avoid liberalising the products facing the highest applied tariffs. The exercise makes a small number of alternative assumptions about the proportion of imports that could be excluded. These worked examples are included in the datasets being supplied electronically to organisations in the ACP states concerned.

The project also includes two Briefing Papers. The first was completed in April 2005 and is available on IDS's website ([link to Briefing Paper 1](#)).³ It describes in more detail the context in which the negotiations are taking place and introduces readers to the broader project. The second will be completed in May 2005 and will review the results of the analyses that IDS has undertaken on the complete set of ACP datasets that have been compiled. It will be emailed *inter alia* to all organisations that have requested this Handbook and the accompanying datasets.

The context for the Handbook

In 2000 the Cotonou Agreement committed signatories to replace by 2008 the trade regime that had governed exports from the ACP group to the EU for the last quarter of the twentieth century. Negotiations on a successor regime began formally in 2002, but only in the past year have they begun to address the details of what might be in EPAs between the EU and the

¹ The project is supported by the UK Department for International Development. The views expressed are those of the authors alone, and do not necessarily reflect those of DFID.

² Subject to data availability – for details see Appendix I.

³ <http://www.ids.ac.uk/ids/global/pdfs/CSEPARCEBP1.pdf>.

countries in the six sub-ACP regions posted on the European Commission's website (see Box 1).

There is a great deal of work yet to be done if a new, coherent and developmentally friendly regime is to be in place by the end of 2007. All ACP states have to prepare positions on:

- ◆ their **'offensive' agenda**: what they seek from the EU;
- ◆ their **'defensive' position'**: how they should respond to EU requests.

These preparations are needed even by least developed countries (LDCs) which will continue to have access to the EU market under the 'Everything but Arms' (EBA) provisions regardless of what happens to Cotonou. EBA gives these countries a 'safety net' – but without preparation of their 'first best' offensive and defensive positions they cannot know whether or not they should use it, or could do better by entering an EPA.

Under Lomé and Cotonou the ACP were required merely to treat the EU no less favourably than any other industrialised trade partner. In complete contrast, the new EPAs will offer duty-free access for 'substantially all' EU exports to the ACP. In the jargon, the ACP are expected to offer 'reciprocity'. This has been the focus of most discussion so far, but with little quantification.

The WTO requirement

The EU has expressed strongly the view that EPAs are required partly in order to justify within the WTO the continuation of preferences for ACP exporters. To achieve this they must be framed in such a way as to fulfil the requirements of WTO Article XXIV in relation to goods and the analogous GATS Article V in relation to services. These are the WTO provisions that allow members to discriminate in favour of each other (and, hence, against others) provided that they are creating a customs union or free trade area (FTA).

Because they would involve reciprocal tariff cuts, the EU claims that EPAs would pass the Article XXIV test. This, it argues, will allow Europe to continue discriminating in favour of the ACP in its trade policy. In return, the ACP will have to discriminate in favour of the EU in their own trade policy. Hence the need for reciprocity.

A thorough knowledge of the WTO requirements is very important. It sets the standard that EPAs must reach and, hence, establishes parameters for what is negotiable. EPAs will not achieve the aim of providing a WTO defence for the EU's preferences towards the ACP if they do not meet the requirements of Article XXIV.

Box 1. The EPA regions

West Africa: Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo.

Central Africa: Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, Gabon, Sao Tome and Principe.

East and Southern Africa: Burundi, Comoros, Democratic Republic of Congo, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Uganda, Zambia, Zimbabwe.

Southern Africa Development

Community: Angola, Botswana, Lesotho, Mozambique, Namibia, Swaziland, Tanzania.

Caribbean: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Surinam, Trinidad and Tobago.

Pacific: Cook Islands, Federation of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu

Note: Somalia and Timor Leste are not listed.

Source: European Commission website (http://europa.eu.int/comm/trade/issues/bilateral/regions/acp/plcg_en.htm).

Formal requirements – and actual practice

What, exactly, are the requirements of Article XXIV? The formal requirements for an agreement to be treated as an FTA are fairly straightforward, but practice is not so clear cut. This is because Article XXIV is vague — by design rather than by accident, because members have been unwilling to restrict themselves through a more precise formulation. One salient requirement of Article XXIV is that the FTA must be completed ‘within a reasonable length of time’ (defined in the WTO as a period that ‘should exceed ten years only in exceptional cases’). Another is that ‘duties and other restrictive regulations of commerce ... are eliminated on *substantially all* the trade between the constituent territories’ [GATT 1947: Part 3, Article XXIV, paras 5(c) and 8(b); WTO 1995: 32; emphasis added].

There is a similar difference between the formal requirement for legitimising any proposed regime (clear cut) and practice (murky). The formal hurdle for approving an agreement as in conformity with Article XXIV is high. The agreement must have the universal support of members because of the WTO practice of requiring a consensus for all decisions. But in the past a failure to achieve a consensus has not proved to be a barrier to those countries wishing to create an FTA.

The first step is for the parties to the agreement to notify the WTO following signature of an FTA. Such notification will be followed by the referral of the FTA to the WTO Committee on Regional Agreements (CRTA) for consideration. Membership of the CRTA is open to any country that feels it to be in its interests to belong. In theory the CRTA will produce a report on the compliance, or otherwise, of the FTA with Article XXIV for adoption by consensus of the WTO membership. But practice, things are a lot less clear cut: definitive verdicts on whether or not a specific agreement complies with Article XXIV are rarely given.

But this does not mean that countries can sign up to anything and just call it an FTA. In the absence of clear guidance from the Committee, it would still be open to any aggrieved WTO member to file a complaint under the dispute settlement mechanism. This could pass to a quasi-judicial body the task of defining such terms as ‘substantially all’ trade. In other words, approval or disapproval of an EPA is likely to happen by default. *Unless* a WTO member challenges it on the grounds that it does not comply with Article XXIV, WTO compatibility will never be tested.

Implications for EPAs

In case a challenge is made, it is important that the requirements of Article XXIV be taken seriously in structuring any EPAs. But it is difficult to be sure what all this means for the structure of EPAs in the absence of either CRTA verdicts or ‘case law’ from dispute settlement. Some guidance on what the EU will push is available from the EU–South Africa Agreement on Trade, Development and Co-operation (TDCA). This makes clear what the EU interprets Article XXIV to require.

The EU has stated consistently in GATT/WTO committees that it believes the Article XXIV requirement that an FTA must cover ‘substantially all’ trade can be fulfilled if both parties reduce to zero tariffs on products that account for 90 percent on average of the current trade between them. It has also indicated that it believes this average figure can be achieved asymmetrically, with the EU liberalising on more than 90 percent and its partner on less. In the specific case of the EU–South Africa TDCA, South Africa has liberalised on products accounting for 86 percent of its imports from the EU while Europe has liberalised on 94 percent. The agreement also indicates that the EU believes the Article XXIV requirement that

liberalisation occur 'within a reasonable period of time' can be achieved through a transitional period of up to 12 years.

This Handbook (and the supplied datasets) allow users to 'play' with these thresholds. Alternative scenarios can be created quickly to apply the 86 percent, or different, thresholds in varying ways.

2. Reciprocity – the key defensive issue

The requirement for reciprocity is the critical element in the EU Commission's mandate for the negotiations, even though this includes a range of other demands. It is critical in three senses and is the demand on which the defensive agenda must be researched as the first priority. The three facets of its centrality are that:

- ◆ it underpins the WTO justification for EPAs (which in turn must have a bearing on the EU's own bottom line in the negotiations);
- ◆ it has major implications for the production structure and government revenue of ACP states; and
- ◆ the potential impact can be quantified and scenarios constructed on the basis of reasonably realistic assumptions.

Revenue and competition effects

If ACP countries reduce their tariffs on imports from the EU this will have potential 'revenue' and 'competition' effects. The scale of these will be determined by the extent to which imports increase and their price in the domestic ACP markets falls. Their distribution (between sectors, producers and consumers) will be set by which tariffs are reduced.

The revenue effect of EPAs is easiest to describe and hardest to calculate. Most ACP countries rely heavily on import taxes to raise government revenue because they are relatively easy to collect. Reducing tariffs will tend to reduce revenue (unless alternative, administratively more difficult, taxes replace them), but not necessarily in a linear fashion. If a country levies an import duty of 20 percent on imports of \$1 million it will raise revenue of \$200,000; if the tariff is cut to 10 percent but the value of imports jumps to \$2 million, exactly the same level of revenue will be raised.

Just as the scale of the revenue effect will depend partly on what happens to the flow of imports, so will the scale of the competition effect. If, following the tariff cut, importers reduce prices on the domestic market, sales can be expected to rise – putting pressure on domestic producers of competitive goods. Imports will increase and domestic production of the competitive goods decline.⁴ But a tax cut does not always feed through into a price cut! If prices do not fall (e.g. because suppliers increase their margins) there will be no increased competition for domestic suppliers.

The choices

ACP countries will have a certain degree of choice because they will not need to liberalise all of their imports, only 'substantially all'. Moreover the tariff cuts that are made will be introduced over a transition period which is likely to be of at least 12 years and, if the recent Africa Commission recommendation were adopted, could be as long as 20 years. Governments will have the choice to defer until the end of the transition period (perhaps 2028) liberalisation of some products that are particularly important for revenue or particularly sensitive for competition.

Because the impact of reciprocity will be influenced by the choices that are made, the selection process is profoundly political. Different choices will create different outcomes,

⁴ If the goods concerned are inputs to other goods rather than for sale to consumers, domestic production of the goods using the inputs may increase.

winner and loser. It is important, therefore, that the preparation process involve an informed national debate in order to strike the most appropriate balance.

As explained in Section 1, this Handbook is part of an IDS project which aims to help the debate be an informed one. Building detailed scenarios is very time consuming and requires specialist skills. There is a need, therefore, for a widely usable dataset and methodology which can facilitate discussions within countries. Such discussions can contribute to the definition of the very limited number of scenarios that it will be possible to simulate rigorously through general equilibrium modelling.

The IDS methodology is described in this Handbook. A copy of the relevant country dataset will be sent by email to all stakeholders that request it. What is in the dataset is described in the next section.

With these tools governments and civil society in each ACP state can identify which products should be included or excluded from liberalisation under an EPA on different assumptions about the meaning of 'substantially all' trade. The aim is to encourage an informed debate both within countries and, then, between members of each regional group. This can be part of the preparation and consensus building currently under way in ACP states as they formulate their negotiating positions.

3. Using the Handbook

What you need to start

This Handbook assumes that readers are already fully familiar with Microsoft Excel and how to manipulate data within this programme. In addition to a copy of Excel, users will need two datasets:

- ◆ their country's imports from the EU;
- ◆ their country's applied tariffs.

IDS have prepared initial datasets on both of these that can be used by stakeholders and then improved upon if required. These datasets are available to requesting organisations from ACP states. Requests should be sent to P.Jeffery@ids.ac.uk. Instead of listing each country's imports from the EU it has been more feasible to supply EU exports to each ACP state.⁵ The dataset includes the applied tariffs of all ACP countries, obtained from international sources.⁶

It is not necessary to have these two datasets to run simple simulations of the potential effects of different EPA defensive positions for a particular country. Alternative data sources that are readable in Microsoft Excel can be substituted. Similarly, it is possible to add additional data, covering different variables, and to include these in the analysis. This Handbook, though, assumes for the sake of simplicity that all users are conducting the exercises solely in relation to the two datasets described above.

What you can do

By following this Handbook and using the datasets available from IDS (or alternatives) you will be able to identify various combinations of products that your country will either need to liberalise under an EPA or can exclude from liberalisation. The purpose of this exercise (explained in more detail in the next section) is to help countries to use the flexibility that is built into the requirement that only 'substantially all' trade is liberalised in order to avoid liberalisation on the group of products that best meet national objectives. Some of these products may be ones where it is considered undesirable to allow free competition from EU imports. Others may be items from which government derives significant tariff revenue.

There can be many different combinations of inclusions and exclusions. There is no single 'right combination'. Different combinations will produce different winners and losers and this Handbook has been designed to allow any organisation with an interest in the matter to contribute to a national debate on the most appropriate combination by making their own calculations on the effect of excluding or including different products.

In order to make the methodology widely usable it has had to be kept simple, and that imposes limitations. The use of the methodology described in this Handbook and the datasets available from IDS will not by themselves provide definitive guidance to a country's best defensive position. To achieve this, much more sophisticated modelling is required that takes into account the second-round effects of changes on the rest of the economy. But this is a very time-consuming task. It is impractical to expect it to be done in most, if any, ACP

⁵ This means that the values given are free on board (fob) rather than cost, insurance and freight (cif), but this should not invalidate the initial exercises that the dataset makes possible. If necessary, users can undertake supplementary analyses using their country's import data for products where this is expected to make a material difference to the conclusions.

⁶ In all cases for which such data are available.

countries for more than a very limited number of scenarios. The principal value of the methodology described in this Handbook is to help countries identify this very limited range of scenarios, which will then be subject to more sophisticated analysis by professionals.

The data supplied

The methodology and datasets can contribute to all of the tasks described above. The datasets for most countries will be in the form of an Excel workbook with six pages. All pages require the user to be familiar with the Harmonised System (HS) trade nomenclature (see Box 2).

Box 2. Trade nomenclature

Since the end of the 1980s most countries have changed their trade classification system to the Harmonised System (HS). Like the Standard International Trade Classification (SITC), which was previously the system most commonly used by developing countries, this classifies traded goods at different levels of precision. At the highest level of aggregation goods are divided into 96 categories (or 'chapters') that are given 2-digit codes (such as 08 – fruit and nuts). Each of these is then split into more detailed categories given 4 digits (e.g. 0805 – citrus fruit), and 6 digits (e.g. 080510 – oranges). There are currently 1,251 of the 4-digit categories and 5,705 6-digit ones.

These first 6 digits (HS6) are common to all countries under the HS: so 080510 refers to oranges whether one is looking at the trade statistics of Kenya, Jamaica, USA or the EU. In practice, though, many countries go further and have additional sub-divisions which are unique to their system. The level of disaggregation at which a country sets its tariffs is known as the 'national tariff line' (NTL) level. The EU's, which it terms the Combined Nomenclature, for example, is routinely 8 digits (e.g. 08051010 – sanguine oranges) and currently has 14,758 such categories; in many cases it uses even more precisely defined 10-digit codes when setting tariffs.

Because the codes at NTL level may be unique to each country, it is not possible to compare trade policy at this level of disaggregation in different countries. For example, EU code 48239010 covers paper gaskets, washers and seals for civil aircraft; but in Zimbabwe the same code covers cards for punched-card machines.

Unfortunately for trade analysts, countries revise their 8- and 10-digit items over time. Hence, whilst a trade agreement (such as the WTO Uruguay Round or the EU–South Africa TDCA) specifies in extreme detail the changes that each partner must make, when one comes to investigate whether the commitments have been implemented it is commonplace to find that the codes used in the commitment no longer exist. In such cases, a concordance has to be used to find the 'new code' for the product on which a commitment was made. Since one of the objectives of changing codes is to refine and alter categories, it is also frequently the case that there is no one-for-one link: a pre-existing category may be split between several new ones (or *vice versa*).

In such cases, the only resort is to use the product descriptions to try to identify which new category most accurately reflects the products covered in the original category for which the commitment was made. Hence, for example, the EU's offer on avocados in the TDCA appears under codes 08044020, 08044090 and 08044095 – none of which is now in use. An examination of the product descriptions reveals that all three codes are now covered by one – 08044000.

The following sub-sections provide an illustration of each page with a randomly selected and anonymised page from several different ACP states. They are designed to allow users to find the equivalent information for 'their' country from the dataset supplied by IDS. They also show the way in which they will need to present any data they have obtained from alternative sources. If, for example, users are able to obtain their own country's import data in a form readable in Excel, then it would be sensible to use it in place of the IDS dataset on imports. The same goes for tariffs.

Imports at the EU 8-digit level

This is supplied in the format illustrated in Figure 1. The page of exports from the EU at the 8-digit level provides the most disaggregated information that is publicly available. These data are taken from the EU's export statistics. The statistical codes used to classify the products, therefore, are those of the EU. The table provides information on the value and

volume of the EU's exports to the given ACP country. This allows users to calculate the unit value (i.e. € per ton) of every product.

Figure 1. Imports from the EU at 8-digit level

A	B	C	D	E
1	Imports from EU (@ EU Combined Nomenclature 8-digit level)			
2	Source: Eurostat 'Intra- and extra-EU trade', 11/2004 (CD-Rom). Luxembourg: Office for Official Publications of the European Communities			
3				
4	CH2003	Description	Value 2003 (€000)	Volume 2003 (Tons)
5	Total in HS 1-97		417,395	472,049
6	01051111	grandparent and parent female chicks of poultry laying stocks of a weight of <= 185 g	57	2
7	01051119	grandparent and parent female chicks poultry of a weight of <= 185 g (excl. laying stocks)	11	0
8	01051191	live laying stocks poultry of a weight of <= 185 g (excl. grandparent and parent female chick	34	2
9	01051199	live hens poultry of a weight of <= 185 g (excl. turkeys, guinea fowls, grandparent and pare	9	2
10	02023090	frozen bovine boneless meat (excl. forequarters, whole or in max. 5 pieces, each quarter in 1	9	1
11	02071350	fresh or chilled unboned breasts and cuts thereof of fowls of the species gallus domesticus	3	1
12	02071430	frozen whole wings, with or without tips, of fowls of the species gallus domesticus	18	25
13	02072510	frozen turkeys of the species domesticus, plucked and drawn, without heads and feet but wi	1	0
14	02072650	fresh or chilled unboned breasts and cuts thereof of turkeys of the species domesticus	5	1
15	02073553	fresh or chilled unboned breasts and cuts thereof of duck and guinea fowl of the species dor	3	-
16	02102090	boneless meat of bovine animals, salted, in brine, dried or smoked	3	3
17	03031900	frozen pacific salmon oncorhynchus gorbusha, oncorhynchus keta, oncorhynchus tschav	8	1
18	03032200	frozen atlantic salmon salmo salar and danube salmon hucho hucho	1	1
19	03041013	fresh or chilled fillets of pacific salmon oncorhynchus spp., atlantic salmon salmo salar and	8	1
20	03042013	frozen fillets of pacific salmon oncorhynchus spp., atlantic salmon salmo salar and danube	6	1
21	03042075	frozen fillets of herring clupea harengus, clupea pallasii	1	0
22	03051000	fish meal fit for human consumption	0	0

Imports from the EU at the HS6-digit level

This is supplied in the format illustrated in Figure 2. Because the HS system is common only to 6 digits, the 8-digit codes used by the EU will not necessarily be the same as those used by the ACP importing country. In order to relate the trade data to the information on an ACP country's import tariff, it is necessary to aggregate the information to the 6-digit level. This has been done already by IDS in the database supplied, and is shown on this page.

Figure 2. Imports from the EU at HS6 level

A	B	C	D	E
1	Imports from EU (@ HS6)			
2	Source: Eurostat 'Intra- and extra-EU trade', 11/2004 (CD-Rom). Luxembourg: Office for Official Publications of the European Communities			
3				
4	HS6	Description	Value 2003 (€000)	Volume 2003 (Tons)
5	Total in HS 1-97		417,395	472,049
6	010511	live fowls of the species gallus domesticus, weighing <= 185 g (excl. turkeys and guinea fowls)	111	7
7	020230	frozen, boneless meat of bovine animals	9	1
8	020713	fresh or chilled cuts and edible offal of fowls of the species gallus domesticus	3	1
9	020714	frozen cuts and edible offal of fowls of the species gallus domesticus	18	25
10	020725	frozen turkeys of the species domesticus, not cut into pieces	1	0
11	020726	fresh or chilled cuts and edible offal of turkeys of the species domesticus	5	1
12	020735	fresh or chilled cuts and edible offal of ducks, geese or guinea fowls of the species domesticus (ex	3	0
13	021020	meat of bovine animals, salted, in brine, dried or smoked	3	3
14	030319	frozen pacific salmon oncorhynchus gorbusha, oncorhynchus keta, oncorhynchus tschawwytsha	8	1
15	030322	frozen atlantic salmon salmo salar and danube salmon hucho hucho	1	1
16	030410	fresh or chilled fillets and other fish meat, whether or not minced	8	1
17	030420	frozen fish fillets	7	1
18	030510	fish meal fit for human consumption	0	0
19	030530	fish fillets, dried, salted or in brine, not smoked	6	0
20	030541	pacific salmon oncorhynchus nerka, oncorhynchus gorbusha, oncorhynchus keta, oncorhynchus	7	1
21	030542	herrings clupea harengus, clupea pallasii, smoked, incl. fillets	0	0
22	030549	smoked fish, incl. fillets (excl. pacific salmon, atlantic salmon, danube salmon and herrings)	3	0

As with the 8-digit page, the information supplied is the code number and the description, plus the value and volume of EU exports in 2003 (together with the total for all EU exports to that country). These are the data that must be linked to the tariff information of the importing country.

The country's applied tariffs at national tariff line and HS6 levels

Exactly the same applies to tariffs. These will often be set by countries at the 8- or 10-digit level – called the ‘national tariff line’ in the jargon. This is supplied in the format illustrated in Figure 3. But, because imports have had to be aggregated to 6 digits, so have the tariff data. IDS has done this aggregation, and the information is supplied in the format illustrated in Figure 4.

Figure 3. Applied tariffs at the national tariff line level

	A	B	C	D	E	F	G	H
1	National tariffs (at national tariff line level)							
2	Source: UNCTAD 'Trade Analysis and Information System' (TRAINS). Data for the most recent year available, downloaded March 2005.							
3								
4	Nomenclature	Reporter_ISO_H	Year	Product Code	Description	Measure Name	Ad Valorem	Non Ad Valorem
5	H1	XXX	2004	0101110000	Live pure bred breeding horses	MFN Duty	20	
6	H1	XXX	2004	0101190000	Live horses, other than for pure-bred breeding	MFN Duty	20	
7	H1	XXX	2004	0101200000	Live asses mules and hinnies	MFN Duty	5	
8	H1	XXX	2004	0102100000	Live pure-bred breeding bovine animals	MFN Duty	20	
9	H1	XXX	2004	0102900000	Live bovine animals, other than pure-bred breeding	MFN Duty	20	
10	H1	XXX	2004	0103100000	Live pure-bred breeding swine	MFN Duty	20	
11	H1	XXX	2004	0103910000	Live swine weighing <50kg (excl. pure-bred breeding)	MFN Duty	20	
12	H1	XXX	2004	0103920000	Live swine weighing >=50kg (excl. pure-bred breeding)	MFN Duty	20	
13	H1	XXX	2004	0104101000	Live sheep: pure bred breeding animals	MFN Duty	20	
14	H1	XXX	2004	0104102000	Live sheep and goats: goats	MFN Duty	10	
15	H1	XXX	2004	0104109000	Sheep: other	MFN Duty	20	
16	H1	XXX	2004	0104200000	Live goats	MFN Duty	20	
17	H1	XXX	2004	0105110000	Live fowls of species gallus domesticus, weighing <=185g (chicks)	MFN Duty		\$1,500/ton
18	H1	XXX	2004	0105120000	Turkeys	MFN Duty		\$1,500/ton
19	H1	XXX	2004	0105190001	Fowls of the species gallus domesticus: ducks	MFN Duty		\$1,500/ton
20	H1	XXX	2004	0105190009	Fowls of the species gallus domesticus: other	MFN Duty	20	
21	H1	XXX	2004	0105920000	Fowls of the species domesticus weighing not more than 2,000 g	MFN Duty		\$1,500/ton

Figure 4. Applied tariffs at the HS6 level

	A	B	C	D	E	F	G	H	I	J
1	National tariffs (at HS6 level)									
2	Source: UNCTAD 'Trade Analysis and Information System' (TRAINS). Data for the most recent year available, downloaded March 2005.									
3	Note: Derived by aggregating the national tariff line data on the previous page to show the minimum/maximum tariffs applicable to any 10-digit element of the HS6 sub-head.									
4										
5										
6	Nomenclature Code	Reporter_ISO_H	Year	HS6		Measure Name	Ad valorem		Non Ad Valorem	
7							<i>Minimum</i>	<i>Maximum</i>	<i>Minimum</i>	<i>Maximum</i>
8	H1	XXX	2004	010111	pure-bred breeding horses	MFN Duty	20	20		
9	H1	XXX	2004	010119	live horses (excl. pure-bred for breeding)	MFN Duty	20	20		
10	H1	XXX	2004	010120	live asses, mules and hinnies	MFN Duty	5	5		
11	H1	XXX	2004	010210	pure-bred breeding bovines	MFN Duty	20	20		
12	H1	XXX	2004	010290	live bovine animals (excl. pure-bred for breeding)	MFN Duty	20	20		
13	H1	XXX	2004	010310	pure-bred breeding swine	MFN Duty	20	20		
14	H1	XXX	2004	010391	live pure-bred swine, weighing < 50 kg (excl. pure-bred	MFN Duty	20	20		
15	H1	XXX	2004	010392	live pure-bred swine, weighing >= 50 kg (excl. pure-bred	MFN Duty	20	20		
16	H1	XXX	2004	010410	live sheep	MFN Duty	10	20		
17	H1	XXX	2004	010420	live goats	MFN Duty	20	20		
18	H1	XXX	2004	010511	live fowls of species gallus domesticus, weighing <= 185	MFN Duty			\$1,500/ton	\$1,500/ton
19	H1	XXX	2004	010512	live domestic turkeys, weighing <= 185 g	MFN Duty			\$1,500/ton	\$1,500/ton
20	H1	XXX	2004	010519	live domestic ducks, geese, turkeys and guinea fowls, w	MFN Duty	20	20	\$1,500/ton	\$1,500/ton
21	H1	XXX	2004	010592	live fowls of the species gallus domesticus, weighing > 1	MFN Duty			\$1,500/ton	\$1,500/ton

The page providing HS6 tariff information contains several pieces of information. The two left hand columns provide technical data on the nomenclature used and the country that reported the information to the UN system (anonymised in these figures). Column C indicates the year for which the tariff data apply. This year will often be different from the figures for EU exports. This is inevitable.

In some cases, the tariff data may be quite old even though they are the most recent that are available from international sources. In such cases users will need to enquire from their national authorities whether substantial changes have been made since the date cited in the dataset. If there have, then it may be necessary to verify the results of the exercises

undertaken using the database against the most recent available tariff data. Since this will often not be in machine-readable form it is important to make the task of verification as small as possible. By using the methodology described in this Handbook, it may often be possible to reduce the number of tariffs that need to be checked manually to a reasonable figure.

Column D of Figure 4 gives the HS6 code for the product. In some cases, countries may have different tariffs for the various 8- or 10-digit items within an HS6 subhead. In such cases, the datasheet shows a range of tariffs (i.e. the lowest tariff charged on any 8-/10-digit item within the HS6 subhead and the highest tariff). Column E provides the same description as with the EU export figures. Column F indicates the import regime that applies to goods imported from the EU. Given that no ACP countries currently offer the EU a preference, this is assumed to be the country's MFN rate. And columns G–I indicate the import taxes that apply. Columns G and H cover minimum and maximum *ad valorem* tariffs and column I indicates any other, non *ad valorem*, duty that applies (Box 3).

Box 3. Types of tariff

Most tariffs apply a tax that is proportionate to the value of imports. In the example given in Figure 3, the duty on the 10 of the 12 products listed in rows 5–16 is 20 percent. This is known as an *ad valorem* tariff.

Another type of tariff is a specific duty. This is one where the tax is a fixed sum applied to a particular unit of imports, e.g. \$1,500 per ton in the case of Figure 3, rows 17–19.

'Complex tariffs' are ones that require specialist information to calculate, e.g. €1.75 per percent by volume of alcohol per hectolitre.

It makes scenario-building simpler if all tariffs can be converted into *ad valorem* equivalents (AVEs). A specific duty can often be converted into an AVE, and then treated the same way as the items included in the worked example. An illustration is provided in the main text. Where this is not possible the user must apply his/her own judgement to determine the relative priority of the item for inclusion/exclusion. A useful rule of thumb is that complex tariffs are often applied to especially sensitive items for which government is particularly keen to restrict competition from imports. That is why the tariffs are complex!

A 'worked example'

This has been undertaken by the IDS for each state with available data and is supplied in the format illustrated in Figure 5. The worked examples are described in the next section, which explains some of the things that can be done by manipulating the data in these datasets.

Figure 5. A worked example

	A	B	C	D	E	F	G
1	Worked example						
2							
3	<i>Assumption</i>						
4	Exclusion from liberalisation of highest-tariff items (and within bands of same tariff, highest-value items)						
5	<i>Note</i>						
6	The maximum tariff within the HS6 aggregate has been used for this exercise.						
7							
8	Sort order:		1	2			
9			(descending)	(descending)			
10	HS6	Description	Maximum tariff	Imports from EU 2003 (€000)	Cumulative share of total	Theoretical revenue (€000)	Share of total theoretical revenue
11							
12	Total in HS 1-97			43,874		6,788	
13	681099	Ouvrages en ciment, en béton ou en pierres artificielles, même armés	20	2,843	6.5%	569	8.4%
14	110100	Farines de froment [blé] ou de méteil	20	2,756	12.8%	551	8.1%
15	220300	Bières de malt	20	1,525	16.2%	305	4.5%
16	220421	Vins de raisins frais, y.c. les vins enrichis en alcool (à l'excl. des vins	20	1,433	19.5%	267	4.2%
17	220290	Boissons non alcooliques (à l'excl. des eaux, des jus de fruits ou de l	20	1,373	22.6%	275	4.0%
18	150790	Huile de soja et ses fractions, même raffinées, mais non chimiquement	20	1,301	25.6%	260	3.8%
19	870332	Voitures de tourisme et autres véhicules principalement conçus pour	20	1,037	28.0%	207	3.1%
20	210410	Préparations pour soupes, potages ou bouillons; soupes, potages ou	20	672	29.5%	134	2.0%

Products requiring further enquiry

Some products could not be included in the worked example because of inadequate data. Often the problem is that the tariffs are not simple *ad valorem* ones (see Box 3). These are listed, together with an indication of the value of imports that have not been taken into account as a result. The format for this list is illustrated in Figure 6.

Figure 6. Products requiring further enquiry

	A	B	C	D
1	Products requiring further enquiry			
2				
3	HS6	Description	Value 2003 (€000)	Notes
4		Total	57,220	
5		Share of total imports from EU	6.3%	
6	010511	live fowls of species gallus domesticus, weighing =< 185 g (excl.	111	Complex or specific duty tariff
7	071159	mushrooms and truffles, provisionally preserved, e.g., by sulphur	8	Code does not appear in the tariff schedule given in TRAINS
8	080719	fresh melons (excl. watermelons)	2	'Rate not available' according to schedule given in TRAINS
9	150500	wool grease and fatty substances derived therefrom, incl. lanolin	7	Code does not appear in the tariff schedule given in TRAINS
10	151419	low erucic acid rape or colza oil fixed oil which has an erucic aci	26	Code does not appear in the tariff schedule given in TRAINS
11	152000	glycerol, crude; glycerol waters and glycerol lyes	3	'Rate not available' according to schedule given in TRAINS
12	190531	sweet biscuits	2,072	Code does not appear in the tariff schedule given in TRAINS
13	190532	waffles and wafers	13	Code does not appear in the tariff schedule given in TRAINS
14	200390	mushrooms, prepared or preserved otherwise than by vinegar or	0	Code does not appear in the tariff schedule given in TRAINS
15	200912	orange juice, unfermented, brix value <= 20 at 20°C, whether or n	74	Code does not appear in the tariff schedule given in TRAINS
16	200931	single citrus fruit juice, unfermented, brix value <= 20 at 20°C, wh	26	Code does not appear in the tariff schedule given in TRAINS
17	200939	single citrus fruit juice, unfermented, brix value > 20 at 20°C, whet	17	Code does not appear in the tariff schedule given in TRAINS
18	200941	pineapple juice, unfermented, brix value <= 20 at 20°C, whether or	9	Code does not appear in the tariff schedule given in TRAINS
19	200961	grape juice, incl. grape must, unfermented, brix value <= 30 at 20°C	91	Code does not appear in the tariff schedule given in TRAINS
20	200969	grape juice, incl. grape must, unfermented, brix value > 30 at 20°C	68	Code does not appear in the tariff schedule given in TRAINS
21	200971	apple juice, unfermented, brix value <= 20 at 20°C, whether or not	49	Code does not appear in the tariff schedule given in TRAINS
22	200979	apple juice, unfermented, brix value > 20 at 20°C, whether or not c	240	Code does not appear in the tariff schedule given in TRAINS

In cases where the problem is a non-*ad valorem* tariff, users may be able to go beyond what has been done in the demonstration exercise. Take the example of live fowls in row 6 of Figure 6. Users will first need to calculate a unit value using the data from the HS6 imports page (see Figure 2, row 6). By dividing the total value of imports by the total volume, the user can calculate the average value per ton. In the case of the anonymous country reported in Figure 2, the unit value of live fowls (code 010511) is €15,857 per ton (i.e. €111,000 divided by 7). The specific duty (shown in Figure 4, row 18) is \$1,500/ton – which equates to €1,326/ton at the 2003 average exchange rate. To calculate this duty as an AVE, simply divide it by the unit value and multiply by 100 – giving a result of 8.4 percent.

In this example we have used the HS6 pages of the workbook. But, of course, if there is a range of different tariffs for the 8- or 10-digit items covered by the HS6 subhead, the calculation may be inaccurate. It would be best in such cases to seek out 8- or 10-digit import and tariff data from the country's customs authority – if this is possible.

Since this is a time-consuming exercise, it need only be done for products that are of sufficient value or socio-economic importance that it is highly desirable for them to be taken into account. The data supplied by IDS on excluded products allows users to identify whether or not any are of sufficient importance.

In the majority of cases, however, the problem with the item is not that the tariff is a specific duty or complex; it is that there are no tariff data for the item in question in the international source used (UNCTAD's *Trade Analysis and Information System*). In these cases it may be possible for users to fill the gaps by asking their customs department for data.

4. Applying the methodology to the dataset

Why is it necessary?

As explained in the introduction:

- ◆ each ACP state will have to remove tariffs (over a transitional period) on most – but not all – goods that it imports from the EU;
- ◆ the economic and revenue impact of such ‘reciprocity’ will be determined partly by which products are included and which excluded from the liberalisation process;
- ◆ each country will need to decide on its optimum combination of inclusions and exclusions;
- ◆ these lists will need to be coordinated between all ACP states within a given EPA in order to enable either a single, common position to be adopted or to allow appropriate compromises to be made.

The methodology described in this Handbook will allow users to produce their own lists of potential exclusions from liberalisation making different assumptions about:

- ◆ the proportion of imports that can be excluded from liberalisation;
- ◆ different judgements about the sectors that most need to be excluded.

Making country choices

The reason why it is necessary to make varying assumptions about the proportion of imports that can be excluded from liberalisation is that there is not clear guide on this. It will be one of the areas of negotiation. Each country needs to be able to decide what proportion of imports it will try and negotiate to be excluded. A prudent negotiating position would involve development of two figures:

- ◆ an optimum (higher) proportion of trade to be excluded; and
- ◆ a ‘fall back’ (lower) proportion, below which the country cannot afford to go without prejudicing its vital interests.

As explained, the choice of which products to include and exclude will determine the economic and revenue impact of the EPA and is therefore an exercise in which a wide range of stakeholders should participate. But even when a country has finalised its optimum strategy, this is not an end to the matter.

Making regional choices

EPAs will be regional FTAs. Under an FTA it is not necessary for each country to have the same external tariff. In other words, it will be possible (although the EU has indicated that it does not wish this) for one country in an EPA to exclude a given set of products, and for another country to exclude a different set. But if this happens, other problems emerge.

If country A excludes, say, wheat from its liberalisation schedule but its neighbour, country B, does not do so, then the EU will start to export wheat duty free to country B. Unless country A monitors its imports from country B it will be unable to prevent traders circumventing its restrictions on direct imports of EU wheat by trans-shipping it across the border from B. In other words, if ACP countries within an EPA have different exclusion

schedules from each other, trade integration between them will be hindered by the ever-present need to monitor for the presence of EU originating goods in intra-regional trade.

Ideally, therefore, countries should aim to have as similar a list of exclusions/inclusions as possible, and to ensure that where this is not the case the products that are treated differently by EPA members are ones that are either unlikely to be shipped across borders (perhaps because they are bulky and of low value) or are easily controllable at borders.

Just as the creation of a national consensus will be a time-consuming exercise, so will be the adoption of a single EPA-wide negotiating position. Each country needs to begin the exercise by identifying its optimum list of exclusions, which can be then compared to those of its neighbours. This then sets the scene for three further exercises:

- ◆ the negotiated amendment of each country's optimum list in order to maximise the areas of overlap with regional partners;
- ◆ an analysis of those products for which negotiation cannot produce a harmonised position to identify the ones that are most likely in practice to be subject to cross-border trade;
- ◆ discussion and negotiation at a regional political level in order to find a least-disrupting set of solutions to the problem of controlling cross-border trade in EU products where this is most likely to occur.

Building scenarios

It is possible to start creating scenarios as soon as the information in the imports and tariffs pages is merged to create a list that shows, product by product, the value of imports from the EU and the tariff payable. The simplest scenario is to make two initial assumptions:

- ◆ one about the proportion of imports that can be excluded from liberalisation;
- ◆ the other that the country will wish to exclude the products that currently face the highest tariffs.

The first, essential step to allow any such exercise to be done is to merge the information on imports (at HS6 level) and tariffs (also at HS6 level). It is assumed that users of this Handbook are familiar with the operations needed to align columns of data taken from different pages within a workbook.

In order to apply this scenario, the data must be organised primarily in descending order of maximum tariff, *then* of import value. Having done this, it is necessary to create an additional column which shows, for each HS6 subhead, its cumulative share of total imports.

The worked example (Figure 5) shows the import and tariff data combined and organised in this way, and the extra column on cumulative share (column E). The anonymous country selected as the example for Figure 5 was chosen because its list of potential exclusions from liberalisation is short – and so fits into half a page! In this it is untypical; many users will find that the list of possible exclusions for their country is much longer.

Assumptions about the share of excluded trade

In the worked exercise two different assumptions have been made about the proportion of trade that can be excluded from liberalisation. One is standard to all ACP countries. It is that only 80 percent of their imports from the EU have to be liberalised. The reason for picking on 80 percent is that it is assumed that:

- ◆ the EU sticks to the view expressed in the EU–South Africa TDCA that the term ‘substantially all’ requires an *average* of 90 percent of trade to be liberalised, and that this can be done asymmetrically;
- ◆ the EU agrees to offer EBA treatment to all EPAs and so imports duty-free 100 percent of all imports, which means that the average of 90 percent can be achieved by the ACP partners liberalising on only 80 percent.

The second assumption varies between the EPA regions. It is based upon an informal paper given by a Commission official in November 2004 in which he outlined possible inclusion/exclusion shares for each region (Maerten 2004). These suggestions, reproduced in Table 1, have been used.

If it is assumed that 80 percent of imports must be liberalised, then this means that all the products that cumulatively account for under 20 percent of imports can be excluded. In the example shown in Figure 5 this means that four high-tariff, high-value import groups could be excluded from liberalisation.

If it is concluded that this would expose too many domestic industries to import competition then the assumption can be changed to, say, 76 percent of imports being included (as would be the case for Southern Africa on the assumption in Table 1). In the example shown in Figure 5 this would exclude one further import group.

Table 1. Second assumptions in worked example

EPA region	% of trade to be liberalised
West Africa	81
Central Africa	79
East and Southern Africa	80
Southern Africa	76
Caribbean	83
Pacific	67
<i>Source: Maerten 2004.</i>	

Setting the marginal acceptable tariff

An alternative approach is to address the problem from the other end. Instead of asking ‘what is the highest tariff on any product that must be liberalised assuming that a given share of trade is liberalised’, one can ask ‘how high a proportion of trade must be excluded from liberalisation if the highest tariff on any item that is liberalised is not to exceed a given percentage?’

The worked examples have taken two such pre-selected maximum tariffs: 10 percent and 20 percent. In other words it has asked for each country: if it is to be required to liberalise only on products which currently have tariffs of 20 percent or less (or 10 percent or less) how high a proportion of imports has to be excluded from liberalisation?

Such questions can easily be answered from the combined data page by reading down the column on applied tariff until the pre-selected figure is reached and then reading off the cumulative share of imports that have a tariff higher than this level. In the case of the anonymous country in Figure 5, the highest tariff currently applicable to imports from the EU is 20 percent. So it would not be necessary to exclude any goods from liberalisation to achieve the 20 percent objective. But if the country wished to avoid liberalising on any item for which the current tariff is 10 percent or higher, it would need to exclude 62 percent of the value of its imports from the EU, i.e. to liberalise on only 38 percent.

It may not be possible to negotiate an EPA in which it liberalises on only 38 percent of its imports. So a further set of analyses are required to try to fix a figure that sets an acceptable marginal tariff of less than 20 percent but more than 10 percent, and would be a more plausible negotiating objective.

Identifying key revenue items

There are two further columns in the worked example (Figure 5). Column F shows the revenue that is theoretically generated by the current tariff. This is calculated simply by multiplying the value of imports (column D) by the tariff (column C). For example, a 20 percent tariff applied to €2.8 million of cement imports (row 13) should generate €569,000 in revenue. Column G shows for each item its share in the total theoretical revenue (the sum of the entries in column F, given in cell F12).

These figures allow users to identify any high-revenue items that would be liberalised under each of the scenarios. The scenarios can then be amended to exclude from liberalisation any such high-revenue items on which tariffs need to be retained and to include in the liberalisation instead an offsetting group of products that would otherwise have been excluded. This is only an introduction to the issue. The theoretical revenue may be considerably overstated, as maximum tariffs have been used in cases where the NTL sets a range. The exercise could end up excluding items on a spurious basis. Considerable care is needed – and once a list of ‘revenue-sensitive items’ has been compiled, it needs to be discussed with the country’s revenue authority.

What to do next

In this way, through an iterative process, users can build up one or more preferred scenarios. These can balance the desires of different stakeholders to minimise competition for certain domestic producers and to protect some sources of government revenue. The most popular of these scenarios can then be developed further in several ways.

Sequencing

Not only can some imports be excluded altogether from liberalisation but also sequencing will allow liberalisation of others to be deferred until well into the transition period. The speed at which the cuts will have to be made will be part of the negotiations. So ACP states have to prepare their position: to identify a ‘negotiable’ basket of products for which liberalisation is deferred until near the end of the transition period.

If the architecture of EPAs resembles the EU’s other FTAs, the structure for identifying sequencing will be very explicit. The main agreement will provide, for example, that:

- ◆ all products not specifically referred to in Annexes 1–5 (or whatever) will be liberalised on the EPA’s entry into force;
- ◆ those items listed in Annex 1 will be liberalised on a specified date (e.g. 1 January 2010);
- ◆ those items listed in Annex 2 will be liberalised over, say, five years beginning, say, on 1 January 2012;
- ◆ those items listed in Annex 3 will be liberalised on, say, 1 January 2020.

And so on. ACP states will need to prepare their lists of products to go into each Annex – and the dates on which they will be triggered. This selection and can be informed by manipulating the IDS datasheets in exactly the same way as described above.

Suppose, for example, that a country wished to defer liberalisation of all items with a tariff at present of over 10% until 2020; would this be a credible negotiating objective? Since the EU has not given any indication of the minimum speed of liberalisation it would be willing to accept, any answer to the question is necessarily speculative. But the IDS methodology

allows countries to calculate what proportion of their trade would be liberalised by 2020 if all items with tariffs over 10% were excluded until that date, and to judge whether or not this is reasonable.

The approach to be adopted is identical to that described above when asking what proportion of trade would need to be excluded from cuts if the highest current tariff on any liberalised item were not to exceed 10% (or 20%). The answer given in the hypothetical example used in Figure 5 is that 38% of imports would be liberalised by 2010. Stakeholders could juggle with several such thresholds to determine ‘first best’ and ‘fallback’ negotiating positions. And they will need to do this not just once but for each of the tranches of liberalisation that they wish to include into the EPA.

Rigorous modelling

Additional information can be introduced to widen the basis of analysis. For example, economic inefficiency from the diversion of imports to EU sources and away from more efficient countries outside the EPA is less likely to occur in the case of products for which Europe is an internationally competitive supplier. A partial equilibrium model which is fairly simple to implement has been developed to allow countries to take this into account (Milner *et al.* 2005). In demonstrating the model the authors make what they accept is an unrealistically simple assumption that all ACP imports are liberalised, but point out that the model can accept more nuanced assumptions. Having identified a small number of preferred strategies using the methodology described in this Handbook, stakeholders can use them to decide on the assumptions to feed into this partial equilibrium model. Data on imports from all sources can be used, for example, to identify the ones in which the EU is currently a major source of supply (suggesting that it is competitive) and those for which it is a minor source (which may be because it is uncompetitive). The scenarios could then be tweaked to include more of the former and fewer of the latter.

At some point the scenarios around which there is the greatest consensus should be subject to rigorous modelling. Essentially it will be necessary to adjust the inputs into the model to reflect as far as possible the trade policy changes that would be required under the preferred scenarios. Models such as GTAP and GSIM can be used for this purpose.

Regional aggregations

In parallel with this national fine-tuning, a start must be made on aggregating the positions of the different ACP states in each region. Such aggregation may involve a combination of:

- (a) countries autonomously selecting *ex ante* the same items for inclusion/exclusion when creating their optimum scenarios;
- (b) countries agreeing *ex post* to alter some of the inclusions/exclusions in their optimum scenarios in order to achieve regional uniformity;
- (c) countries agreeing to maintain some differences in their inclusions/exclusions.

The first step is to determine how many items fall into category (a). This sets the scene for how many will need to be dealt with by methods (b) or (c).

Because IDS is supplying stakeholders with datasheets for only ‘their country’ it is not possible to move straight to this step. Stakeholders in neighbouring countries will need to identify ‘their’ optimum scenarios before these can be compared. But IDS will provide an

analysis in its second Briefing Paper from this project of the extent to which an overlap in countries' initial selections for inclusion/exclusion appear to be likely.

Appendix I. Summary of data availability

Key: = data available (and included in country dataset)
 = data unavailable

ACP member	Imports from EU 2003 ^a	National applied MFN tariff ^b
Angola		
Antigua & Barbuda		
Bahamas		
Barbados		
Belize		
Benin		
Botswana		
Burkina Faso		
Burundi		
Cameroon		
Cape Verde		
Central African Rep.		
Chad		
Comoros		
Congo		
Congo Dem. Rep.		
Cook Is.		
Djibouti		
Dominica		
Dominican Rep.		
Equatorial Guinea		
Eritrea		
Ethiopia		
Fed. Micronesia		
Fiji		
Gabon		
Gambia		
Ghana		
Grenada		
Guinea		
Guinea Bissau		
Guyana		
Haiti		
Côte d'Ivoire		
Jamaica		
Kenya		
Kiribati		
Lesotho		
Liberia		
Madagascar		
Malawi		
Mali		
Marshall Is.		
Mauritania		
Mauritius		
Mozambique		
Namibia		
Nauru		
Niger		
Nigeria		

ACP member	Imports from EU 2003 ^a	National applied MFN tariff ^b
Niue		
Palau		
Papua New Guinea		
Rwanda		
Sao Tome & Principe		
Senegal		
Seychelles		
Sierra Leone		
Solomon Is.		
Somalia		
St Kitts & Nevis		
St Lucia		
St Vincent		
Sudan		
Surinam		
Swaziland		
Tanzania		
Timor Leste		
Togo		
Tonga		
Trinidad & Tobago		
Tuvalu		
Uganda		
Vanuatu		
Western Samoa		
Zambia		
Zimbabwe		

Notes:
(a) Source Eurostat *Intra- and extra-EU trade* (COMEXT) database.
(b) Source UNCTAD *Trade Analysis and Information System* (TRAINS) database.

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