

# Innovative research on preferential trade arrangements in Africa reviewed by Experts

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- Media Centre
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Addis Ababa, 14 October 2020 (ECA) - The African Trade Policy Centre (ATPC) of the United Nations Economic Commission for Africa (ECA) hosted the third of a series of five virtual experts group review meetings on innovative new research on preferential trade arrangements in Africa. The project is in partnership with the Organization of African, Caribbean and Pacific States (OACPS).

The study is the widest in scope, covering all African sub-regions, and providing an overarching framework for the ECA-OACPS project to assess issues related to preference utilization in Africa and identify areas for improvement. The objective was to evaluate the extent to which African businesses are utilizing the trade agreements available to them, with a specific focus on shining light on the challenges African producers face with trading agreements ‘within’ Africa, which is an under-studied area.

This experts group meeting brought together virtually a small group of specially selected experts including academia, the private sector, regional economic communities and international organizations. The objectives of the meeting were to present the main findings and recommendations of the study, discuss feedback and comments from experts and institutions in attendance, and share best practices from those involved in negotiations.

David Luke, Coordinator of the African Trade Policy Centre, emphasised that African producers have no shortage of preferential market access: at least 51 countries outside Africa offer preferential trade arrangements with African countries while within Africa Regional Economic Community (REC) arrangements and soon the African Continental Free Trade Area (AfCFTA) offer preferences for producers. He however noted that Africa’s producers face significant challenges in accessing these preferential market access opportunities, as demonstrated by the “half-utilised” generous preferences of the European Union’s (EU) European Banking Authority (EBA) regime.

John Stuart, the expert consultant who led the preparation of the study, presented the main findings and recommendations of the study. He highlighted three key messages: (a) preference utilisation of preferences within Africa (COMESA, EAC and ECOWAS) is generally quite low, with a positive relationship between utilisation and preference margins; (b) preference utilisation by African countries of preferential trade agreement (PTA) conceded by the EU and the US towards Africa is significant and substantially greater than the current extent of preference utilisation within intra-African trade; and (c) women-represented firms both utilise PTAs less and also find the requirements more

challenging than for other firms. This highlights the need for targeted government policy actions, including e-governance and systems, and training and information dissemination for Africa's private sector operators.

The insightful comments would be incorporated into the study and will be finalised over the next month before being translated into e-training courses for the public and private sector in Africa.

***The study reviewed at this expert group meeting is part of a broader project aimed at contributing to the enhancement of intra-African trade and Africa's share in global trade through inclusive, sustainable and development-friendly trade reforms. Financially supported by the European Union, TradeCom II – ACP Trade Capacity Building Programme, ECA works in partnership with the African Institute for Economic Development and Planning (IDEP), the Trade Policy Training Centre in Africa (trapca) and the Trade Law Centre for Southern Africa (tralac) on capacity building and training workshops. Particular focus will be put on the inclusion of women and youth.***

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